

**MS Reinsurance**

AN MS AMLIN AG COMPANY



# Financial Condition Report 2025

Trusted today, transforming  
for tomorrow.

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# Cautionary Statements

This report may include statements with respect to future events, trends, plans, expectations, or objectives relating to MS Reinsurance's future business, financial condition, results of operations, performance, and strategy. Forward looking statements are not statements of historical fact and may contain the terms, "may," "will," "should," "continue," "aims," "estimates," "projects," "believes," "intends," "expects," "plans," "seeks" or "anticipates" or words that have a similar meaning. No undue reliance should be placed on such statements because, by their nature, they are subject to unknown risks and uncertainties and can be affected by other factors that could cause actual results and plans of MS Reinsurance to differ materially from those expressed or implied in the forward-looking statements (or from past results).

Factors such as, but not limited to, (i) general economic conditions and competitive factors, particularly in key markets, in each case on a local, regional, national and/ or global basis, (ii) the risk of a global economic downturn, (iii) performance of financial markets, (iv) levels of interest rates and currency exchange rates, (v) the frequency, severity, and development of insured claims events, (vi) policy renewal and lapse rates, (vii) changes in laws and regulations and in the policies of regulators, and (viii) increases in loss expenses may all have a direct bearing on the results of the operations of MS Reinsurance and on whether any targets may be achieved. Many of these factors may be more likely to occur or be more pronounced because of catastrophic events.

MS Reinsurance does not undertake or assume any obligation to update or revise any of these forward-looking statements, whether to reflect any new information, future events, or circumstances, or otherwise, except as required by applicable laws and regulations.

# About MS Reinsurance

MS Reinsurance is a global reinsurer domiciled in Switzerland with offices in Zurich, Bermuda, Miami, New York, London and Labuan, providing non-life treaty reinsurance solutions for clients worldwide.

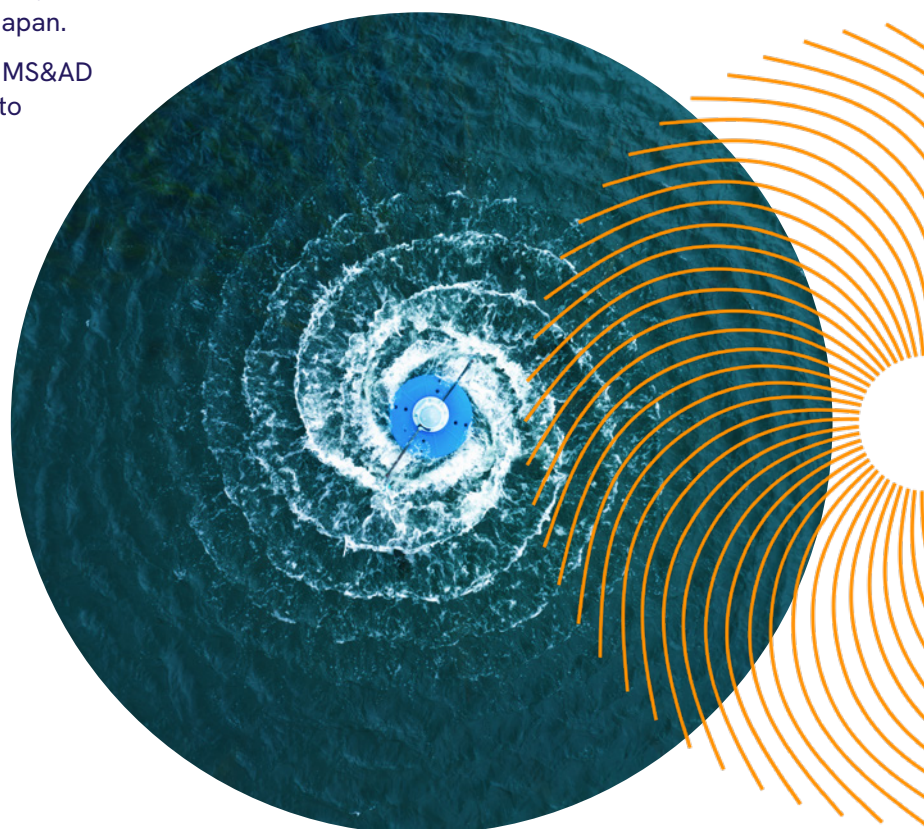
The Company combines reliability and agility to strengthen clients' businesses. With a drive to move quickly and a commitment to long-term partnership, MS Reinsurance supports partners with momentum and stability.



Quick response times, purpose-built processes, and efficient teams streamline the way MS Reinsurance employees work together, and with a bias for action and a deep understanding of clients' needs, MS Reinsurance moves clients forward, faster.

As a wholly owned subsidiary of Mitsui Sumitomo Insurance Company, Limited, MS Reinsurance is part of the industry-leading (re)insurance MS&AD group and forms an important part of the group's international growth strategy. MS&AD operates in 48 countries and regions with approximately 38,000 employees from its headquarters in Tokyo, Japan.

With the financial and diversified strength of MS&AD behind it, MS Reinsurance is well positioned to protect the business of its partners.



**\$375M**

PROFIT AFTER  
TAX, 2025

**\$3,922M**

GROSS WRITTEN  
PREMIUM, 2025

**202%**

SST RATIO, 2026

**95%**

COMBINED RATIO\*,  
2025

\*IFRS Combined Ratio is 87.4% which is shown to align with industry standards. Main differences are within the underlying frameworks.

**A+ (Superior)**

A.M. BEST CO.  
(FINANCIAL STRENGTH RATING)

**A+ (Stable)**

S&P GLOBAL RATINGS  
(FINANCIAL STRENGTH RATING)

# 1

## Executive Summary

This annual Financial Condition Report (FCR) for the year ended 31 December 2025 was prepared for MS Amlin AG, trading under the name MS Reinsurance ('the Company' or 'MS Reinsurance').

MS Reinsurance is a Switzerland-domiciled, global reinsurer, and a wholly owned subsidiary of Mitsui Sumitomo Insurance Company, Limited (MSIJ), a part of MS&AD Insurance Group (MS&AD or the Group). Both MSIJ and MS&AD are registered in Japan. MS Reinsurance is the trading name of MS Amlin AG with no change to its legal name or operational structure.

MS Reinsurance provides non-life treaty reinsurance solutions for clients around the world. The Company maintains a global presence with offices in Bermuda, Miami, New York, Labuan, London and Zurich.



## Basis of preparation

This Financial Condition Report was prepared in compliance with the requirements of Art. 111a and 203a of the Insurance Supervision Ordinance (ISO; SR 961.011) and as further detailed in the Swiss Financial Market Supervisory Authority's (FINMA) "Circular 2016/2: Disclosure – insurers." This FCR is a mandatory public disclosure to meet the regulatory reporting requirements of MS Reinsurance as a Swiss regulated reinsurance entity and for no other purpose and should not be relied upon for any other such purpose.

Financial information included in this report is based on data from "MS Reinsurance's 2026 Swiss Solvency Test's (SST) Market Consistent Balance Sheet" (for balance sheet financial information) and the "2025 Swiss Code of Obligations Annual Report" (for profit or loss information). Both were prepared in accordance with their relevant regulatory or accounting standards. Unless stated otherwise, this report represents the Company's position as of 31 December 2025 only and will not necessarily reflect all changes in MS Reinsurance's operations since that date. All quantitative information in this report is disclosed in USD, MS Reinsurance's presentational currency, unless otherwise specified.

## Business activities

MS Reinsurance has a global underwriting strategy prioritizing long-term client portfolios serving a variety of reinsurance clients managed across three underwriting units:

- International, which provides multi-line solutions for clients in Europe, Middle East and Africa, and the rest of the world;
- Americas, which offers multi-line solutions for clients in North and South America; and
- Specialty Lines, which services clients with unique specialized risks such as financial risks, engineering, and agriculture.

MS Reinsurance's longer-term strategy to reduce volatility in financial results remains unchanged since 2022. The Company continued to manage the overall portfolio during 2025 by controlling its catastrophe exposure relative to other classes of business.

## Corporate governance

The Company is supervised through a two-tier governance structure, in accordance with Swiss legal and regulatory requirements. The Supervisory Board of Directors (Supervisory Board) holds ultimate management authority and non-delegable duties such as strategy and oversight. The Supervisory Board delegates day-to-day management to the Executive Board. Further information on corporate governance is provided in section 4.1.

## Performance

For the year 2025, the Company reported a net profit of USD 375.3 million (2024 net profit: USD 321.7 million) under Swiss Code of Obligations (Swiss CO). Profits were driven by MS Reinsurance strategic objective to build a well-diversified portfolio that generates stable and consistent profits. Further information on performance is provided in section 3.

## Valuation for solvency purposes

MS Reinsurance's SST 2026 Capital Ratio, described in detail in section 7, is 202%, and compares favorably with the minimum FINMA SST solvency requirement of 100%. The market value margin is USD 330.6 million. The target capital is USD 1,459.7 million, and the SST risk bearing capital is USD 2,952.5 million. Please note that SST 2026 is filed with FINMA in April 2026, simultaneously with this document.

As described throughout this document, MS Reinsurance's SST target capital is dominated by insurance risk. Within insurance risk, reserve risk continues to be the main source of risk. Overall reserve volumes have grown during 2025, reflecting a growing volume of long-tail business and overall business growth.

The relevant measure of available "own funds" is the risk bearing capital (RBC) calculated on the SST market consistent balance sheet. MS Reinsurance has net assets under Swiss CO of USD 2,396.5 million compared to USD 3,062.9 million net assets based on SST market consistent balance sheet.

**The adjustments made to move from Swiss CO balance sheet to SST market-consistent balance sheet are set out below:**

In USD millions	SST 2026	SST 2025
Excess of assets over liabilities - Swiss CO annual report (*)	2,396.5	2,021.3
Investment fair value adjustments	105.5	105.1
Technical and non-technical provision adjustments	891.5	771.9
Market value margin	(330.6)	(196.0)
<b>Excess of assets over liabilities - SST market-consistent balance</b>	<b>3,062.9</b>	<b>2,702.3</b>
Intangible assets	(10.4)	(15.4)
Anticipated dividends	(100.0)	-
<b>SST risk bearing capital</b>	<b>2,952.5</b>	<b>2,686.9</b>

(\*) Based on MS Reinsurance's Swiss CO financial statements for 2025 and 2024.

## Approval of the Financial Condition Report

This report was reviewed and approved, and its disclosure pursuant to FINMA's "Circular 2016/2: Disclosure - insurers" signed off, by the Supervisory Board of MS Reinsurance on 23 April 2026.

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# Business Activities



## 2.1. MS Reinsurance's business activities and Group role

MS Reinsurance provides global, multi-line treaty reinsurance solutions to clients worldwide through three core underwriting units as described in section 1.

As a wholly owned subsidiary of Mitsui Sumitomo Insurance Company, Limited, MS Reinsurance is part of the industry-leading (re)insurance MS&AD group and forms an important part of the group's international growth and diversification strategy.

## 2.2. Strategy, objectives and future prospects

The Company's strategic focus is to manage the inherent volatility of the business it assumes by constructing a well-balanced and diversified portfolio of appropriately priced risks. To achieve this, the Company partners with its clients on a portfolio basis, assuming risk across multiple classes of business, rather than on a single risk basis.

To execute on this strategy, the Company continues to undertake a client-centric approach built on a three-pronged value proposition:

### Deep client understanding

We know our clients, understand their needs, and will work to provide solutions. We use market expertise and timely access to information and data needed to know our clients' markets and portfolios well.

### Ease of business

We have an efficient platform and empowered underwriters with demonstrated expertise enabling fast, reliable decision-making.

### Competitive pricing

We deliver competitive pricing underpinned by a cost-efficient platform.

This strategic direction allows MS Reinsurance to deliver a differentiated experience for its clients, increase access to diversified risk, and attract and invest in top talent. Part of this change is a comprehensive transformation into a state-of-the-art efficient platform, taking every aspect of the business into consideration. Several of the transformation workstreams were completed during 2023 and 2024, and the overall transformation program was completed during 2025.

Clients continue to react positively to MS Reinsurance's approach. The strategy, combined with a positive market environment, has produced robust profits again in 2025.

To support its business goals, MS Reinsurance is committed to developing a dynamic and inspiring culture that engages existing employees and attracts new, top-tier talent. Significant progress was made and can be measured in two ways: (1) the quality of the workforce and (2) feedback from an annual employee engagement survey. Both measures demonstrate positive progress on the most important elements of success: MS Reinsurance's corporate values (Collaborative, Empowering, Progressive, Responsible) and culture.

A crucial component of the Company's strategy remains the close relationship with its shareholder, MSIJ, which is fully committed to the strategy and allows flexible execution of the Company's plans. MSIJ strongly supports MS Reinsurance's corporate development journey.

## 2.3. External auditors

The external auditors are KPMG AG (KPMG). KPMG's address is:

KPMG AG  
Badenerstrasse 172  
CH-8036 Zurich  
Switzerland

KPMG assumes all auditing functions, which are required by law and by the Company's Articles of Incorporation. The external auditors are appointed by the shareholder of MS Reinsurance annually. At the MS Reinsurance Annual General Meeting on 25 April 2025, KPMG was re-elected by the shareholder of MS Reinsurance.

Refer to Appendix 3 for KPMG's audit report relating to the Company's 2025 Swiss Code of Obligation annual report.

## 2.4. Significant unusual events

There are no significant unusual events to note.

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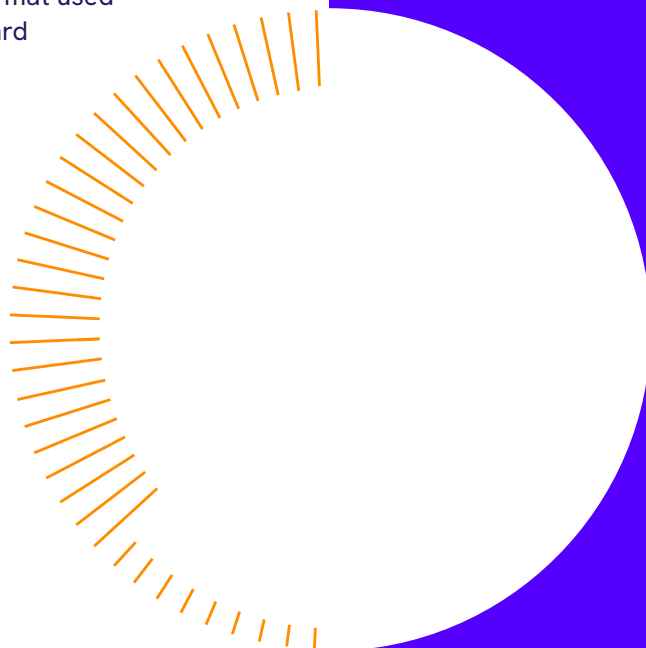
## Performance

The following sections summarize information about MS Reinsurance's income statement, including underwriting and financial performance.

Please note that the income statement as disclosed in Appendix 1, and in the following sections, is based on MS Reinsurance's Swiss CO annual report for the year ended 31 December 2025.

MS Reinsurance's Swiss CO investment valuation basis represents fair value for most investments. For specific investment types, i.e., property funds and government bonds, Swiss CO valuation represents lower of cost or market value/amortized cost value. The Swiss CO valuation adjustments mainly reflect unrealized gains for these investments. Please refer to the Swiss CO annual report for full accounting policies (see Appendix 3).

To note: the Swiss CO Annual Report is re-mapped to the FCR format, which follows the "FINMA Insurance Supervision Guidance" (ISO-FINMA). The format used for the income statement is the FCR Standard Template translated into English and is disclosed in Appendix 1.



### 3.1. Underwriting performance

Gross written premium (GWP) continued to increase during 2025. This growth was attributable in segments where market conditions remained favorable and in areas that successfully aligned the strategic approach for diversification and increased profitability. Portfolio weighting remained broadly stable with a slight increase in US Casualty business offset by reductions in Financial Risks. Net of reinsurance and on an earned basis, premium levels increased relative to the prior year, reflecting the GWP growth and the earned impact of the continuing shift towards longer-tail business within the portfolio.

The 2025 underwriting result improved relative to 2024 as a result of favorable experience across Property, Agriculture and Engineering lines, which more than offset the reserves strengthening noted in Financial Risks, Cyber and Casualty lines.

The table below shows the main components of MS Reinsurance's technical result. For further details, refer to Appendix 1, which includes the income statement split by classes of business as per FINMA's reporting requirements.

In USD millions	2025	2024
Gross premium written	3,921.8	3,627.4
Net premiums written	3,644.3	3,404.5
Net premiums earned	3,389.6	2,845.2
Other insurance income	1.4	2.6
<b>Total technical income</b>	<b>3,391.0</b>	<b>2,847.8</b>
Net claims and claim expenses incurred	(2,144.3)	(1,828.7)
Net acquisition costs and administrative expenses	(1,067.1)	(873.5)
<b>Total technical result</b>	<b>179.5</b>	<b>145.6</b>
<b>Net Claims ratio</b>	<b>63%</b>	<b>64%</b>
<b>Expense ratio</b>	<b>31%</b>	<b>31%</b>
<b>Combined ratio</b>	<b>95%</b>	<b>95%</b>

## 3.2. Investment performance

Swiss CO investments include (i) Fixed-interest securities which consist of government bonds, (ii) Shares which represent the Company's investment in the preferred shares of Viribus Re Ltd. and Envelop Risk (Bermuda) Ltd. and (iii) Other investments which mainly consist of bond and equity funds within Toro Prism Trust, money market funds, and property funds. Most investments (except for property funds and government bonds) are recorded at market value. Property funds are recorded at the lower of cost or market value and government bonds are recorded at amortized cost. Net income from investments was USD 316.2 million. Overall return on investments increased compared to prior year driven by a constructive market environment. Positive returns were mainly noted in Absolute Return Bonds and Liquid assets.

The table below shows the main components of MS Reinsurance's net investment return by asset class.

To note: the numbers shown in the table reflect investment income by asset category, as presented in MS Reinsurance's Swiss CO annual report (see Appendix 3).

### Income from investments

In USD millions	Income		Net unrealized gains		Net realized gains		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Fixed-interest securities	29.4	26.4	17.3	-	1.8	11.1	48.5	37.5
Shares	-	-	1.0	1.0	-	-	1.0	1.0
Other investments	109.0	126.8	613.6	89.6	268.3	409.7	990.9	626.1
<b>Total</b>	<b>138.4</b>	<b>153.2</b>	<b>631.9</b>	<b>90.6</b>	<b>270.1</b>	<b>420.8</b>	<b>1,040.4</b>	<b>664.6</b>

### Expenses from investments

In USD millions	Expense		Net unrealized losses		Net realized losses		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Fixed-interest securities	3.6	10.3	12.4	3.8	-	3.1	16.0	17.2
Shares	-	-	-	0.2	-	-	-	0.2
Other investments	1.5	0.7	494.9	101.8	211.8	352.1	708.2	454.6
<b>Total</b>	<b>5.1</b>	<b>11.0</b>	<b>507.3</b>	<b>105.8</b>	<b>211.8</b>	<b>355.2</b>	<b>724.2</b>	<b>472.0</b>

### Net investment result

In USD millions	Net income		Net unrealized gains/(losses)		Net realized gains/(losses)		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Fixed-interest securities	25.8	16.1	4.9	(3.8)	1.8	8.0	32.5	20.3
Shares	-	-	1.0	0.8	-	-	1.0	0.8
Other investments	107.5	126.1	118.7	(12.2)	56.5	57.6	282.7	171.5
<b>Total</b>	<b>133.3</b>	<b>142.2</b>	<b>124.6</b>	<b>(15.2)</b>	<b>58.3</b>	<b>65.6</b>	<b>316.2</b>	<b>192.6</b>

### 3.3. Profits and losses recognized directly in equity

There are no profits and losses recognized directly in equity. These items are shown directly in the income statement for Swiss CO reporting purposes.

### 3.4. Other material income and expenses

‘Other financial expenses’ include letter of credit commission fees. ‘Other income/expenses’ include foreign exchange revaluation gains and losses. The increase in unrealized FX losses during the year was due to weakening of USD against most other currencies.

The table below shows the main components of MS Reinsurance’s other income and expenses. For further details, refer to Appendix 1.

In USD millions	2025	2024
Other financial expenses	(4.2)	(4.2)
Other income	3.3	3.6
Other expenses	(86.6)	(2.3)
<b>Total other income and expenses</b>	<b>(87.5)</b>	<b>(2.9)</b>

# 4

## Corporate Governance and Risk Management



## 4.1. Overview of corporate governance

### 4.1.1. Corporate governance framework

MS Reinsurance's governance framework is based on the underlying principles of accountability, transparency, integrity, and a focus on the sustainable success of the Company over the long term.

**The governance framework at MS Reinsurance ensures:**

1. sufficient review and challenge of decision-making processes;
2. the responsibilities and interests of all stakeholders are appropriately considered; and
3. appropriate reporting, of both frequency and content, to enable the Executive Board and Supervisory Boards to exercise adequate oversight over business activities.

### 4.1.2. MS Reinsurance's corporate governance system

The Company is supervised and managed through a two-tier governance structure in accordance with Swiss legal and regulatory requirements. The Supervisory Board holds ultimate management authority and non-delegable duties such as strategy and oversight. The Supervisory Board delegates day-to-day management to the Executive Board.

The Supervisory Board consists of non-executive directors, of which at least one-third are independent of the Company. In line with Swiss regulatory requirements, the Supervisory Board sets up committees for specific purposes from among its members. For the calendar year 2025, these committees comprised:

- the Audit Committee;
- the Risk Committee;
- the Underwriting Committee; and
- the Remuneration and Nomination Committee.

The Executive Board is the Company's managing body and consists of the CEO and other senior officers of the Company. The Executive Board may form committees for specific purposes. For the calendar year 2025, these committees comprised: the Reserving Committee and the Asset & Liability Management/Investment Committee. Appointments to the Executive Board are at the discretion of the Supervisory Board.

MS Reinsurance's corporate governance framework is guided by regulatory requirements and best practices. Key elements include mandatory representation of independent non-executive directors, terms of reference establishing the roles and responsibilities of MS Reinsurance's corporate bodies, processes for the identification and management of conflicts of interest, and separation of management and board oversight.

### 4.1.3. Board membership

The following non-executive members comprised the Supervisory Board of Directors as of 31 December 2025:

Martin Albers ..... Chairman (independent)  
Hironori Morimoto ..... Director  
Yasuko Fukuda ..... Director  
Masato Tomihari ..... Director  
Frank Ellenbürger ..... Director (independent)  
Stephan Knipper ..... Director (independent)  
Katja Pluto ..... Director (independent)

#### Changes in 2025:

- Norihiro Tanaka stepped down as member of the Supervisory Board as of 25 April 2025.
- Masato Tomihari was appointed as member of the Supervisory Board as of 25 April 2025.

The following members comprised the Executive Board of Directors as of 31 December 2025:

Robert Wiest ..... Chief Executive Officer  
Charles Goldie ..... Chief Underwriting Officer  
Gregoire Mauchamp ..... Chief Risk Officer  
Francesco Rizzo ..... Chief Financial Officer

#### Changes in 2025:

- No changes to the Executive Board occurred during 2025.

## 4.2. Overview of risk management

### 4.2.1. Risk management strategy

The Supervisory Board sets forth the responsibilities and principles pertaining to the Company's risk management (risk strategy, controlling and management) in the Risk Management Policy. The Risk Management Policy outlines the overarching ultimate risk tolerance, expressed in terms of solvency, rating, liquidity, and statutory capital. It further provides transparency and defines ownership and responsibilities throughout the risk management process and promotes a risk aware culture across the organization.

MS Reinsurance aligns business strategy, capital management and enterprise risk management with the objective of achieving long-term sustainable outcomes for the shareholder. This approach allows the business to optimize its return on risk, subject to the limitations over acceptable risk taking.

### 4.2.2. Risk management framework and processes

MS Reinsurance operates within a clearly defined risk policy and risk control framework comprising the following major elements:

- the Risk Management Policy outlines risk management governance and organization, key risk management principles and processes, Risk Appetite Framework, escalations processes, and risk categorization;
- the Risk Appetite Framework ensures the appropriate balance between risk taking, capital adequacy, and return; it forms part of the annual planning process and includes the setting of risk limits and an escalation process in case of breaches; and
- the Operational Risk Policy defines the internal control mechanisms that ensure effective management of operational risks.

### Risk appetite, tolerances, and limits

The Company's risk strategy starts with the Risk Tolerance, which denotes the target level for various solvency and liquidity measures. The next step is the Risk Appetite, which is implemented by means of Strategic Limits for the most risk-intensive areas of the business. The limits applicable to Insurance risk are based on measures obtained from MS Reinsurance's Internal Model used for the Swiss Solvency Test. The limits applicable to Market and Credit risks mainly relate to the Strategic Asset Allocation and Investment Guidelines, but a Strategic market risk limit is also calibrated based on a Value at Risk of Market risk distribution. Both the Risk Tolerance and Risk Appetite are owned by the Supervisory Board.

The risk tolerance describes the extent to which the Supervisory Board has authorized executive management to assume risk. It represents the amount of risk that the Company is willing to accept within the constraints imposed by solvency and liquidity requirements, and the regulatory and ratings agency environment in which it operates.

Risk limits for material risk exposures are implemented to provide reasonable assurance that the approved risk tolerance will not be breached. They help to ensure that actual risk-taking remains within the approved business plan and risk appetite with clear escalation processes in cases where the business sees growth opportunities and makes specific requests to increase limits.

The Executive Board has set up a framework to manage the various sources of risk, which comprises Policies, Standards and Guidelines as well as Operating limits, that give sufficient flexibility to react to changes in the business environment, but also ensure that the Strategic limits are not breached and that the Risk Tolerance criteria are met. Policies are approved by the Supervisory Board. Standards and Operating limits are approved by the Executive Board.

The status of the current risk profile versus tolerance and limits is reported quarterly to the Risk Committee.

## Risk categorization

The Company adopts a common risk categorization designed to ensure a structured and uniform approach toward risks.

**The table below provides high-level definitions of key risk categories:**

Risk Category	Definition
Insurance Risk	Defined as the risk associated with the performance of the underwriting portfolio caused by inadequate pricing and/or unexpected claims frequency as well as systematic changes in the nature of claims. Unexpected losses on the current underwriting year are reflected in premium risk (split by Catastrophe and Non-Catastrophe), and unexpected losses on prior underwriting years are reflected in reserve risk.
Market Risk	Represents potential economic impacts due to the performance and structure of the investment portfolio. It comprises interest rate, equity, currency, real estate, and commodity risks.
Liquidity Risk	Reflects the risk of being unable to promptly meet funding obligations.
Credit Risk	Represents the risk of various counterparties (e.g., banks, cedants, brokers, reinsurers, group companies, etc.) failing to meet obligations owed to the Company. Price fluctuation of corporate bonds and similar as a consequence of varying credit spread also forms part of credit risk.
Operational Risk	Represents the potential economic, financial reporting, reputational, or compliance impact resulting from inadequate or failed internal processes, people, and systems or from external causes. It includes legal and compliance risks as well as the risk of material misstatement in MS Reinsurance's financial reports but excludes strategic and emerging risks.
Strategic Risk	Reflects the risk of the Company failing to meet its strategic goals and business plans due to poor decision making and execution of the strategy and business plan.
Emerging Risks	Newly developing or changing risks that are difficult to quantify and whose potential impact on the Company is not yet sufficiently known and addressed. Drivers include demographic, economic, technological, socio-political, regulatory, and environmental developments.

## Risk assessment

**Risk identification, assessment, and reporting are performed at various levels as follows:**

- modeling the various elements of Insurance and Market Risks in the Internal Model;
- internal exposure controls for Natural Catastrophe and other Insurance Risks;
- monitoring the levels of risk in all risk categories and comparing risks against the Operating Limits; for Insurance, Market, Credit, and Liquidity risks, the status of 'actual' versus 'tolerance' and/or 'risk limits' is reported quarterly to the Risk Committee with 'strategic limit' breaches escalated up to the Supervisory Board; and
- the ORSA process, which includes a comprehensive review of the Company's risk profile of both modeled and non-modeled risk exposures as well as evaluation of the risk profile over a three-year period.

## Risk events reporting

Operational risk events are identified and reported by the business to the risk function. The objective of reporting events is to enhance transparency of operational mishaps, errors, or omissions to learn lessons and prevent operational events from reoccurring.

## Capital and solvency management

The Company has a FINMA approved Internal Model for all insurance risks, including natural catastrophe and reinsurance credit risk. Market risk, investment credit risk, and the aggregation of insurance, market, and credit risk are modeled with FINMA's standard model. The Swiss Solvency Target Capital is the 1-in-100 years TVaR from the profit and loss distribution generated over one calendar year.

The Internal Model allows for detailed line of business level modeling of risks and application of retrocession. Therefore, MS Reinsurance's Internal Model forms the foundation of quantitative risk management beyond the Swiss Solvency Test. It is also an integral part of business planning and the ORSA process. It is used for setting the Strategic Limits and monitoring adherence to the Risk Tolerance. It produces various measures that are considered when setting targets and limits, buying retrocession, and, where relevant, for other business decisions.

## Stress and scenario testing

Stress and scenario tests form part of the suite of tools that the Company uses in its risk management process. The Company conducts stress and scenario testing to understand how sensitive its risk profile is to changes in specific factors as well as to understand the solvency position under extreme conditions. The reverse stress tests also consider risks that may render the business model unviable, identifying potential business vulnerabilities.

The Supervisory Board considers and selects suitable stress and scenario tests to be conducted as part of annual business planning and the Own Risk and Solvency Assessment (ORSA) process.

## Own risk solvency assessment (ORSA)

As part of the risk management system, the Company conducts, at least annually, an ORSA considering the Company's risk profile, business strategy, and related capital requirements. The ORSA is fully embedded into the overall Risk Management Framework and is aligned to the capital strategy and business planning processes.

## Internal control framework

The internal control environment is an integral part of the Company's overall risk management framework and is designed to:

- promote an effective monitoring and control framework that facilitates the achievement of business objectives;
- protect Company resources against mismanagement or fraud;
- ensure that business activities are compliant with applicable laws and regulations; and
- develop consistent financial data and managerial data and present these in a timely manner.

The effectiveness of the internal control framework is assessed by the respective business functions on a quarterly basis as part of the Risk and Control Self-Assessment (RCSA) process, from a design and an operating perspective.

The internal control framework is also designed to meet the Japanese Financial Services Agency requirements and standards for Internal Control over Financial Reporting, commonly termed “J-SOX.” MS Reinsurance is in-scope for these requirements as a subsidiary of MSIJ.

### 4.2.3. Risk governance

The respective tasks and duties of the key risk governance bodies are outlined in the Supervisory Board’s regulations and in the terms of reference of the individual governance bodies, as listed below:

- Supervisory Board;
- Risk Committee of the Supervisory Board; and
- Executive Board.

The Supervisory Board is the ultimate ‘risk owner’ and delegates the management of the Company to the Executive Board, including the management of risks on a day-to-day basis.

The Supervisory Board also delegates certain risk and control oversight responsibilities to the Risk Committee.

The Risk Committee meets quarterly. Periodically, during these committee meetings, subject matter experts from across the business attend to report on specific topics.

### ‘Three lines of defense’ model

In line with the principle of independent risk control, MS Reinsurance organizes risk controlling along three lines of defense, with progressive level of independence:

- The first line of defense is held by the business and corporate functions. Their main responsibilities in the context of risk control are to pro-actively identify risks, and establish and operate an effective control system.
- The second line of defense consists of Risk Management and Compliance, who perform independent risk oversight, ultimately reporting to the MS Reinsurance CEO. Compliance provides assurance that the Company operates with integrity and adheres to applicable laws, regulations, standards and internal policies, primarily in relation to compliance risks. It advises the Executive Board and Supervisory Board on the effectiveness of the compliance framework operated within MS Reinsurance.
- The third line of defense is assumed by Internal Audit, whose responsibility is to provide independent assurance to the Supervisory Board that major risks are appropriately identified and managed, and controls operated by the first and second line are working effectively. Internal Audit is outsourced to MSIG Corporate Services (Europe) Limited, an intra-group affiliate, and reports to the Audit Committee.

### 4.3. Outsourcing policy

MS Reinsurance has an outsourcing policy that sets out how the Company manages its outsourcing arrangements. Outsourcing services may be provided by independent third-party providers as well as by other companies within the Group (intra-group outsourcing).

**The Company outsources material operations if:**

- it can deliver a better outcome or service using specialist external expertise;
- it is economically justified;
- the operational risks arising from the outsourcing do not exceed the risk limits; and
- the supervisory authorities' ability to monitor the Company is not impaired.

The Company monitors and manages its outsourcing arrangements on an ongoing basis to ensure the quality and efficiency of the outsourced services and functions.

# 5

# Valuation



## 5.1. Market consistent asset valuation for solvency purposes

### 5.1.1. Value of assets broken down by asset class

The market-consistent balance sheet is disclosed in the FCR Standard Template in Appendix 1. To note: the SST 2026 is filed with FINMA per 30 April 2026 simultaneously with this document.

The market consistent value of investments of MS Reinsurance amounted to USD 6,826.5 million as of 31 December 2025. Based on FCR Standard Template, investments include Other investments (USD 6,098.9 million) which consists of investment funds for mainly equity securities, fixed income securities, and money market; Fixed-income securities (USD 720.3 million); Shares (USD 5.9 million) and Participations (USD 1.5 million).

The market consistent value of other assets of MS Reinsurance amounted to USD 3,817.9 million as of 31 December 2025. These consist of receivables from insurance business, share of technical provisions from reinsurance and cash and cash equivalents.

### 5.1.2. Description of basis and methods used for valuation

The starting point for the FCR balance sheet is the SST, which captures the market consistent value of assets. SST figures are remapped to the FCR Standard Template (Appendix 1).

The market consistent SST valuation method on investments is based on fair values as determined by the IFRS accounting standards. The financial data used in preparing the FCR balance sheet originates from MS Reinsurance's financial reporting system as of 31 December 2025.

### 5.1.3. Discrepancies between asset valuation for solvency and annual report

The valuation discrepancy between MS Reinsurance's FCR (i.e., SST) and annual report (i.e., Swiss CO) is due to investment fair value adjustments, which amounted to USD 105.5 million as of 31 December 2025. These adjustments are based on market values and reconcile to the IFRS values. The valuation adjustments are calculated on a security-by-security basis.

MS Reinsurance's Swiss CO investment valuation basis represents fair value for most investments. Property funds are recorded at the lower of cost or market value and government bonds are recorded at amortized cost. For FCR reporting purposes these investment types are adjusted to fair values.

## **5.2. Market consistent valuation of provisions for insurance obligations for solvency purposes**

### **5.2.1. Gross and net value of the provisions for insurance obligations**

For FCR reporting purposes, the best estimate of provisions for insurance liabilities (gross) amounted to USD 6,660.1 million, which includes earned loss reserves (USD 4,856.5 million) and unearned premium reserves (UPR) (1,803.5 million) as of 31 December 2025.

Reinsurers' share of best estimate of provisions for insurance liabilities amounted to USD 455.0 million, consisting of earned loss reserves (USD 396.6 million) and UPR (USD 58.3 million).

### **5.2.2. Description of basis, methods, and key assumptions used in the valuation for insurance obligations**

MS Reinsurance's (gross and net) reserves are discounted to reflect best estimate values required in a market consistent view. The discounting adjustment is calculated using various actuarial assumptions, including those on payment patterns, and the FINMA yield curves.

### **5.2.3. Discrepancies between valuation for solvency and annual report for insurance obligations**

We summarized valuation discrepancies between MS Reinsurance's FCR (i.e., SST) and annual report (i.e., Swiss CO) as follows:

- Reserve discounting adjustment: Under Swiss CO, loss reserves are on an undiscounted basis, whereas the market consistent view is on a discounted best estimate basis. Therefore, a discounting adjustment on earned and unearned loss reserves (including inward business as well as ceded reserves) based on actuarial assumptions was applied. The net discounting effect is USD 891.5 million, which represents a net decrease to earned and unearned loss reserves.

## **5.3. Information on the market value margin (MVM)**

### **5.3.1. Value of the market value margin**

The market value margin (MVM) is calculated to reach a market-consistent valuation for the insurance liabilities (reserves). Based on the assumptions in the next section, the MVM is calculated at a value of USD 330.6 million. Note that the MVM is included in the balance sheet liabilities within the FINMA SST template.

### **5.3.2. Description of basis, methods, and key assumptions used in the valuation**

The MVM represents the cost of capital provision an entity requires to fulfill its insurance obligations to finance its risk-bearing capital to the extent required by regulation. The MVM is calculated based on the standard model provided by FINMA.

## **5.4. Market consistent valuation of other liabilities**

### **5.4.1. Value of provisions for other liabilities**

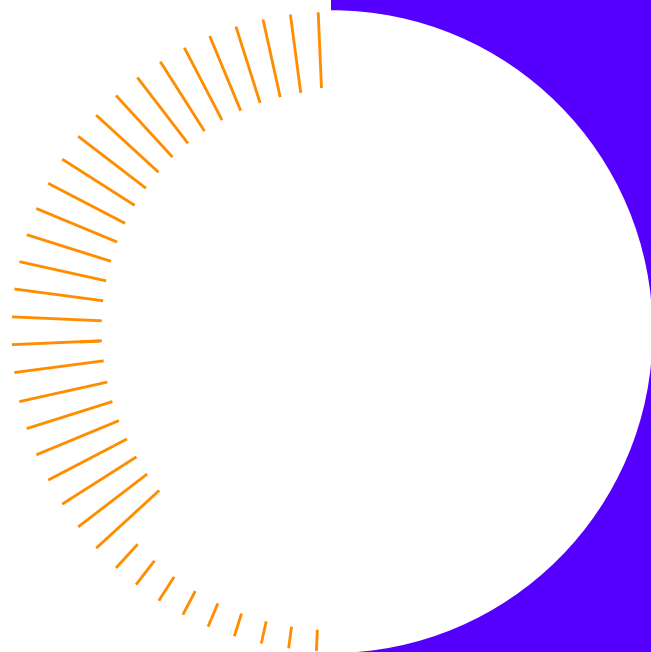
Out of the total USD 7,581.6 million liabilities, USD 6,660.1 million are technical provisions including UPR. The remainder of liabilities include liabilities from insurance business (USD 433.9 million), market value margin (USD 330.6 million), non-technical provisions (USD 72.0 million), liabilities from derivative financial instruments (USD 10.5 million) and other liabilities (USD 74.4 million).

### **5.4.2. Description of basis, methods, and key assumptions used in the valuation of other liabilities**

MS Reinsurance's other liabilities in a market consistent view are valued in-line with Swiss CO.

6

# Capital Management



## 6.1. Goals, strategy, and time horizon for capital planning

With respect to its capital philosophy, MS Reinsurance seeks to maintain sufficient capital to comfortably meet its regulatory capital requirements, maintain a strong credit rating, ensure cedants are sufficiently protected, and to fulfill its ongoing business objectives. In line with its capital philosophy, the Executive Board and the Risk Committee of the Supervisory Board regularly monitor the capital position.

The Company calculates its regulatory capital requirement for the SST with the same model that is used internally for risk quantification, risk management and business planning.

### Swiss solvency test capital requirement

This is a regulatory capital requirement measure that is based on the calculation of capital requirements to operate on a one-year basis. It is calculated to cover the risks that could materialize based on the execution of the one-year business plan that runs from 1 January to 31 December of the same calendar year.

Through the annual business planning cycle and forward-looking plans, MS Reinsurance considers capital management requirements to ensure any business growth is supported by an adequate amount of capital.

### Dividend policy

As a principle, MS Reinsurance will pay potential dividends out of the current year's statutory profits. The timing, manner and amount are decided considering the Company's future strategy for the businesses, subject to regulatory considerations, and with the final approval at the Annual General Meeting.

### Available funds to meet capital requirement

The relevant measure of available own funds is the RBC calculated on the SST market consistent balance sheet.

MS Reinsurance has net assets under Swiss CO of USD 2,396.5 million as compared to USD 3,062.9 million net assets based on SST market consistent balance sheet. The adjustments made to transition from Swiss CO balance sheet to SST market consistent balance sheet are set out below:

In USD millions	SST 2026	SST 2025
Excess of assets over liabilities - Swiss CO annual report (*)	2,396.5	2,021.3
Investment fair value adjustments	105.5	105.1
Technical and non-technical provision adjustments	891.5	771.9
Market value margin	(330.6)	(196.0)
<b>Excess of assets over liabilities</b>	<b>3,062.9</b>	<b>2,702.3</b>
Intangible assets	(10.4)	(15.4)
Anticipated dividends	(100.0)	-
<b>SST risk bearing capital</b>	<b>2,952.5</b>	<b>2,686.9</b>

(\*) Based on MS Reinsurance's Swiss CO financial statements for 2025 and 2024.

For further details regarding valuation discrepancies please refer to section 5.1.3.

## Capital composition

MS Reinsurance ensures that it continuously maintains RBC of a suitable quality and permanence to meet the admissibility requirements of the SST.

## Contingency plans

MS Reinsurance benefits from a parental guarantee and the capacity to draw on a substantial capital base from a financially sound shareholder. The specific response to any capital shortfall will depend on the circumstances giving rise to it.

In the case of an extreme event that threatens MS Reinsurance's capital adequacy, the Company will take actions in line with the Company's capital management policy considering a number of potential actions, including reducing its capital needs by altering areas of its business plans or seeking to raise capital to support the current business plan and future strategy. Any proposals to change the business plan or raise additional capital require approval by the Supervisory Board and/or the shareholder.

The timelines and potential limitations of raising capital depend on the context of the event that necessitates activating the contingency plan.

## 6.2. Structure, level, and quality of the equity capital reported in the annual report

For details regarding structure, level, and quality of the equity capital, refer to MS Reinsurance's Swiss CO annual report (Appendix 3).

# 7

## Solvency



## 7.1. The development of the SST ratio

The Company's SST 2026 capital ratio described in this report is 202%, which compares favorably with the minimum FINMA SST solvency requirement of 100%, and it is within the Company's defined SST capitalization range of 180 - 220%. The SST target capital is USD 1,460.0 million, and the SST RBC is USD 2,952.5 million.

The table below shows the development of the SST 2026 capital ratio since the last published SST 2025.

The reduction of the SST capital ratio to 202% was driven by an increase of target capital of USD 223.4 million compared to an increase of RBC of USD 265.6 million. The MVM increased as well from USD 196.0 million to USD 330.6 million, partially driven by a change of the MVM calculation methodology introduced by FINMA (see section 7.2.8).

### Solvency and capital position (USD millions)

	2026	2025	Change
Target Capital	1,460.0	1,236.6	223.4
Risk Bearing Capital (*)	2,952.5	2,686.9	265.6
<b>SST Capital Ratio (RBC/Target Capital)</b>	<b>202%</b>	<b>217%</b>	<b>-15%pt</b>

(\*) Based on MS Reinsurance's Swiss CO financial statements for 2025 and 2024.

The increase in the target capital during 2025 reflects the further growth of the Company. This impacts all risk categories. Business is expected to grow further in the underwriting year 2026 compared to 2025, but with a softening reinsurance market, loss ratios are expected to be slightly higher, partially offsetting the impact of additional expected profit on the target capital. RBC increased during 2025 due to positive results for the financial year 2025.

With the current SST capital ratio, the Company's capital position remains strong and within its target range. An expected dividend of USD 100 million will be paid from the 2025 financial year result.

## 7.2. Target capital developments

### 7.2.1. Summary of the main changes in the target capital since SST 2025

The table below shows the overall result of the SST quantitative model, combining all the components discussed in previous sections.

	2026	2025	Change
<b>Insurance Risk (standalone)</b>	<b>1,834.1</b>	<b>1,557.2</b>	<b>276.9</b>
Reserving Risk (standalone)	1,395.6	1,260.7	134.9
Premium Risk (standalone)	838.7	665.9	172.8
RI Credit & ILS Risk (standalone)	61.8	59.0	2.8
<b>Market Risk (standalone)</b>	<b>473.7</b>	<b>344.5</b>	<b>129.2</b>
<b>Investment Credit Risk (standalone)</b>	<b>295.8</b>	<b>241.2</b>	<b>54.7</b>
<b>Diversification</b>	<b>(602.7)</b>	<b>(467.2)</b>	<b>(135.5)</b>
<b>Expected Insurance Result</b>	<b>(499.1)</b>	<b>(458.5)</b>	<b>(40.6)</b>
<b>Expected Investment Result (above risk free)</b>	<b>(38.3)</b>	<b>(30.8)</b>	<b>(7.5)</b>
<b>Impact of Scenarios</b>	<b>78.6</b>	<b>50.2</b>	<b>28.4</b>
<b>Effect of Capital Cost Reserve on Target Capital</b>	<b>(82.1)</b>	<b>-</b>	<b>(82.1)</b>
<b>SST Target Capital</b>	<b>1,460.0</b>	<b>1,236.6</b>	<b>223.4</b>
<b>SST Risk Bearing Capital</b>	<b>2,952.5</b>	<b>2,686.9</b>	<b>265.6</b>
<b>Market Value Margin (incl. in the RBC)</b>	<b>330.6</b>	<b>196.0</b>	<b>134.6</b>
<b>SST Capital Ratio</b>	<b>202%</b>	<b>217%</b>	<b>-15%pt</b>

All values derived from distributions are 1% TVaRs. All distributions are relative to expected results, except for the Scenarios distribution.

MS Reinsurance's risk profile and risk capital remain dominated by insurance risk. Reserve risk grew by USD 134.9 million, reflecting increased reserve volumes following growth in long-tail lines. As in the past few years, reserve risk continues to be the largest risk component.

Premium risk increased by USD 172.8 million, with further growth in business volume, partially driven by a weakening USD.

Market risk increased by USD 129.2 million with an increase in spread, exchange rate and private equity risk, driven by larger net exposures to underlying investments.

Credit risk (excluding RI credit risk) increased by USD 54.7 million with overall increased funds in the asset allocation.

The expected insurance result increased by USD 40.6 million, driven predominantly by business growth with loss ratios deteriorating slightly year on year. Operating expenses increased compared to 2025, partially offsetting the increase in result. Investment income is assumed to increase by USD 7.5 million based on FINMA's Standard Model approach.

The MVM increased by USD 134.6 million due to a change in methodology in FINMA's Standard Model (introduction of the Effect of Capital Cost Reserve on Target Capital) and alongside the growing reserve volume.

The following sections provide more detail on the changes by risk category.

## 7.2.2. Insurance risk profile and changes in risk capital

### Premium risk

Premium risk relates to unexpected losses on the current underwriting year that can be caused by inadequate pricing, inappropriate terms and conditions, unexpected claims frequency or severity, or catastrophe losses from large natural or other events such as earthquake, hurricane, or terrorism threats. MS Reinsurance has a risk-seeking attitude to premium risk and accepts that there will be claims arising from all areas of its insurance risk profile. The appetite for risk is governed by the amount of business that meets the Company's pricing requirements as well as the capacity determined by the available capital base and outwards reinsurance arrangements.

#### The scale of risk concentration is identified through two core methodologies:

- **Stochastic Modeling.** The Company utilizes exposure data to feed its Internal Model that aggregates the risk concentration, taking account of inherent exposure and the benefit of the associated mitigation strategies. Modeling takes place on a single Occurrence Exceedance Probability basis as well as at an Aggregated Exceedance Probability basis.
- **Realistic Disaster Scenarios (RDSs).** Specific event scenarios are run and monitored quarterly. The RDSs cover both modeled and non-modeled classes as well as natural and man-made perils, also considering single occurrence and multi occurrence events.

#### Premium risk concentration is derived from:

- natural perils such as windstorm or earthquake;
- large losses from man-made events such as terrorism, cyber or financial risk events driven by economic crisis; and
- casualty accumulation risks driven by exposure to economic, social, and legislative changes.

## Changes over the year

As of 1 January 2026, MS Reinsurance quantified its premium risk at USD 838.7 million versus USD 665.9 million for the SST 2025. The increase is driven by business growth, in part due to a weakening USD against most other currencies, and an update to the parametrization, increasing the volatility expectation on some of the business written.

Natural catastrophe risk remains a material driver of premium risk. The largest natural catastrophe exposure for MS Reinsurance remains US/Caribbean hurricane in the SST 2026. European windstorm and North American earthquake TVaRs are the next most important contributors. The level of natural catastrophe risk has increased compared to 2025 with the underlying growth in business volume.

## Natural Catastrophe Risk

Annualized unexpected loss, 99% TVaR in USD millions (net of outwards Reinsurance recoveries)	2026	2025	Change
US/Caribbean Hurricane	343.1	296.7	46.4
Europe Windstorm	298.6	190.7	107.9
North America Earthquake	220.4	180.5	39.9

## Assessment, monitoring, and mitigation techniques

Insurance risk is managed mainly via the following:

- the impact of the annual business plan on the risk and solvency position is assessed;
- tolerance and limits are set to maintain minimum solvency and liquidity levels and manage peak exposures and risk accumulations; and
- outwards reinsurance is purchased where it makes economic sense to do so and where it is needed to maintain risk within the approved risk tolerance and limits.

## Reserving risk

Reserving risk relates to the possible inadequacy of claims provisions and it is an unavoidable consequence of underwriting a portfolio of business where claims may develop after the policy period has elapsed.

Reserving risk concentrations are the accumulation of assumed claims and the uncertainty associated with the ultimate size of the claims given the extended duration it can take for some claims to mature. Liability classes are considered as the primary drivers of reserve risk. MS Reinsurance operates an actuarial led reserving process to estimate the reserves on a 'best estimate' basis. Reserving risk exposures and concentrations are identified using the Internal Model.

MS Reinsurance's Internal Model produces a full distribution of possible reserving outcomes with the intention of capturing the uncertainty in the reserves. Expert judgment is applied during parameterization to ensure that the results from the Internal Model appropriately reflect MS Reinsurance's risk profile.

### Changes over the year

As of 1 January 2026, MS Reinsurance quantified its reserving risk at USD 1,395.6 million on a stand-alone SST basis.

Overall reserve volumes grew during 2025, with a continued growth of business volume. In particular, the US and international Casualty reserves continue to increase with a growing volume of premium, compounded by the long-tailed nature of this business and some strengthening of assumed loss ratios.

### Assessment, monitoring, and mitigation techniques

The key mitigation strategies, processes, and controls are as follows:

- actuarial best estimates are subject to independent review and challenge;
- reinsurance programs – respond to large loss developments from prior years;
- a risk tolerance requiring reserves to be in excess of a minimum quantile on the overall reserve distribution; and
- robust claims handling policy and process for setting case reserves.

### Reinsurance credit and insurance linked securities risk

Reinsurance purchase exposes the business to losses on recoveries either from an inability or unwillingness to pay on the part of reinsurers. There is the risk of loss if a reinsurance counterparty fails to fulfill its underwritten obligations or fails to perform them in a timely fashion. MS Reinsurance accepts reinsurance counterparty credit risk as a consequence of using reinsurance to protect the Company against severe catastrophic events and other scenarios. In the SST model, this is modeled within the Internal Model.

### Changes over the year

As of 1 January 2026, MS Reinsurance quantified its reinsurance credit risk as USD 55.9 million on a stand-alone SST basis. This is similar to 2025 with reinsurance purchasing remaining broadly consistent to last year. The credit quality of the Company's reinsurers remains strong.

The insurance linked securities (ILS) risk amounted to USD 10.5 million, almost unchanged compared to last year. The overall ILS exposure remains negligible.

### Assessment, monitoring, and mitigation techniques

The key mitigation strategies, processes, and controls include counterparty review and approval processes, counterparty credit limits based on ratings, ongoing monitoring of outstanding balances (credit control and escalation processes), and purchase of collateralized reinsurance where reinsurer ratings do not meet internal minimum standards.

### 7.2.3. Market risk profile and changes in risk capital

The basis of the MS Reinsurance market risk calculation is the SST Standard Market Risk model. As of 1 January 2026, MS Reinsurance quantified its market risk at USD 473.7 million on a stand-alone basis versus USD 344.5 million for SST 2025.

The results of the market risk model are presented below:

#### Standalone TVaR in USD million

Risk Factor	2026	2025	Change
Market Risk (all Risk Factors)	473.7	344.5	129.2
All interest rates	101.8	80.3	21.5
Spreads	226.7	152.9	73.8
Foreign Exchange	113.1	67.1	46.0
Equities	127.5	111.9	15.6
Hedge Funds	30.5	22.0	8.5
Real Estate	65.9	56.1	9.8
Other	22.2	17.2	5.0

Reflecting the overall growth trend, total investments rose from USD 5,541.3 million to USD 7,025.8 million, an increase of USD 1,484.5 million, accompanied by a corresponding rise in risk. Market risk increases by USD 129.2 million, primarily due to an increase in the asset base. Spread risk increases from USD 152.9 million to USD 226.7 million, and foreign exchange risk increases from USD 67.1 million to USD 113.1 million.

#### Key drivers are:

- Spread risk arises as a component of the linearization of our investment strategies, pursued by bond active return mandates;
- The overall risk profile did not materially change due to only minor adjustments within the Company's Strategic Asset Allocation.

#### Assessment, monitoring, and mitigation techniques

The key mitigation strategies, processes, and controls are as follows:

- investment policy and strategic asset allocation, which aims to maximize long-term investment returns in relation to an agreed risk limit;
- asset liability management: interest rate risk is managed in line with key rate duration ranges for short, mid, medium and long-term liabilities; the preference is to manage interest rate risk in line with the liability duration.
- tactical asset allocation, which responds to expectations for short-term market prospects or volatility and is defined within a certain band around the strategic asset allocation;

- a diversified portfolio, which limits exposure to any one security or asset class;
- tolerance, limit setting, and performance monitoring – stochastic value at risk monitoring is utilized by the investment team through the modeling and monitoring of investment risk against agreed tolerance;
- sub-advisor monitoring: sub-advisors are appointed to conduct stock selection within their specialist asset class where each sub-advisor has discretion to manage the funds within their investment guidelines while performance and compliance with mandates are monitored by the investment team; and
- hedging: interest rate risk exposure and the level of equity exposure is actively managed.

#### 7.2.4. Investment credit risk profile and change in risk capital

The Company assumes a certain level of counterparty credit risk as part of the investment portfolio's performance generation. This may simply be intrinsic to any individual bond investment, but also be integrated into strategies such as absolute return bonds or a balanced approach within a subscription into a hedge fund, including credit risk mitigation techniques.

Credit risks are managed within investment guidelines through specific limits, which cap exposure to individual counterparties and aggregate limits per rating, while also overseeing concentration limits to ensure proper diversification.

The SST standard model is used to quantify the credit risk.

#### Changes over the year

For the SST 2026, we quantified the investment credit risk at USD 295.8 million on a stand-alone SST basis versus USD 230.6 million (SST 2025), basically driven by an increased asset base. We do not observe a significant shift in the investment credit risk profile.

The table below shows the credit risk exposure by issuer credit rating. As of 31 December 2025, 94.8 percent of MS Reinsurance debt securities were investment grade (SST 2024: 93 percent).

	As of 31 December	% of total
	<b>Rating</b>	
Investments by rating of issuer	Investment Grade (AAA-BBB)	94.8%
	High Yield (BB-B)	4.9%
	Unrated / Other	0.3%
	<b>Total</b>	<b>100%</b>

#### 7.2.5. Diversification

The diversification approach remained unchanged since last year, and the overall diversification benefit remains at a similar level as in the SST 2025.

### 7.2.6. Expected insurance result and investment income

The expected insurance result amounted to USD 499.1 million. The increase by USD 40.6 million compared to prior year is due to growth in business written, as well as a weakening of the USD against most other currencies, partially offset by an increase in operational expenses and slightly higher costs for retrocession.

The expected result from investments amounted to USD 38.3 million. This increased by USD 7.5 million with the underlying volume of assets under management increasing at unchanged return over risk free parameters in the standard model.

### 7.2.7. Impact of scenarios

The impact of scenarios increased by USD 28.4 million compared to the SST 2025. The Company aggregates the financial distress, the pandemic, and a Company specific inflation scenario. The increase reflects an increase in all three scenarios. This is driven by growth in underlying business and partially by an assumed higher impact of the financial distress scenario on financial risks lines of business.

### 7.2.8. Market value margin

The MVM increased by USD 134.6 million compared to 2025. This was driven by a change to the MVM methodology triggered by FINMA whereby now the SST year is included in the MVM calculation (Effect of Capital Cost Reserve on Target Capital). In addition, the higher reserve volume compared to 2025 increased the MVM further.

## 7.3. Non-modeled risks

The following sections detail how risks that are not specifically modeled within the Internal Model are assessed and managed, as well as changes in these risks during 2025.

### 7.3.1. Liquidity risk

The strength and liquidity of the balance sheet is fundamental to the Company's value proposition as a reinsurer of choice, providing the ability to respond quickly to claims, particularly in the event of large catastrophic losses such as hurricanes or earthquakes. Consequently, MS Reinsurance has a risk-averse attitude towards liquidity risk. Liquidity risk arises from insufficient financial resources being available to meet liabilities as they fall due. MS Reinsurance's liquidity assessment stresses asset values by applying Basel III regulatory haircuts to total assets under management to determine the high-quality liquid assets, which are then compared to the SST target capital. This Liquidity Ratio is a strategic metric owned by the Supervisory Board and must remain above a minimum limit of 100%.

#### Changes over the year

Throughout the year 2025, the liquidity ratio remained significantly above the minimum of 100%.

#### Assessment, monitoring, and mitigation techniques

MS Reinsurance produced the annual Liquidity Report for 2025 in accordance with FINMA circular 2025/03. The report forecasts cash in- and outflows for operating, financing and investing cash flows, and considers normal as well as stressed conditions. Under both normal and stressed conditions, MS Reinsurance has sufficient levels of liquidity. Stressed conditions include a severe loss event as well as a haircut to the investment portfolio. The Company's liquidity ratio is monitored on a monthly basis.

## 7.3.2. Operational risk

### Risk definition and appetite

Operational risk represents the potential economic, financial reporting, reputational, or compliance impact resulting from inadequate or failed internal processes, people, and systems, or from external causes. Operational risks include legal and compliance risks as well as the risk of material misstatement in financial reports. MS Reinsurance does not generate any returns on this risk and, as such, has a risk-averse attitude to operational risk and zero appetite or tolerance for failures to operate within applicable legal and regulatory requirements.

### Operational risk is mitigated by:

- effective corporate governance, including segregation of duties, avoidance of conflicts of interest, clear lines of management responsibility, adequate management information reporting;
- effective internal controls, a proportion of which are subject to regular testing as part of the Group's J-SOX requirements, and a risk-aware culture;
- ensuring compliance with regulatory requirements;
- recruiting/retaining skilled staff with an adequate performance assessment system;
- a risk management framework used for the identification, assessment, and mitigation of operational risks;
- reflecting on lessons learned and implementation of actions in response to risk events (where a risk materializes);
- comprehensive policies, standards and guidelines;
- assurance monitoring by the compliance, risk, and internal audit functions;
- effective IT systems;
- a comprehensive business continuity and IT disaster recovery program to prepare for various emergency situations; and
- insurance coverage purchased to cover property damage, liability, cyber risk, etc.

The Company has actively invested in significant upgrades to infrastructure and a transition to new systems that better support the Company's business needs.

### 7.3.3. Strategic risk

#### Risk definition and appetite

Strategic risk is defined as the risk of failing to meet the Company's strategic goals and business plans due to poor decision making and execution of the strategy and business plan. MS Reinsurance has a risk-seeking attitude to maintain consistent levels of strategic risk as it actively pursues ways of developing the business. The Company also faces several external factors that may impact demand for our supply of products. These risks are analyzed, and actions agreed, to adapt the strategic approach to cater for them.

This risk is primarily managed through an annual strategy and planning process, which is subject to independent review and challenge by the risk function. Shaping the MS Reinsurance corporate strategy and developing a best-in-class capital allocation framework that aims to allocate capital to the most attractive risk pools are key priorities for the CEO and Chief Risk Officer.

#### Environmental, social, and governance risk

On a semi-annual basis, MS Reinsurance performs an assessment of the physical and transitional risks that may impact its operations including Underwriting, Investments and Operational areas. The assessment triggers changes to the risk register where appropriate, the Quarterly Risk Reports, and ultimately the ORSA.

## 7.4. Information about risk-bearing capital

### 7.4.1. Breakdown of the RBC into its key components

Market consistent value in the FCR template of total assets amounted to USD 10,644.4 million and total liabilities amounted to USD 7,581.6 million as of 31 December 2025, resulting in a difference between market-consistent assets and market-consistent liabilities of USD 3,062.9 million, further reduced by USD 10.4 million intangible assets and a planned dividend of USD 100.0 million to arrive at an RBC of USD 2,952.5 million. For further details please refer to Appendix 1.

The comparison of the RBC between year-end 2024 and year-end 2025 is shown in Appendix 1. The increase in the RBC during 2025 is driven by profit made in both insurance and investments.

## 7.5. Material risk exposures

### 7.5.1. Exposure to material off balance sheet positions

MS Reinsurance does not have any exposure to material off balance sheet positions.

## 7.6. Risk Concentrations/Interdependencies

The main risk concentrations occur within and between Insurance Risk and Market Risk. For Insurance Risk, the main risk concentrations are as follows:

- Natural Catastrophe frequency and severity;
- Cyber systemic events;
- Casualty systemic under-reserving;
- Financial Risks systemic events, e.g., Financial Crisis; and
- Agriculture weather events.

For Market Risk, the main risk concentrations are the following:

- Investment Credit Risk, including credit spread volatility;
- Real assets portfolio illiquidity and potential devaluations; and
- Profitability, i.e., the inability to achieve risk-free returns from the investment portfolio.

Accumulations across the two categories are likely to occur for classes adversely affected by poor economic conditions, namely the Financial Risks business. Casualty reserves are also likely to be adversely affected by inflation, which in the case of stagflation will adversely affect the Company.

The cross-balance sheet accumulations with Credit Risk, following the default of an entity where MS Reinsurance is simultaneously exposed via e.g., investments, retrocession, or Credit insurance is being tracked on a half-year basis.

Interdependencies between Operational Risk and other risk categories are monitored on a quarterly basis.

The accumulations mentioned above have been considered when selecting the scenarios as part of the ORSA. Based on the modelled outcome of the scenarios, the Company considers the accumulations to be within the Company's Risk Appetite and are not likely to endanger solvency.

# 8

## Appendices



# 8.1. Appendix 1

## Financial situation report: quantitative template "Performance Solo Reinsurance"

Currency: USD. Amounts stated in millions		Total		Health		Motor		Marine, aviation, transport		Property		Casualty		Misc.	
		Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year	Previous year	Reporting year
1	Gross premiums	3,627.4	3,921.8	35.6	52.9	269.0	284.7	35.8	51.8	1,194.5	1,796.7	1,424.2	1,262.1	668.3	473.6
2	Reinsurers' share of gross premiums	(222.9)	(277.5)	0.0	(0.9)	(3.0)	(4.4)	2.9	(1.6)	(92.5)	(148.8)	(107.9)	(109.9)	(22.4)	(11.9)
3	Premiums for own account (1 + 2)	3,404.5	3,644.3	35.6	52.0	266.0	280.3	38.7	50.2	1,102.1	1,647.9	1,316.4	1,152.2	645.8	461.7
4	Change in unearned premium reserves	(516.6)	(273.6)	(15.3)	(7.8)	(38.3)	(8.0)	(0.7)	5.7	(139.6)	(186.1)	(189.1)	(130.9)	(133.6)	53.4
5	Reinsurers' share of change in unearned premium reserves	(42.7)	18.9	-	0.7	0.8	0.4	-	1.4	(36.5)	5.5	(5.1)	13.2	(1.9)	(2.3)
6	Premiums earned for own account (3 + 4 + 5)	2,845.2	3,389.6	20.2	44.8	228.6	272.7	38.0	57.3	925.9	1,467.4	1,122.2	1,034.5	510.3	512.9
7	Other income from insurance business	2.6	1.4	0.1	0.0	0.7	(0.1)	0.0	0.0	1.2	1.2	0.2	0.1	0.3	0.2
8	<b>Total income from underwriting business (6 + 7)</b>	<b>2,847.8</b>	<b>3,391.0</b>	<b>20.4</b>	<b>44.9</b>	<b>229.3</b>	<b>272.6</b>	<b>38.0</b>	<b>57.3</b>	<b>927.1</b>	<b>1,468.5</b>	<b>1,122.3</b>	<b>1,034.6</b>	<b>510.7</b>	<b>513.0</b>
9	Payments for insurance claims (gross)	(1,468.9)	(1,433.7)	(18.9)	(20.5)	(176.3)	(163.1)	(55.6)	(29.6)	(628.0)	(765.3)	(420.6)	(252.2)	(169.6)	(202.9)
10	Reinsurers' share of payments for insurance claims	110.3	122.4	0.0	0.0	(2.8)	-	0.0	0.0	99.6	89.7	13.4	30.7	0.1	1.9
11	Change in technical provisions	(556.9)	(834.4)	6.8	(6.1)	(6.0)	(70.0)	23.7	(1.1)	(7.9)	(30.5)	(392.3)	(521.6)	(181.2)	(205.1)
12	Reinsurers' share of change in technical provisions	86.9	1.4	-	-	1.7	2.6	(2.8)	(0.1)	16.6	(34.2)	56.2	27.9	15.2	5.1
13	Change in technical provisions for unit-linked life insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	<b>Expenses for insurance claims for own account (9 + 10 + 11 + 12 + 13)</b>	<b>(1,828.7)</b>	<b>(2,144.3)</b>	<b>(12.0)</b>	<b>(26.6)</b>	<b>(183.4)</b>	<b>(230.5)</b>	<b>(34.7)</b>	<b>(30.8)</b>	<b>(519.7)</b>	<b>(740.3)</b>	<b>(743.3)</b>	<b>(715.2)</b>	<b>(335.5)</b>	<b>(401.0)</b>
15	Acquisition and administration expenses	(913.8)	(1,134.8)	(4.7)	(12.3)	(57.8)	(67.3)	(9.6)	(15.0)	(294.2)	(414.2)	(336.7)	(384.4)	(210.9)	(241.5)
16	Reinsurers' share of acquisition and administration expenses	40.3	67.6	0.0	0.1	0.0	-	-	0.0	10.7	26.6	28.2	40.0	1.4	1.0
17	Acquisition and administration expenses for own account (15 + 16)	(873.5)	(1,067.1)	(4.7)	(12.3)	(57.8)	(67.3)	(9.6)	(15.0)	(283.5)	(387.6)	(308.5)	(344.4)	(209.5)	(240.6)
18	Other underwriting expenses for own account	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	<b>Total expenses from underwriting business (14 + 17 + 18) (non-life insurance only)</b>	<b>(2,702.2)</b>	<b>(3,211.5)</b>	<b>(16.7)</b>	<b>(38.9)</b>	<b>(241.2)</b>	<b>(297.7)</b>	<b>(44.3)</b>	<b>(45.8)</b>	<b>(803.2)</b>	<b>(1,127.9)</b>	<b>(1,051.8)</b>	<b>(1,059.6)</b>	<b>(545.0)</b>	<b>(641.5)</b>
20	Investment income	664.6	1,040.5												
21	Investment expenses	(472.0)	(724.2)												
22	<b>Net investment income (20 + 21)</b>	<b>192.6</b>	<b>316.2</b>												
23	Capital and interest income from unit-linked life insurance	-	-												
24	Other financial income	-	-												
25	Other financial expenses	(4.2)	(4.2)												
26	<b>Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25)</b>	<b>334.0</b>	<b>491.5</b>												
27	Interest expenses for interest-bearing liabilities	-	-												
28	Other income	3.6	3.3												
29	Other expenses	(2.3)	(86.6)												
30	Extraordinary income/expenses	-	-												
31	<b>Profit / loss before taxes (26 + 27 + 28 + 29 + 30)</b>	<b>335.3</b>	<b>408.2</b>												
32	Direct taxes	(13.7)	(32.9)												
33	<b>Profit / loss (31 + 32)</b>	<b>321.7</b>	<b>375.3</b>												

## Financial situation report: quantitative template "Simplified SST Balance Sheet Solo"

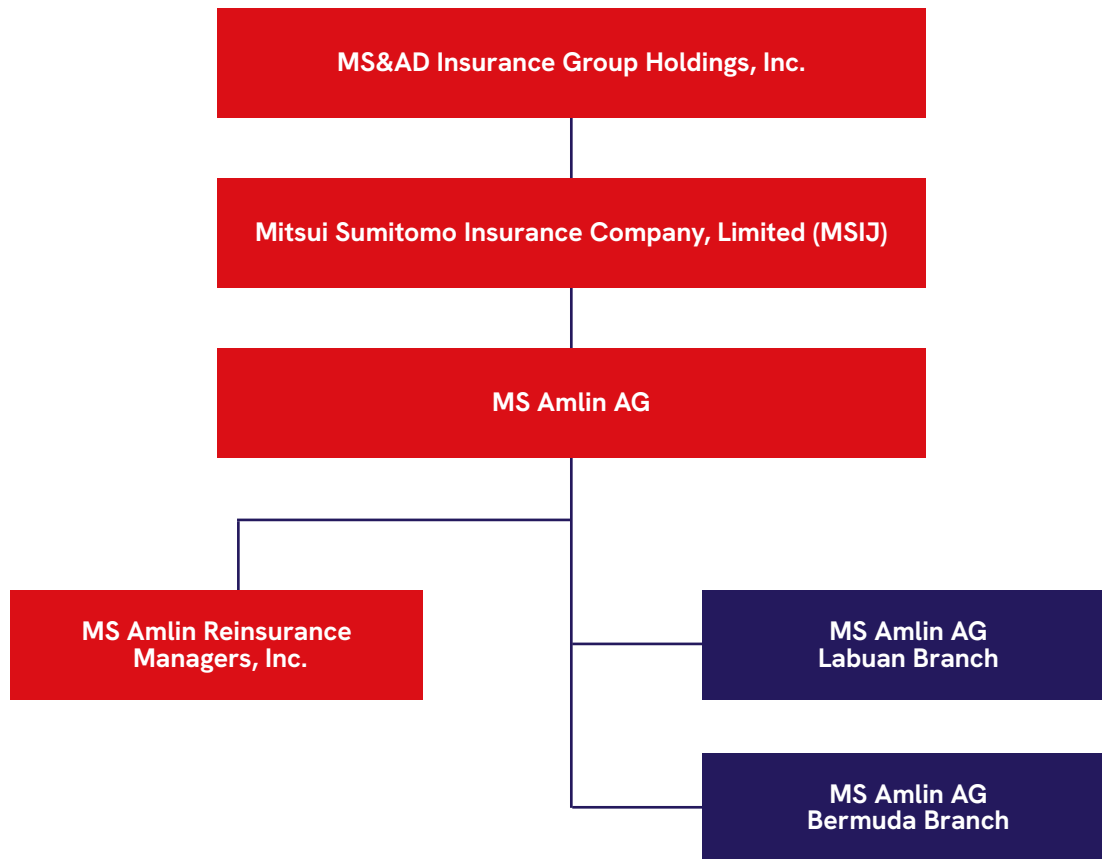
Currency: USD. Amounts stated in millions		Ref. date previous period	Adjustments previous period	Ref. date reporting year
Market conform value of investments	Real estate	-	-	-
	Participations	1.5	-	1.5
	Fixed-income securities	660.8	-	720.3
	Loans	-	-	-
	Mortgages	-	-	-
	Equities	12.2	-	5.9
	Other investments	4,665.2	-	6,098.9
	Collective investment schemes	4,630.7	-	5,928.6
	Alternative investments	34.5	-	170.3
	Structured products	-	-	-
Other investments	-	-	-	
	<b>Total investments</b>	<b>5,339.6</b>	-	<b>6,826.5</b>
Market conform value of other assets	Financial investments from unit-linked life insurance	-	-	-
	Receivables from derivative financial instruments	2.8	-	1.4
	Deposits made under assumed reinsurance contracts	85.7	-	93.3
	Cash and cash equivalents	441.9	-	464.7
	Share of technical provisions from reinsurance	446.8	-	455.0
	Direct insurance: life insurance business (excluding unit linked life insurance)	-	-	-
	Reinsurance: life insurance business (excluding unit linked life insurance)	-	-	-
	Direct insurance: non-life insurance business	-	-	-
	Reinsurance: non-life insurance business	446.8	-	455.0
	Direct insurance: health insurance business	-	-	-
	Reinsurance: health insurance business	-	-	-
	Direct insurance: other business	-	-	-
	Reinsurance: other business	-	-	-
	Direct insurance: unit-linked life insurance business	-	-	-
	Reinsurance: unit-linked life insurance business	-	-	-
	Fixed assets	3.4	-	33.9
	Deferred acquisition costs	-	-	-
Intangible assets	15.4	-	10.4	
Receivables from insurance business	2,498.5	-	2,657.9	
Other receivables	46.7	-	81.3	
Other assets	-	-	-	
Unpaid share capital	-	-	-	
Accrued assets	22.7	-	20.1	
	<b>Total other assets</b>	<b>3,564.0</b>	-	<b>3,817.9</b>
<b>Total market conform value of assets</b>	<b>Total market conform value of assets</b>	<b>8,903.6</b>	-	<b>10,644.4</b>
Market conform value of liabilities (including unit linked life insurance)	Best estimate of insurance liabilities	(5,716.0)	-	(6,660.1)
	Direct insurance: life insurance business (excluding unit linked life insurance)	-	-	-
	Reinsurance: life insurance business (excluding unit linked life insurance)	-	-	-
	Direct insurance: non-life insurance business	-	-	-
	Reinsurance: non-life insurance business	(5,520.0)	-	(6,660.1)
	Direct insurance: health insurance business	-	-	-
	Reinsurance: health insurance business	-	-	-
	Direct insurance: other business	-	-	-
	Reinsurance: other business	-	-	-
	Best estimate of unit-linked life insurance liabilities	-	-	-
Direct insurance: unit-linked life insurance business	-	-	-	
Reinsurance: unit-linked life insurance business	-	-	-	
Market value margin	(196.0)	-	(330.6)	
Non-technical provisions	(39.3)	-	(72.0)	
Interest-bearing liabilities	-	-	-	
Liabilities from derivative financial instruments	(20.0)	-	(10.5)	
Deposits retained on ceded reinsurance	-	-	-	
Liabilities from insurance business	(416.4)	-	(433.9)	
Other liabilities	(9.5)	-	(74.4)	
Accrued liabilities	-	-	-	
Subordinated debts	-	-	-	
<b>Total market conform value of liabilities</b>	<b>Total market conform value of liabilities</b>	<b>(6,201.2)</b>	-	<b>(7,581.6)</b>
	<b>Market conform value of assets minus market conform value of liabilities</b>	<b>2,702.3</b>	-	<b>3,062.9</b>

## Financial situation report: quantitative template "Solvency Solo"

Currency: USD. Amounts stated in millions		Ref. date previous period	Adjustments previous period	Ref. date reporting year
Derivation of RBC	Market conform value of assets minus market conform value of liabilities	2,702.3		3,062.9
	Deductions	(15.4)		(110.4)
	Tier 1 risk-absorbing capital instruments (RAC) counted towards core capital			
	<b>Core capital</b>	<b>2,686.9</b>		<b>2,952.5</b>
	Supplementary capital			
	<b>RBC</b>	<b>2,686.9</b>		<b>2,952.5</b>
Derivation of target capital	Insurance risk	1,557.2		1,834.1
	Market risk	344.5		473.7
	Credit risk	241.2		295.8
	Diversification effects	(467.2)		(602.7)
	Other effects on target capital	(439.1)		(540.9)
	<b>Target capital</b>	<b>1,236.6</b>		<b>1,460.0</b>
<b>SST ratio (in %)</b>		<b>217%</b>		<b>202%</b>

## 8.2. Appendix 2

### 8.2.1. MS Reinsurance company structure chart from 31 December 2025



■ Legal Entity

■ Branch

All holdings are for 100% of the share capital, unless otherwise stated

8.3. Appendix 3

# Annual Report MS Reinsurance (MS Amlin AG) 2025



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**MS**  **Reinsurance**

AN MS AMLIN AG COMPANY

## Management Report

MS Reinsurance is a Switzerland-domiciled, global reinsurer, and a wholly owned subsidiary of Mitsui Sumitomo Insurance Company, Limited (MSIJ), a part of MS&AD Insurance Group (MS&AD or the Group). Both MSIJ and MS&AD are registered in Japan. MS Reinsurance is the trading name of MS Amlin AG with no change to its legal name or operational structure.

MS Reinsurance provides non-life treaty reinsurance solutions for clients around the world. The Company maintains a global presence with offices in Bermuda, Miami, New York, Labuan, London and Zurich.

MS Reinsurance has a global underwriting strategy prioritizing long-term client portfolios serving a variety of reinsurance clients managed across three underwriting units:

- International, which provides multi-line solutions for clients in Europe, Middle East and Africa, and the rest of the world;
- Americas, which offers multi-line solutions for clients in North and South America; and
- Specialty Lines, which services clients with unique specialized risks such as financial lines, engineering, and agriculture.

MS Reinsurance's longer-term strategy to reduce volatility in financial results remains unchanged since 2022. The Company continued to manage the overall portfolio during 2025 by controlling its catastrophe exposure relative to other classes of business.

## Business Development and Financial Condition

Gross written premium (GWP) continued to increase during 2025. This growth was attributable in segments where market conditions remained favorable and in areas that successfully aligned the strategic approach for diversification and increased profitability. Portfolio weighting remained broadly stable with a slight increase in US Casualty business offset by reductions in Financial Risks. Net of reinsurance and on an earned basis, premium levels increased relative to the prior year, reflecting the GWP growth and the earned impact of the continuing shift towards longer-tail business within the portfolio.

The 2025 underwriting result improved relative to 2024 as a result of favorable experience across Property, Agriculture and Engineering lines, which more than offset the reserves strengthening noted in Financial Risks, Cyber and Casualty lines.

Overall return on investments increased compared to prior year driven by a constructive market environment. Positive returns were mainly noted in Absolute Return Bonds and Liquid assets.

For the year 2025, the Company reported a net profit of USD 375.3 million under Swiss Code of Obligations.

## Number of full-time positions on an annual average

The Company employed a worldwide staff at an average of 263 full time equivalents (2024: 226).

## Future prospects and vision

The Company's strategic focus is to manage the inherent volatility of the business it assumes by constructing a well-balanced and diversified portfolio of appropriately priced risks. To achieve this, the Company partners with its clients on a portfolio basis, assuming risk across multiple classes of business, rather than on a single risk basis.

To execute on this strategy, the Company continues to undertake a client-centric approach built on a three-pronged value proposition:

- **Deep client understanding.** We know our clients, understand their needs, and will work to provide solutions. We use market expertise and timely access to information and data needed to know our clients' markets and portfolios well.
- **Ease of business.** We have an efficient platform and empowered underwriters with demonstrated expertise enabling fast, reliable decision making.
- **Competitive pricing.** We deliver competitive pricing underpinned by a cost-efficient platform.

This strategic direction allows MS Reinsurance to deliver a differentiated experience for its clients, increase access to diversified risk, and attract and invest in top talent. Part of this change is a comprehensive transformation into a state-of-the art efficient platform, taking every aspect of the business into consideration. Several of the transformation workstreams were completed during 2023 and 2024, and the overall transformation program was completed during 2025.

Clients continue to react positively to MS Reinsurance's approach. The strategy, combined with a positive market environment, has produced robust profits again in 2025.

To support its business goals, MS Reinsurance is committed to developing a dynamic and inspiring culture that engages existing employees and attracts new, top-tier talent. Significant progress was made and can be measured in two ways: (1) the quality of the workforce and (2) feedback from an annual employee engagement survey. Both measures demonstrate positive progress on the most important elements of success:

MS Reinsurance's corporate values (Collaborative, Empowering, Progressive, Responsible) and culture.

A crucial component of the Company's strategy remains the close relationship with its shareholder, MSIJ, which is fully committed to the strategy and allows flexible execution of the Company's plans. MSIJ strongly supports MS Reinsurance's corporate development journey.

# Risk Management

## Risk strategy

The Supervisory Board sets forth the responsibilities and principles pertaining to the Company's risk management (risk strategy, controlling and management) in the Risk Management Policy. The Risk Management Policy outlines the overarching ultimate risk tolerance, expressed in terms of solvency, rating, liquidity, and statutory capital. It further provides transparency and defines ownership and responsibilities throughout the risk management process and promotes a risk aware culture across the organization.

MS Reinsurance aligns business strategy, capital management and enterprise risk management with the objective of achieving long-term sustainable outcomes for the shareholder. This approach allows the business to optimize its return on risk, subject to the limitations over acceptable risk taking.

## Internal control framework

The internal control environment is an integral part of the Company's overall risk management framework and is designed to:

- promote an effective monitoring and control framework that facilitates the achievement of business objectives;
- protect Company resources against mismanagement or fraud;
- ensure that business activities are compliant with applicable laws and regulations; and
- develop consistent financial data and managerial data and present these in a timely manner.

The effectiveness of the internal control framework is assessed by the respective business functions on a quarterly basis as part of the Risk and Control Self-Assessment (RCSA) process, from a design and an operating perspective.

## Risk assessment

Risks highlighted in 2025 during the quarterly RCSA processes, and the ongoing Risk Management activities are presented in the Own Risk and Solvency Assessment (ORSA) report. Appropriate actions to manage those risks were identified and are being implemented.

## Solvency and liquidity

The solvency (level of available capital in excess of required capital for Regulatory and Rating Agency purposes) and the liquidity (availability of liquid assets) will dictate the total level of risk that can be assumed by MS Reinsurance. The Supervisory Board approved, as part of the Risk Management Policy and Capital Management Policy, a target solvency position and minimum liquidity ratio below which management actions are required.

The Company calculates the required capital needed to support potential unexpected losses in the coming year in accordance with the Swiss Solvency Test (SST) risk-based capital methodology in the Company's FINMA approved internal model.

The Company's SST 2026 capital ratio is 202% (SST 2025: 217%), which compares favorably with the minimum FINMA SST solvency requirement of 100%. It is also within the Company's defined SST capitalization range of 180 - 220%. An expected dividend of USD 100 million will be paid from the 2025 financial year result.

## Risk appetite, tolerances, and limits

The Company's risk strategy starts with the Risk Tolerance, which denotes the target level for various solvency and liquidity measures. The next step is the Risk Appetite, which is implemented by means of Strategic Limits for the most risk-intensive areas of the business. The limits applicable to Insurance risk are based on measures obtained from MS Reinsurance's Internal Model used for the Swiss Solvency Test. The limits applicable to Market and Credit risks mainly relate to the Strategic Asset Allocation and Investment Guidelines, but a Strategic market risk limit is also calibrated based on a Value at Risk of Market risk distribution. Both the Risk Tolerance and Risk Appetite are owned by the Supervisory Board.

The risk tolerance describes the extent to which the Supervisory Board has authorized executive management to assume risk. It represents the amount of risk that the Company is willing to accept within the constraints imposed by solvency and liquidity requirements, and the regulatory and ratings agency environment in which it operates.

Risk limits for material risk exposures are implemented to provide reasonable assurance that the approved risk tolerance will not be breached. They help to ensure that actual risk-taking remains within the approved business plan and risk appetite with clear escalation processes in cases where the business sees growth opportunities and makes specific requests to increase limits.

The Executive Board has set up a framework to manage the various sources of risk, which comprises Policies, Standards and Guidelines as well as Operating limits, that give sufficient flexibility to react to changes in the business environment, but also ensure that the Strategic limits are not breached and that the Risk Tolerance criteria are met. Policies are approved by the Supervisory Board. Standards and Operating limits are approved by the Executive Board.

The status of the current risk profile versus tolerance and limits is reported quarterly to the Risk Committee.

## Processes and organization

Risk management processes for identifying, measuring, controlling, and reporting on risks are embedded in the day-to-day operations of all functions within MS Reinsurance. The Risk Management Policy sets out the specific roles and responsibilities across the three lines of defense for the risk management processes and assurance activities.

Quarterly risk reporting to the Risk Committee of the Supervisory Board supports the Supervisory Board in fulfilling its risk oversight responsibilities by providing it with a timely view on changes in the MS Reinsurance risk profile, risks near to or outside of appetite, outcomes of assurance activities, and any legal and regulatory compliance concerns.



**MS Amlin AG, Zurich**

Report of the Statutory Auditor to the  
General Meeting on the

Financial Statements 2025

KPMG AG  
Zurich, 23 April 2026



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## **Report of the Statutory Auditor to the General Meeting of MS Amlin AG, Zurich**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

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

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

#### **Basis for Opinion**

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

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

#### **Other Information**

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

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

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

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

### **Board of Directors' Responsibilities for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

### **Report on Other Legal and Regulatory Requirements**

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

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

KPMG AG



Rainer Pfaffenzeller  
Licensed Audit Expert  
Auditor in Charge



Lukas Kündig  
Licensed Audit Expert

Zurich, 23 April 2026

Enclosures:

- Financial statements (income statement, balance sheet, cash flow statement and notes)
- Proposed appropriation of available earnings

# Financial statements of MS Reinsurance (MS Amlin AG) 2025



## Income statement

USD	Note	2025	2024
Gross premium written		3,921,754,443	3,627,415,289
Premiums ceded to reinsurers		(277,466,182)	(222,879,030)
<b>Net premiums written</b>		<b>3,644,288,261</b>	<b>3,404,536,259</b>
Change in unearned premium reserves - gross		(273,604,350)	(516,614,086)
Change in reinsurers' share of unearned premium reserves		18,884,801	(42,676,639)
<b>Net premiums earned</b>		<b>3,389,568,712</b>	<b>2,845,245,534</b>
Other insurance income		1,402,339	2,559,651
<b>Total technical income</b>		<b>3,390,971,051</b>	<b>2,847,805,185</b>
Gross claims and claim expenses paid		(1,433,657,807)	(1,468,899,468)
Reinsurers' share of claims and claim expenses		122,385,287	110,250,317
Change in technical provisions - gross	6	(834,434,424)	(556,902,647)
Change in reinsurers' share of technical provisions	6	1,378,894	86,871,056
<b>Net claims and claim expenses incurred</b>		<b>(2,144,328,050)</b>	<b>(1,828,680,742)</b>
Acquisition costs - gross		(881,943,520)	(736,659,585)
Administrative expenses - gross		(252,828,184)	(177,158,927)
Acquisition costs and administrative expenses - gross		(1,134,771,704)	(913,818,512)
Reinsurers' share of acquisition costs		67,631,977	40,314,672
<b>Net acquisition costs and administrative expenses</b>		<b>(1,067,139,727)</b>	<b>(873,503,840)</b>
<b>Total technical expenses</b>		<b>(3,211,467,777)</b>	<b>(2,702,184,582)</b>
Income from investments	11	1,040,452,683	664,626,066
Expenses from investments	12	(724,222,924)	(472,013,892)
<b>Net income from investments</b>		<b>316,229,759</b>	<b>192,612,174</b>
Other financial expenses		(4,233,896)	(4,190,803)
<b>Operating income</b>		<b>491,499,137</b>	<b>334,041,974</b>
Other income		3,302,303	3,614,992
Other expenses		(86,630,353)	(2,336,681)
<b>Profit before direct taxes</b>		<b>408,171,087</b>	<b>335,320,285</b>
Direct taxes		(32,899,440)	(13,668,533)
<b>Profit</b>		<b>375,271,647</b>	<b>321,651,752</b>

# Balance Sheet

## Assets

USD	Note	31/12/2025	31/12/2024
<b>Investments</b>		<b>6,721,082,305</b>	<b>5,234,543,199</b>
Participations		1,512,614	1,512,614
Fixed-interest securities		717,625,904	660,684,973
Shares		5,873,287	12,170,118
Other investments	2	5,996,070,500	4,560,175,494
Receivables from derivative financial instruments		1,443,561	2,834,705
Deposits on reinsurance business		93,250,339	85,735,915
Cash and cash equivalents		464,674,324	441,924,579
Reinsurers' share of technical provisions	5	535,780,388	508,842,454
Property and equipment		33,869,833	3,376,601
Deferred acquisition costs		836,781,223	709,361,071
Intangible assets		10,365,686	15,448,431
Reinsurance receivables	3/8	2,657,863,249	2,498,457,649
Other receivables	8	81,321,146	46,682,743
Prepaid expenses and accrued income		20,117,533	22,718,472
<b>Total assets</b>		<b>11,456,549,587</b>	<b>9,569,925,819</b>

## Liabilities and Equity

USD	Note	31/12/2025	31/12/2024
Technical provisions	5	8,469,230,807	7,034,362,715
Non-technical provisions		72,044,979	68,333,719
Liabilities from derivative financial instruments		10,484,230	20,035,559
Reinsurance payables	4/9	433,860,720	416,394,505
Other liabilities	9	74,383,697	9,525,814
<b>Total liabilities</b>		<b>9,060,004,433</b>	<b>7,548,652,312</b>
Share capital		10,333,001	10,333,001
Legal capital reserves		1,516,426,106	1,516,426,106
Reserves from capital contributions	21	1,516,426,106	1,516,426,106
Legal retained earnings		5,166,500	5,166,500
Voluntary retained earnings		864,619,547	489,347,900
Profit brought forward		489,347,900	167,696,148
Profit		375,271,647	321,651,752
<b>Total equity</b>	<b>7</b>	<b>2,396,545,154</b>	<b>2,021,273,507</b>
<b>Total liabilities and equity</b>		<b>11,456,549,587</b>	<b>9,569,925,819</b>

# Cashflow statement<sup>1</sup>

USD	2025	2024
<b>Profit for the year</b>	<b>375,271,647</b>	<b>321,651,752</b>
Net (purchases) of property, plant and equipment and intangible assets (incl. depreciation)	(25,410,487)	(6,513,520)
Net (purchases)/sales of investments (incl. realized gains/losses)	(1,486,539,106)	(714,953,548)
Net (purchases) of derivatives (incl. realized gains/losses)	(8,160,185)	30,156,540
Decrease/(increase) in deposits on reinsurance business	(7,514,424)	22,603,554
(Increase)/decrease in reinsurance contract assets	(26,937,934)	(41,493,173)
(Increase)/decrease in deferred acquisition cost	(127,420,152)	(114,725,926)
(Increase)/decrease in insurance receivables	(159,405,600)	(344,107,090)
(Increase)/decrease other receivables and other payables	30,219,480	(9,330,742)
Increase/(decrease) in outstanding claims	1,063,844,127	451,698,703
Increase/(decrease) in unearned premium	371,023,965	458,363,004
Increase/(decrease) in creditors arising from insurance operations	17,466,215	(62,114,223)
Increase/(decrease) in non-technical provision	3,711,260	(3,848,523)
(Increase)/decrease prepaid expenses and accrued income	2,600,939	(6,710,349)
<b>Cash flow from operating activities</b>	<b>22,749,745</b>	<b>(19,323,541)</b>
<b>Cash flow from investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flow for the financial year</b>	<b>22,749,745</b>	<b>(19,323,541)</b>
Cash on 1 January	441,924,579	461,248,120
Cash on 31 December	464,674,324	441,924,579
<b>Change in cash</b>	<b>22,749,745</b>	<b>(19,323,541)</b>

<sup>1</sup> The cashflow statement is prepared using the indirect method.

# Notes to the financial statements

## 1. General

MS Amlin AG, trading under the name MS Reinsurance, is a wholly owned subsidiary of Mitsui Sumitomo Insurance Company, Limited (MSIJ).

### Basis of presentation

These financial statements were prepared in accordance with the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations) and relevant insurance supervisory law, including FINMA Insurance Supervision Guidance (ISO-FINMA).

### Use of estimates in the preparation of annual accounts

The preparation of the annual accounts requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expenses as well as the related disclosures. Actual results could differ significantly from these estimates.

### Investments

- **Participations** represent the Company's 100% holding of MS Amlin Reinsurance Managers, Inc. (MS ARMI), a company registered in Princeton South Corporate Ctr, Ste 160, 100 Charles Ewing Blvd, Ewing, NJ 08628, USA. The participation book value of USD 1.5 million represents the acquisition costs, which is subject to impairment review in case of any material decreases in the net asset value.
- **Fixed-interest securities** consist of government bonds.
- **Shares** represent the Company's investment in the preferred shares of Viribus Re Ltd. and Envelop Risk (Bermuda) Ltd.
- **Other investments** mainly consist of bond and equity funds within Toro Prism Trust, money market funds, and property funds.

### Foreign currency translation

At year-end, assets and liabilities denominated in foreign currencies are translated into US dollars at the exchange rate on the balance sheet date. Whereas revenues and expenses are translated at the average exchange rate for the period under report. Shareholders' equity is translated at historical rates. FX gains arising from the revaluation of the opening balance sheet as well as from the adjustments from application of year-end or average rates are deferred and booked under provision for currency fluctuation (Balance Sheet: "Non-technical provisions"). FX losses are directly recognized in the income statement.

Realized FX arising from foreign exchange transactions are recognized in the income statement.

The translation from functional currency (EUR) for the Zurich operations to presentational currency of USD gave rise to a FX translation loss of USD 14.2 million. The revaluation to the functional currencies led to a FX loss of USD 83.1 million. The combined unrealized FX loss led to a full release of the FX provision (Balance Sheet: Liability account "Non-technical provisions").

Pursuant to Art. 958d, paragraph 3, CO, figures must also be presented in CHF and the year-end CHF/USD exchange rate of 0.7919 (2024: 0.9028) is applied for converting the USD numbers to CHF. Shareholders' equity is translated with historical CHF/USD exchange rate: 0.9678.

## Financial Statements Valuation Principles

### Investments

- **Participations** are valued at cost less necessary impairment, if any.
- **Fixed-interest securities** are valued at amortized cost less necessary impairments, if any.
- **Shares** are valued at cost less necessary impairments.
- **Other investments** are valued at market value if an observable market price is available. If the market price is not available (property funds), investments are accounted for at cost less necessary impairments. Subsequent recoveries of previously recorded impairments may be recognized up to the cost value.

### Derivative financial instruments

Receivables and liabilities from derivative financial instruments are valued at market value. Gains and losses are shown as part of income and expenses from investments.

### Deposits on reinsurance business

Deposits are held at nominal value.

### Cash and cash equivalents

Cash and cash equivalents include cash at bank and short-term deposits. Such current assets are held at nominal value after deduction of known credit risks.

### Reinsurers' share of technical provisions

Reinsurers' share of technical provisions represents the retroceded part of the technical provisions. The same accounting principles apply as for the technical provisions.

### Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and provision for impairment where appropriate. This also includes right of use assets from the Company's lease contracts.

### Intangible assets

Intangible assets, consisting of capitalized development costs for software for internal use, are measured at cost less straight-line amortization over the estimated useful life of software, which is not exceeding 20 years.

## **Reinsurance receivables**

Reinsurance receivables are carried at nominal value, after deduction of known credit risks, if applicable. The establishment of bad debt reserves or write offs will be recorded on a cedent basis. The position mainly consists of receivables from insurance companies and brokers.

## **Other receivables**

Other receivables are recognized at the nominal value, subject to impairment, if necessary.

## **Technical provisions**

The technical provisions are based on the cedant information (case reserves) and the reserves for already incurred but not yet reported claims (IBNR). Additionally, the technical provisions include the written but not yet earned part of the premiums (unearned premium reserve).

## **Reinsurance payables**

Reinsurance balances payable are held at redemption value.

## **Acquisition costs – gross and reinsurers' share**

Acquisition costs comprise of brokerage and commission incurred on insurance contracts written during the financial year. They are charged on the same basis as the earned proportions of the premium they relate to. Deferred acquisition costs are amortized over the period in which the related revenues are earned. Deferred acquisition costs are reviewed at the end of each reporting period and are impaired where they are no longer considered to be recoverable.

## **Direct taxes**

Direct taxes relate to income and capital taxes.

## 2. Other investments

USD	31/12/2025	31/12/2024
Participations in pooled investment funds - Bonds	2,648,891,400	1,936,720,141
Participations in pooled investment funds - Money Market	2,214,879,589	1,620,924,896
Participations in pooled investment funds - Equity	405,651,676	363,732,206
Participations in pooled investment funds - Property	286,485,857	216,438,359
Short-term investments in pooled investment funds	269,860,410	307,149,337
Participations in pooled investment funds - Hedge Fund	112,887,361	80,710,415
Private equity of which participations (holding < 20%)*	57,414,207	34,500,140
<b>Total</b>	<b>5,996,070,500</b>	<b>4,560,175,494</b>

\* The unfunded commitment of Private equity of which participations (holding < 20%) amounts to USD 29.2 million (2024: USD 45.5 million).

## 3. Reinsurance receivables

USD	31/12/2025	31/12/2024
Receivables from agents and brokers	2,446,389,747	2,310,658,197
Receivables from insurance companies	211,473,502	187,799,452
<b>Total</b>	<b>2,657,863,249</b>	<b>2,498,457,649</b>

## 4. Reinsurance payables

USD	31/12/2025	31/12/2024
Liabilities to agents and brokers	399,499,018	355,633,462
Liabilities to insurance companies	34,361,702	60,761,043
<b>Total</b>	<b>433,860,720</b>	<b>416,394,505</b>

## 5. Technical provisions

USD	Technical provisions (gross)	Reinsurers' share	31/12/2025 Technical provisions (net)
Unearned premium reserve	3,020,358,333	96,812,391	2,923,545,942
Loss reserves*	5,448,872,474	438,967,997	5,009,904,477
<b>Total technical provisions</b>	<b>8,469,230,807</b>	<b>535,780,388</b>	<b>7,933,450,419</b>

USD	Technical provisions (gross)	Reinsurers' share	31/12/2024 Technical provisions (net)
Unearned premium reserve	2,649,334,368	77,895,083	2,571,439,285
Loss reserves*	4,385,028,347	430,947,371	3,954,080,976
<b>Total technical provisions</b>	<b>7,034,362,715</b>	<b>508,842,454</b>	<b>6,525,520,261</b>

\* Unallocated loss adjustment expenses (ULAE) are part of the loss reserves.

## 6. Change in technical provisions

USD	31/12/2025	31/12/2024
Change in technical provisions - Outstanding claims	(138,064,613)	(34,961,838)
Change in technical provisions - IBNR	(696,369,811)	(521,940,809)
<b>Change in technical provisions - gross</b>	<b>(834,434,424)</b>	<b>(556,902,647)</b>
Change in reinsurers' share of technical provisions - Outstanding claims	(24,285,563)	5,543,617
Change in reinsurers' share of technical provisions - IBNR	25,664,457	81,327,439
<b>Change in reinsurers' share of technical provisions</b>	<b>1,378,894</b>	<b>86,871,056</b>

## 7. Statement of changes in equity

USD	Share capital	Legal capital reserves	Legal retained earnings	Voluntary retained earnings	Total equity
<b>As of 31 Dec 2023</b>	<b>10,333,001</b>	<b>1,516,426,106</b>	<b>5,166,500</b>	<b>167,696,148</b>	<b>1,699,621,755</b>
Profit for the period	-	-	-	321,651,752	321,651,752
Dividend payments	-	-	-	-	-
<b>As of 31 Dec 2024</b>	<b>10,333,001</b>	<b>1,516,426,106</b>	<b>5,166,500</b>	<b>489,347,900</b>	<b>2,021,273,507</b>
Profit for the period	-	-	-	375,271,647	375,271,647
Dividend payments	-	-	-	-	-
<b>As of 31 Dec 2025</b>	<b>10,333,001</b>	<b>1,516,426,106</b>	<b>5,166,500</b>	<b>864,619,547</b>	<b>2,396,545,154</b>

## 8. Receivables to third parties and affiliated companies

USD	Third party	Affiliated companies	31/12/2025 Total
Receivables from reinsurance business	2,499,653,234	158,210,015	2,657,863,249
Other receivables	80,954,261	366,885	81,321,146
<b>Total</b>	<b>2,580,607,495</b>	<b>158,576,900</b>	<b>2,739,184,395</b>

USD	Third party	Affiliated companies	31/12/2024 Total
Receivables from reinsurance business	2,428,277,991	70,179,658	2,498,457,649
Other receivables	39,175,225	7,507,518	46,682,743
<b>Total</b>	<b>2,467,453,216</b>	<b>77,687,177</b>	<b>2,545,140,393</b>

## 9. Payables to third parties and affiliated companies

USD	Third party	Affiliated companies	31/12/2025 Total
Payables from reinsurance business	351,818,694	82,042,026	433,860,720
Other liabilities	69,263,301	5,120,396	74,383,697
<b>Total</b>	<b>421,081,995</b>	<b>87,162,422</b>	<b>508,244,417</b>

USD	Third party	Affiliated companies	31/12/2024 Total
Payables from reinsurance business	385,514,637	30,879,868	416,394,505
Other liabilities	4,017,291	5,508,523	9,525,814
<b>Total</b>	<b>389,531,928</b>	<b>36,388,391</b>	<b>425,920,319</b>

## 10. Audit fees

USD	2025	2024
Audit services	1,973,903	1,169,188
Other services	7,495	5,387
<b>Total</b>	<b>1,981,398</b>	<b>1,174,575</b>

## 11. Income from investments

USD	Income	Net unrealized gains	Net realized gains	2025 Total
Fixed-interest securities	29,381,218	17,263,917	1,783,155	48,428,290
Shares	-	1,018,816	-	1,018,816
Other investments	109,074,784	613,602,179	268,328,614	991,005,577
<b>Total</b>	<b>138,456,002</b>	<b>631,884,912</b>	<b>270,111,769</b>	<b>1,040,452,683</b>

USD	Income	Net unrealized gains	Net realized gains	2024 Total
Fixed-interest securities	26,454,827	-	11,082,133	37,536,960
Shares	-	1,005,230	-	1,005,230
Other investments	126,778,641	89,609,728	409,695,507	626,083,876
<b>Total</b>	<b>153,233,468</b>	<b>90,614,958</b>	<b>420,777,640</b>	<b>664,626,066</b>

## 12. Expenses from investments

USD	Expenses	Net unrealized losses	Net realized losses	2025 Total
Fixed-interest securities	3,617,772	12,464,047	-	16,081,819
Shares	-	-	-	-
Other investments	1,519,784	494,848,065	211,773,256	708,141,105
<b>Total</b>	<b>5,137,556</b>	<b>507,312,112</b>	<b>211,773,256</b>	<b>724,222,924</b>

USD	Expenses	Net unrealized gains	Net realized gains	2024 Total
Fixed-interest securities	10,301,890	3,781,207	3,127,985	17,211,082
Shares	-	191,926	-	191,926
Other investments	763,581	101,787,693	352,059,610	454,610,884
<b>Total</b>	<b>11,065,471</b>	<b>105,760,826</b>	<b>355,187,595</b>	<b>472,013,892</b>

### 13. Personal expenses

Personnel expenses for 2025 amounted to USD 123.1 million (2024: USD 85.3 million) and are included in the line-item administrative expenses.

### 14. Contingent liabilities

The Company has no contingent liabilities as of 31 December 2025 (31 December 2024: nil). There were no capital commitments or authorized but uncontracted commitments at the end of the financial year.

### 15. Depreciation of real estate and equipment and amortization / impairment of intangible assets

USD	31/12/2025	31/12/2024
Property and equipment	4,782,220	2,710,992
Intangible assets amortization	3,088,509	1,994,737
Intangible assets impairment	6,403,783	-
<b>Total</b>	<b>14,274,512</b>	<b>4,705,729</b>

### 16. Restricted assets

As of 31 December 2025, the Company holds restricted funds in the form of letter of credit (LOC) collaterals, initial margin calls on derivative financial instruments, and collateral received from reinsurance counterparties.

#### Letter of credit (LOC) facilities

The Company has four different LOC facilities which consist of USD 650.0 million (2024: USD 650.0 million), USD 230.0 million (2024: USD 230.0 million), NZD 95.0 million (2024: NZD 95.0 million) and USD 1.3 million (2024: USD 1.3 million). The USD 650.0 million facility is secured by a registered charge over a portfolio of assets managed by Fiera Capital with BNP Paribas as custodian. The USD 230.0 million facility is secured by time deposits held at Barclays Bank. The NZD 95.0 million LOC is secured by time deposits held at National Australia Bank. The remaining USD 1.3 million is held at HSBC Bermuda. As of 31 December 2025, USD 719.2 million of LOC were issued (2024: USD 781.6 million).

#### Derivative margins and collateral

Derivative instruments traded by the Company for hedging purposes give rise to collateral being placed with, or received from, external counterparties. As of 31 December 2025, other receivables include USD 41.1 million (2024: USD 39.8 million) of margins and collateral pledged in relation to listed derivatives.

## Funds withheld as premium/claim deposits

As of 31 December 2025, the Company placed funds totaling to USD 63.5 million (2024: USD 62.4 million) as claim deposits and USD 29.7 million (2024: USD 23.3 million) as premium deposits. These funds are held by external brokers or cedents.

## Trust and Pledged Funds

As of 31 December 2025, cash and cash equivalents with a fair value of USD 431.4 million (2024: USD 449.0 million) were deposited in trust accounts by the Company for the benefit of the ceding companies. These funds are held in a trust by banks.

## 17. Residual amount of lease obligations

The maturity profile of lease obligations that do not expire in or cannot be cancelled within 12 months is presented below:

### Operating lease commitments

USD	31/12/2025	31/12/2024
Later than 1 year and no later than 5 years	18,155,899	2,476,718
Later than 5 years	11,956,027	-
<b>Total operating lease commitments</b>	<b>30,111,926</b>	<b>2,476,718</b>

The operating leases relate to the office rental in different locations.

## 18. Liabilities to pension schemes

There is no pension fund liability as of 31 December 2025 (2024: nil).

## 19. Full-time equivalents

The annual average number of full-time equivalents for the reporting year was 263 (2024: 226).

## 20. Significant events after the balance sheet date

No significant events occurred after the balance sheet date.

## 21. Shareholders' equity (reserves from capital contributions)

As of 31 December 2025, USD 1,516.4 million are shown as "reserves from capital contributions" (31 December 2024: USD 1,516.4 million). The total reserves from capital contributions include USD 144.7 million (2024: USD 144.7 million) of "capital reserves" as agreed with FINMA during the application process.

## Proposal for the appropriation of distributable earnings

USD	2025
Profit carried forward	489,347,900
Profit	375,271,647
<b>Profit carried forward</b>	<b>864,619,547</b>
<b>Proposal of the Board of Directors:</b>	
Profit carried forward	864,619,547
Dividend payments*	(100,000,000)
<b>Amount carried forward</b>	<b>764,619,547</b>

(\*) The Board of Directors proposes a dividend distribution of USD 100,000,000 at the Annual General Meeting on 23 April 2026. In order to comply with Swiss Code of Obligations, the proposed dividend payment out of profit carried forward, translated into CHF on 23 April 2026 must not exceed CHF 100.0 million.



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## Income statement

CHF	Note	2025	2024
Gross premium written		3,105,715,143	3,274,727,172
Premiums ceded to reinsurers		(219,730,974)	(201,208,838)
<b>Net premiums written</b>		<b>2,885,984,169</b>	<b>3,073,518,334</b>
Change in unearned premium reserves - gross		(216,672,713)	(466,384,478)
Change in reinsurers' share of unearned premium reserves		14,955,249	(38,527,254)
<b>Net premiums earned</b>		<b>2,684,266,705</b>	<b>2,568,606,602</b>
Other insurance income		1,110,540	2,310,780
<b>Total technical income</b>		<b>2,685,377,245</b>	<b>2,570,917,382</b>
Gross claims and claim expenses paid		(1,135,342,058)	(1,326,080,589)
Reinsurers' share of claims and claim expenses		96,919,337	99,530,845
Change in technical provisions - gross	6	(660,805,174)	(502,755,843)
Change in reinsurers' share of technical provisions	6	1,091,974	78,424,714
<b>Net claims and claim expenses incurred</b>		<b>(1,698,135,921)</b>	<b>(1,650,880,873)</b>
Acquisition costs - gross		(698,428,569)	(665,035,285)
Administrative expenses - gross		(200,219,655)	(159,934,032)
Acquisition costs and administrative expenses - gross		(898,648,224)	(824,969,317)
Reinsurers' share of acquisition costs		53,559,104	36,394,938
<b>Net acquisition costs and administrative expenses</b>		<b>(845,089,120)</b>	<b>(788,574,379)</b>
<b>Total technical expenses</b>		<b>(2,543,225,041)</b>	<b>(2,439,455,252)</b>
Income from investments	11	823,955,120	600,005,476
Expenses from investments	12	(573,526,501)	(426,120,693)
<b>Net income from investments</b>		<b>250,428,619</b>	<b>173,884,783</b>
Other financial expenses		(3,352,906)	(3,783,338)
<b>Operating income</b>		<b>389,227,917</b>	<b>301,563,575</b>
Other income		2,615,159	3,263,512
Other expenses		(68,604,295)	(2,109,489)
<b>Profit before direct taxes</b>		<b>323,238,781</b>	<b>302,717,598</b>
Direct taxes		(26,053,719)	(12,339,562)
<b>Profit</b>		<b>297,185,062</b>	<b>290,378,036</b>

# Balance Sheet

## Assets

CHF	Note	31/12/2025	31/12/2024
<b>Investments</b>		<b>5,322,558,410</b>	<b>4,725,596,461</b>
Participations		1,197,869	1,365,545
Fixed-interest securities		568,302,190	596,447,570
Shares		4,651,172	10,986,836
Other investments	2	4,748,407,179	4,116,796,510
Receivables from derivative financial instruments		1,143,185	2,559,091
Deposits on reinsurance business		73,846,793	77,399,941
Cash and cash equivalents		367,984,815	398,956,919
Reinsurers' share of technical provisions	5	424,295,118	459,368,470
Property and equipment		26,822,193	3,048,299
Deferred acquisition costs		662,663,651	640,390,964
Intangible assets		8,208,792	13,946,403
Reinsurance receivables	3/8	2,104,814,633	2,255,536,382
Other receivables	8	64,399,829	42,143,850
Prepaid expenses and accrued income		15,931,473	20,509,589
<b>Total assets</b>		<b>9,072,668,892</b>	<b>8,639,456,369</b>

## Liabilities and Equity

CHF	Note	31/12/2025	31/12/2024
Technical provisions	5	6,706,951,888	6,350,422,240
Non-technical provisions		57,053,848	61,689,735
Liabilities from derivative financial instruments		8,302,670	18,087,532
Reinsurance payables	4/9	343,582,911	375,909,096
Other liabilities	9	58,905,925	8,599,634
<b>Total liabilities</b>		<b>7,174,797,242</b>	<b>6,814,708,237</b>
Share capital		10,000,001	10,000,001
Legal capital reserves		1,467,556,476	1,467,556,476
Reserves from capital contributions	21	1,467,556,476	1,467,556,476
Legal retained earnings		5,000,000	5,000,000
Voluntary retained earnings		734,458,739	437,273,677
Profit brought forward		437,273,677	146,895,641
Profit		297,185,062	290,378,036
Conversion difference		(319,143,566)	(95,082,022)
<b>Total equity</b>	<b>7</b>	<b>1,897,871,650</b>	<b>1,824,748,132</b>
<b>Total liabilities and equity</b>		<b>9,072,668,892</b>	<b>8,639,456,369</b>

## Cashflow statement<sup>2</sup>

CHF	2025	2024
<b>Profit for the year</b>	<b>297,185,062</b>	<b>290,378,036</b>
Net (purchases) of property, plant and equipment and intangible assets (incl. depreciation)	(20,123,068)	(5,880,220)
Net (purchases)/sales of investments (incl. realized gains/losses)	(1,177,219,807)	(645,439,693)
Net (purchases) of derivatives (incl. realized gains/losses)	(6,462,212)	27,224,465
Decrease/(increase) in deposits on reinsurance business	(5,950,821)	20,405,845
(Increase)/decrease in reinsurance contract assets	(21,332,685)	(37,458,854)
(Increase)/decrease in deferred acquisition cost	(100,906,546)	(103,571,297)
(Increase)/decrease in insurance receivables	(126,236,457)	(310,650,077)
(Increase)/decrease other receivables and other payables	23,931,407	(8,423,528)
Increase/(decrease) in outstanding claims	842,479,268	407,780,720
Increase/(decrease) in unearned premium	293,821,238	413,797,061
Increase/(decrease) in creditors arising from insurance operations	13,831,842	(56,074,951)
Increase/(decrease) in non-technical provision	2,939,020	(3,474,337)
(Increase)/decrease prepaid expenses and accrued income	2,059,735	(6,057,912)
<b>Cash flow from operating activities</b>	<b>18,015,976</b>	<b>(17,444,742)</b>
<b>Cash flow from investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flow for the financial year</b>	<b>18,015,976</b>	<b>(17,444,742)</b>
Cash on 1 January	398,956,919	388,092,654
Exchange rate difference on cash and cash equivalents	(48,988,077)	28,309,007
Cash on 31 December	367,984,815	398,956,919
<b>Change in cash</b>	<b>18,015,976</b>	<b>(17,444,742)</b>

<sup>2</sup> The cashflow statement is prepared using the indirect method.

# Notes to the financial statements

## 1. General

MS Amlin AG, trading under the name MS Reinsurance, is a wholly owned subsidiary of Mitsui Sumitomo Insurance Company, Limited (MSIJ).

### Basis of presentation

These financial statements were prepared in accordance with the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations) and relevant insurance supervisory law, including FINMA Insurance Supervision Guidance (ISO-FINMA).

### Use of estimates in the preparation of annual accounts

The preparation of the annual accounts requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expenses as well as the related disclosures. Actual results could differ significantly from these estimates.

### Investments

- **Participations** represent the Company's 100% holding of MS Amlin Reinsurance Managers, Inc. (MS ARMI), a company registered in Princeton South Corporate Ctr, Ste 160, 100 Charles Ewing Blvd, Ewing, NJ 08628, USA. The participation book value of USD 1.5 million (CHF 1.4 million) represents the acquisition costs, which is subject to impairment review in case of any material decreases in the net asset value.
- **Fixed-interest securities** consist of government bonds.
- **Shares** represent the Company's investment in the preferred shares of Viribus Re Ltd. and Envelop Risk (Bermuda) Ltd.
- **Other investments** mainly consist of bond and equity funds within Toro Prism Trust, money market funds, and property funds.

### Foreign currency translation

At year-end, assets and liabilities denominated in foreign currencies are translated into US dollars at the exchange rate on the balance sheet date. Whereas revenues and expenses are translated at the average exchange rate for the period under report. Shareholders' equity is translated at historical rates. FX gains arising from the revaluation of the opening balance sheet as well as from the adjustments from application of year-end or average rates are deferred and booked under provision for currency fluctuation (Balance Sheet: "Non-technical provisions"). FX losses are directly recognized in the income statement.

Realized FX arising from foreign exchange transactions are recognized in the income statement.

The translation from functional currency (EUR) for the Zurich operations to presentational currency of USD gave rise to a FX translation loss of USD 14.2 million (CHF 11.2 million). The revaluation to the functional currencies led to a FX loss of USD 83.1 million (CHF 65.9 million). The combined unrealized FX loss led to a full release of the FX provision (Balance Sheet: Liability account "Non-technical provisions").

Pursuant to Art. 958d, paragraph 3, CO, figures must also be presented in CHF and the year-end CHF/USD exchange rate of 0.7919 (2024: 0.9028) is applied for converting the USD numbers to CHF. Shareholders' equity is translated with historical CHF/USD exchange rate: 0.9678.

## Financial Statements Valuation Principles

### Investments

- **Participations** are valued at cost less necessary impairment, if any.
- **Fixed-interest securities** are valued at amortized cost less necessary impairments, if any.
- **Shares** are valued at cost less necessary impairments.
- **Other investments** are valued at market value if an observable market price is available. If the market price is not available (property funds), investments are accounted for at cost less necessary impairments. Subsequent recoveries of previously recorded impairments may be recognized up to the cost value.

### Derivative financial instruments

Receivables and liabilities from derivative financial instruments are valued at market value. Gains and losses are shown as part of income and expenses from investments.

### Deposits on reinsurance business

Deposits are held at nominal value.

### Cash and cash equivalents

Cash and cash equivalents include cash at bank and short-term deposits. Such current assets are held at nominal value after deduction of known credit risks.

### Reinsurers' share of technical provisions

Reinsurers' share of technical provisions represents the retroceded part of the technical provisions. The same accounting principles apply as for the technical provisions.

### Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and provision for impairment where appropriate. This also includes right of use assets from the Company's lease contracts.

### Intangible assets

Intangible assets, consisting of capitalized development costs for software for internal use, are measured at cost less straight-line amortization over the estimated useful life of software, which is not exceeding 20 years.

## **Reinsurance receivables**

Reinsurance receivables are carried at nominal value, after deduction of known credit risks, if applicable. The establishment of bad debt reserves or write offs will be recorded on a cedent basis. The position mainly consists of receivables from insurance companies and brokers.

## **Other receivables**

Other receivables are recognized at the nominal value, subject to impairment, if necessary.

## **Technical provisions**

The technical provisions are based on the cedant information (case reserves) and the reserves for already incurred but not yet reported claims (IBNR). Additionally, the technical provisions include the written but not yet earned part of the premiums (unearned premium reserve).

## **Reinsurance payables**

Reinsurance balances payable are held at redemption value.

## **Acquisition costs – gross and reinsurers' share**

Acquisition costs comprise of brokerage and commission incurred on insurance contracts written during the financial year. They are charged on the same basis as the earned proportions of the premium they relate to. Deferred acquisition costs are amortized over the period in which the related revenues are earned. Deferred acquisition costs are reviewed at the end of each reporting period and are impaired where they are no longer considered to be recoverable.

## **Direct taxes**

Direct taxes relate to income and capital taxes.

## 2. Other investments

CHF	31/12/2025	31/12/2024
Participations in pooled investment funds - Bonds	2,097,709,649	1,748,415,762
Participations in pooled investment funds - Money Market	1,754,007,085	1,463,324,814
Participations in pooled investment funds - Equity	321,243,609	328,367,072
Participations in pooled investment funds - Property	226,873,833	195,394,384
Short-term investments in pooled investment funds	213,707,813	277,285,671
Participations in pooled investment funds - Hedge Fund	89,397,741	72,863,063
Private equity of which participations (holding < 20%)*	45,467,449	31,145,744
<b>Total</b>	<b>4,748,407,179</b>	<b>4,116,796,510</b>

\* The unfunded commitment of Private equity of which participations (holding < 20%) amounts to CHF 23.1 million (2024: CHF 41.1 million).

## 3. Reinsurance receivables

CHF	31/12/2025	31/12/2024
Receivables from agents and brokers	1,937,344,572	2,085,996,386
Receivables from insurance companies	167,470,061	169,539,996
<b>Total</b>	<b>2,104,814,633</b>	<b>2,255,536,382</b>

## 4. Reinsurance payables

CHF	31/12/2025	31/12/2024
Liabilities to agents and brokers	316,371,198	321,055,758
Liabilities to insurance companies	27,211,713	54,853,338
<b>Total</b>	<b>343,582,911</b>	<b>375,909,096</b>

## 5. Technical provisions

CHF	Technical provisions (gross)	Reinsurers' share	31/12/2025 Technical provisions (net)
Unearned premium reserve	2,391,881,682	76,667,653	2,315,214,029
Loss reserves*	4,315,070,206	347,627,465	3,967,442,741
<b>Total technical provisions</b>	<b>6,706,951,888</b>	<b>424,295,118</b>	<b>6,282,656,770</b>

CHF	Technical provisions (gross)	Reinsurers' share	31/12/2024 Technical provisions (net)
Unearned premium reserve	2,391,743,584	70,321,462	2,321,422,122
Loss reserves*	3,958,678,656	389,047,008	3,569,631,648
<b>Total technical provisions</b>	<b>6,350,422,240</b>	<b>459,368,470</b>	<b>5,891,053,770</b>

\* Unallocated loss adjustment expenses (ULAE) are part of the loss reserves.

## 6. Change in technical provisions

CHF	31/12/2025	31/12/2024
Change in technical provisions - Outstanding claims	(109,336,106)	(31,562,551)
Change in technical provisions - IBNR	(551,469,068)	(471,193,292)
<b>Change in technical provisions - gross</b>	<b>(660,805,174)</b>	<b>(502,755,843)</b>
Change in reinsurers' share of technical provisions - Outstanding claims	(19,232,219)	5,004,620
Change in reinsurers' share of technical provisions - IBNR	20,324,193	73,420,094
<b>Change in reinsurers' share of technical provisions</b>	<b>1,091,974</b>	<b>78,424,714</b>

## 7. Statement of changes in equity

CHF	Share capital	Legal capital reserves	Legal retained earnings	Voluntary retained earnings	Conversion difference	Total equity
<b>As of 31 Dec 2023</b>	<b>10,000,001</b>	<b>1,467,556,476</b>	<b>5,000,000</b>	<b>146,895,641</b>	<b>(199,395,950)</b>	<b>1,430,056,167</b>
Conversion difference*	-	-	-	-	104,313,928	104,313,928
Loss for the period	-	-	-	290,378,036	-	290,378,036
Dividend payments	-	-	-	-	-	-
<b>As of 31 Dec 2024</b>	<b>10,000,001</b>	<b>1,467,556,476</b>	<b>5,000,000</b>	<b>437,273,677</b>	<b>(95,082,022)</b>	<b>1,824,748,132</b>
Conversion difference*	-	-	-	-	(224,061,544)	(224,061,544)
Profit for the period	-	-	-	297,185,062	-	297,185,062
Dividend payments	-	-	-	-	-	-
<b>As of 31 Dec 2025</b>	<b>10,000,001</b>	<b>1,467,556,476</b>	<b>5,000,000</b>	<b>734,458,739</b>	<b>(319,143,566)</b>	<b>1,897,871,650</b>

\* Pursuant to Art. 958d, paragraph 3, CO, figures must also be presented in CHF and the year-end CHF/USD exchange rate was 0.7919 applied for converting the USD numbers to CHF. Equity nominals, except for the free reserves, are revalued with historical rates leading to a conversion difference.

## 8. Receivables to third parties and affiliated companies

CHF	Third party	Affiliated companies	31/12/2025 Total
Receivables from reinsurance business	1,979,524,983	125,289,650	2,104,814,633
Other receivables	64,109,285	290,544	64,399,829
<b>Total</b>	<b>2,043,634,268</b>	<b>125,580,194</b>	<b>2,169,214,462</b>

CHF	Third party	Affiliated companies	31/12/2024 Total
Receivables from reinsurance business	2,192,180,185	63,356,197	2,255,536,382
Other receivables	35,366,277	6,777,573	42,143,850
<b>Total</b>	<b>2,227,546,462</b>	<b>70,133,770</b>	<b>2,297,680,232</b>

## 9. Payables to third parties and affiliated companies

CHF	Third party	Affiliated companies	31/12/2025 Total
Payables from reinsurance business	278,612,203	64,970,708	343,582,911
Other liabilities	54,850,982	4,054,943	58,905,925
<b>Total</b>	<b>333,463,185</b>	<b>69,025,651</b>	<b>402,488,836</b>

CHF	Third party	Affiliated companies	31/12/2024 Total
Payables from reinsurance business	348,031,630	27,877,466	375,909,096
Other liabilities	3,626,696	4,972,938	8,599,634
<b>Total</b>	<b>351,658,326</b>	<b>32,850,404</b>	<b>384,508,730</b>

## 10. Audit fees

CHF	2025	2024
Audit services	1,563,173	1,055,510
Other services	5,936	4,863
<b>Total</b>	<b>1,569,109</b>	<b>1,060,373</b>

## 11. Income from investments

CHF	Income	Net unrealized gains	Net realized gains	2025 Total
Fixed-interest securities	23,267,569	13,671,638	1,412,116	38,351,323
Shares	-	806,821	-	806,821
Other investments	86,378,485	485,923,738	212,494,753	784,796,976
<b>Total</b>	<b>109,646,054</b>	<b>500,402,197</b>	<b>213,906,869</b>	<b>823,955,120</b>

CHF	Income	Net unrealized gains	Net realized gains	2024 Total
Fixed-interest securities	23,882,664	-	10,004,634	33,887,298
Shares	-	907,493	-	907,493
Other investments	114,452,145	80,897,109	369,861,431	565,210,685
<b>Total</b>	<b>138,334,809</b>	<b>81,804,602</b>	<b>379,866,065</b>	<b>600,005,476</b>

## 12. Expenses from investments

CHF	Expenses	Net unrealized losses	Net realized losses	2025 Total
Fixed-interest securities	2,864,985	9,870,526	-	12,735,511
Shares	-	-	-	-
Other investments	1,203,547	391,879,999	167,707,444	560,790,990
<b>Total</b>	<b>4,068,532</b>	<b>401,750,525</b>	<b>167,707,444</b>	<b>573,526,501</b>

CHF	Expenses	Net unrealized gains	Net realized gains	2024 Total
Fixed-interest securities	9,300,253	3,413,566	2,823,855	15,537,674
Shares	-	173,265	-	173,265
Other investments	689,339	91,891,029	317,829,386	410,409,754
<b>Total</b>	<b>9,989,592</b>	<b>95,477,860</b>	<b>320,653,241</b>	<b>426,120,693</b>

## 13. Personal expenses

Personnel expenses for 2025 amounted to CHF 97.5 million (2024: CHF 77.0 million) and are included in the line-item administrative expenses.

## 14. Contingent liabilities

The Company has no contingent liabilities as of 31 December 2025 (31 December 2024: nil). There were no capital commitments or authorized but uncontracted commitments at the end of the financial year.

## 15. Depreciation of real estate and equipment and amortization / impairment of intangible assets

CHF	31/12/2025	31/12/2024
Property and equipment	3,787,135	2,447,406
Intangible assets amortization	2,445,851	1,800,792
Intangible assets impairment	5,071,283	-
<b>Total</b>	<b>11,304,269</b>	<b>4,248,198</b>

## 16. Restricted assets

As of 31 December 2025, the Company holds restricted funds in the form of letter of credit (LOC) collaterals, initial margin calls on derivative financial instruments, and collateral received from reinsurance counterparties.

### Letter of credit (LOC) facilities

The Company has four different LOC facilities which consist of CHF 514.7 million (2024: CHF 586.8 million), CHF 182.1 million (2024: CHF 207.6 million), CHF 43.5 million (2024: CHF 48.4 million) and CHF 1.0 million (2024: CHF 1.2 million). The USD 650.0 million facility is secured by a registered charge over a portfolio of assets managed by Fiera Capital with BNP Paribas as custodian. The USD 230.0 million facility is secured by time deposits held at Barclays Bank. The NZD 95.0 million LOC is secured by time deposits held at National Australia Bank. The remaining USD 1.3 million is held at HSBC Bermuda. As of 31 December 2025, CHF 569.5 million of LOC were issued (2024: CHF: 705.6 million).

### Derivative margins and collateral

Derivative instruments traded by the Company for hedging purposes give rise to collateral being placed with, or received from, external counterparties. As of 31 December 2025, other receivables include CHF 32.6 million (2024: CHF 35.9 million) of margins and collateral pledged in relation to listed derivatives.

### Funds withheld as premium/claim deposits

As of 31 December 2025, the Company placed funds totalling to CHF 50.3 million (2024: CHF 56.3 million) as claim deposits and CHF 23.4 million (2024: CHF 21.0 million) as premium deposits. These funds are held by external brokers or cedents.

### Trust and Pledged Funds

As of 31 December 2025, cash and cash equivalents with a fair value of CHF 341.6 million (2024: CHF 405.0 million) were deposited in trust accounts by the Company for the benefit of the ceding companies. These funds are held in a trust by banks.

## 17. Residual amount of lease obligations

The maturity profile of lease obligations that do not expire in or cannot be cancelled within 12 months is presented below:

### Operating lease commitments

CHF	31/12/2025	31/12/2024
Later than 1 year and no later than 5 years	14,378,016	2,235,910
Later than 5 years	9,468,215	-
<b>Total operating lease commitments</b>	<b>23,846,231</b>	<b>2,235,910</b>

The operating leases relate to the office rental in different locations.

## 18. Liabilities to pension schemes

There is no pension fund liability as of 31 December 2025 (2024: nil).

## 19. Full-time equivalents

The annual average number of full-time equivalents for the reporting year was 263 (2024: 226).

## 20. Significant events after the balance sheet date

No significant events occurred after the balance sheet date.

## 21. Shareholders' equity (reserves from capital contributions)

As of 31 December 2025, CHF 1,467.6 million are shown as "reserves from capital contributions" (31 December 2024: CHF 1,467.6 million). The total reserves from capital contributions include CHF 140.0 million (2024: CHF 140.0 million) of "capital reserves" as agreed with FINMA during the application process.

## Proposal for the appropriation of distributable earnings

CHF	2025
Profit carried forward	437,273,677
Profit	297,185,062
Conversion difference	(319,143,566)
<b>Profit carried forward</b>	<b>415,315,173</b>
<b>Proposal of the Board of Directors:</b>	
Profit carried forward	415,315,173
Dividend payments*	(79,191,984)
<b>Amount carried forward</b>	<b>336,123,189</b>

(\*) The Board of Directors proposes a dividend distribution of USD 100,000,000 at the Annual General Meeting on 23 April 2026. In order to comply with Swiss Code of Obligations, the proposed dividend payment out of profit carried forward, translated into CHF on 23 April 2026 must not exceed CHF 100.0 million.



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