

Swiss Re Asia Pte. Ltd.
Registration Number: 201737271G

Annual Report
Year ended 31 December 2025

Directors' statement

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2025.

In our opinion:

- (a) the financial statements set out on pages FS1 to FS102 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

In addition, we are satisfied with the adequacy and effectiveness of the Company's corporate governance framework and practices and its risk management and internal control systems.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Deanna Ong Aun Nee
Melissa Anne Babbage
Paul Murray
Torben Thomsen
Alan John Wilson
Anders Bjorn Malmström

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 ('the Act'), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and corporation in which interests are held	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
	Holdings at beginning of the year	Holdings at end of the year	Holdings at beginning of the year	Holdings at end of the year
Ultimate Holding Corporation				
- Swiss Re Ltd				
<i>No. of ordinary shares</i>				
Deanna Ong Aun Nee	7,334	8,463	—	—
Paul Murray	14,399	20,453	1,373	1,373
Torben Thomsen	22,455	23,585	—	—
Anders Malmstrom	—	9,810	—	—
Unvested Leadership Share Plan Units				
Paul Murray	33,018	28,852	—	—
Torben Thomsen	7,124	4,200	—	—
Unvested Deferred Share Plan Units				
Paul Murray	5,917	8,381	—	—
Torben Thomsen	687	715	—	—

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Except as disclosed under the 'Share options' section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares in the Company;
and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



Deanna Ong Aun Nee
Director



Alan John Wilson
Director

26 March 2026



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Independent auditors' report

Members of the Company
Swiss Re Asia Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Swiss Re Asia Pte. Ltd. (the 'Company'), which comprise the statement of financial position as at 31 December 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages FS1 to FS102.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 ('the Act') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code'), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the Directors' Statement prior to the date of this auditors' report.

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.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 SSAs 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 SSAs, we exercise professional judgement and maintain professional skepticism 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 controls.
- Obtain an understanding of internal controls 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the audit. We remain solely responsible for our audit opinion.

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



Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
26 March 2026

Statement of financial position
As at 31 December 2025

	Note	2025 \$'000	2024 \$'000
Assets			
Property, plant and equipment	4	10,614	10,292
Right-of-use assets	5	30,932	32,351
Insurance contract assets	6	1,100,704	982,741
Reinsurance contract assets	6	3,225,681	2,930,024
Financial investments	7	5,468,665	5,418,939
Deferred tax assets	17	33,018	38,329
Receivables	8	1,026,152	933,917
Cash and cash equivalents	9	103,594	123,927
Total assets		10,999,360	10,470,520
Equity			
Share capital	10	3,398,890	3,398,890
Capital contribution	23	114,000	–
Capital reserve		(512,310)	(512,310)
Translation reserve		(111,824)	(188,852)
Acquisition reserve		(825,131)	(825,131)
Other reserves		51,515	(30,757)
Accumulated profits		1,418,448	1,946,930
Total equity		3,533,588	3,788,770
Liabilities			
Insurance contract liabilities	6	6,268,161	5,735,122
Reinsurance contract liabilities	6	490,563	201,159
Derivative liabilities	7	95,255	–
Lease liabilities	5	35,546	36,153
Income tax payable		24,461	31,701
Deferred tax liabilities	17	103,950	119,032
Other liabilities	11	447,836	558,583
Total liabilities		7,465,772	6,681,750
Total equity and liabilities		10,999,360	10,470,520

The accompanying notes form an integral part of these financial statements.

Statement of comprehensive income
Year ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
Insurance revenue	12	4,625,824	5,349,583
Insurance service expenses	6	(3,788,008)	(4,189,054)
Insurance service result before reinsurance contract held		<u>837,816</u>	<u>1,160,529</u>
Allocation of reinsurance premiums	6	(2,493,436)	(2,549,652)
Amounts recoverable from reinsurers for incurred claims	6	1,816,882	1,835,192
Net expenses from reinsurance contracts held		<u>(676,554)</u>	<u>(714,460)</u>
Insurance service result		<u>161,262</u>	<u>446,069</u>
Finance expenses from insurance contracts issued	13	(161,145)	(227,487)
Finance income from reinsurance contracts held	13	60,595	69,661
Insurance finance result		<u>(100,550)</u>	<u>(157,826)</u>
Net investment income	14	209,773	236,855
Investment (losses)/gains	14	(307,392)	86,874
Investment result		<u>(97,619)</u>	<u>323,729</u>
Income from insurance contracts without significant risk transfer	15	286,755	111,994
Other expenses	15	(85,389)	(248,691)
Profit before tax		<u>164,459</u>	<u>475,275</u>
Income tax expense	17	(36,941)	(66,292)
Profit for the year		<u>127,518</u>	<u>408,983</u>
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation		77,028	(164,620)
Net unrealised investment gain/(losses) on fixed income securities, net of tax	14	2,030	(4,482)
Net finance income from insurance contract issued and reinsurance contracts held, net of tax	13	80,242	89,828
Total other comprehensive income/(loss)		<u>159,300</u>	<u>(79,274)</u>
Total comprehensive income for the year		<u>286,818</u>	<u>329,709</u>

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
Year ended 31 December 2025

Note	Share capital \$'000	Capital contribution \$'000	Capital reserve \$'000	Translation reserve \$'000	Acquisition reserve \$'000	Fair value reserve \$'000	Insurance finance reserve \$'000	Accumulated profits \$'000	Total \$'000	
Balance at 1 January 2025	3,398,890	–	(512,310)	(188,852)	(825,131)	(15,576)	(15,181)	1,946,930	3,788,770	
Total comprehensive income for the year										
Profit for the year	–	–	–	–	–	–	–	127,518	127,518	
Other comprehensive income										
Foreign currency translation	–	–	–	77,028	–	–	–	–	77,028	
Net change in fair value loss on financial assets at FVOCI	–	–	–	–	–	2,030	–	–	2,030	
Finance income from (re)/insurance contracts	–	–	–	–	–	–	80,242	–	80,242	
Total other comprehensive income	–	–	–	77,028	–	2,030	80,242	–	159,300	
Total comprehensive income for the year	–	–	–	77,028	–	2,030	80,242	127,518	286,818	
Transactions with owners, recognised directly in equity										
Contributions by and distributions to owner										
Contribution	23	–	114,000	–	–	–	–	–	114,000	
Dividends paid	22	–	–	–	–	–	–	(656,000)	(656,000)	
Total transactions with owners		–	114,000	–	–	–	–	(656,000)	(542,000)	
At 31 December 2025		3,398,890	114,000	(512,310)	(111,824)	(825,131)	(13,546)	65,061	1,418,448	3,533,588

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity (cont'd)
Year ended 31 December 2025

Note	Share capital \$'000	Capital reserve \$'000	Translation reserve \$'000	Acquisition reserve \$'000	Fair value reserve \$'000	Insurance finance reserve \$'000	Accumulated profits \$'000	Total \$'000
Balance at 1 January 2024	3,398,890	(512,310)	(24,232)	(825,131)	(11,094)	(105,009)	1,817,947	3,739,061
Total comprehensive income for the year								
Profit for the year	–	–	–	–	–	–	408,983	408,983
Other comprehensive income								
Foreign currency translation	–	–	(164,620)	–	–	–	–	(164,620)
Net change in fair value loss on financial assets at FVOCI	–	–	–	–	(4,482)	–	–	(4,482)
Finance income from (re)/insurance contracts	–	–	–	–	–	89,828	–	89,828
Total other comprehensive (loss)/income	–	–	(164,620)	–	(4,482)	89,828	–	(79,274)
Total comprehensive (loss)/income for the year	–	–	(164,620)	–	(4,482)	89,828	408,983	329,709
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owner								
Dividends paid	–	–	–	–	–	–	(280,000)	(280,000)
Total transactions with owners	–	–	–	–	–	–	(280,000)	(280,000)
At 31 December 2024	3,398,890	(512,310)	(188,852)	(825,131)	(15,576)	(15,181)	1,946,930	3,788,770

The accompanying notes form an integral part of these financial statements.

Statement of cash flows
Year ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Profit for the year		127,518	408,983
Adjustments for:			
- Depreciation of property, plant and equipment	4	2,998	2,432
- Amortisation of right-of-use assets	5	7,534	7,537
- Realised gain on financial assets at fair value through profit or loss		(585)	(30)
- Unrealised gain on financial assets at fair value through profit or loss		(4,108)	(18,338)
- Interest expense/(income)		97,619	(323,729)
- Income tax expense		36,941	66,292
- Interest expense	5	1,293	1,387
- Property, plant and equipment written off	4	18	37
- Currency translation (gains)/losses		(77,028)	165,620
		192,200	310,191
Changes in working capital:			
- Insurance and reinsurance contracts		408,823	(41,269)
- Other receivables		(86,924)	(383,429)
- Other payables		84,933	310,196
		599,032	195,689
Cash generated from operations		599,032	195,689
Income tax paid		(23,432)	(38,177)
Net cash from operating activities		575,600	157,512
Cash flows from investing activities			
Purchase of financial investments		(12,135,634)	(12,587,507)
Proceeds from financial investments		12,198,110	12,424,611
Interest (paid)/received		(98,162)	321,598
Purchase of property, plant and equipment	4	(3,338)	(3,935)
Net cash flows (used in)/from investing activities		(39,024)	154,767

The accompanying notes form an integral part of these financial statements.

Statement of cash flows (cont'd)
Year ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from financing activities			
Principal repayment of lease liabilities	5	(7,408)	(7,157)
Interest paid	5	(1,293)	(1,387)
Capital contribution	23	114,000	–
Dividends paid	22	(656,000)	(280,000)
Net cash flows used in financing activities		<u>(550,701)</u>	<u>(288,544)</u>
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at 1 January		123,927	103,689
Effects of currency translation on cash and cash equivalents		(6,208)	(3,497)
Cash and cash equivalents at 31 December	9	<u>103,594</u>	<u>123,927</u>

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 26 March 2026.

1 Domicile and activities

Swiss Re Asia Pte. Ltd. (the ‘Company’) was incorporated in Switzerland on 13 September 1919 and transferred its registration to Singapore on 31 December 2017. The address of its registered office is 128 Beach Road, #10-01 Guoco Midtown, Singapore 189773.

The principal activity of the Company is reinsurance. The Company provides reinsurance form of risk transfer working through brokers, and serves a client base consisting of insurance companies through the operation in Singapore and its branches in Malaysia, Korea, Hong Kong, Japan and Australia. It consists of two operating segments: Property & Casualty Reinsurance (‘non-life’), Life & Health Reinsurance (‘life’).

The Company is 100% owned by its parent, Swiss Re Asia Holding Pte. Ltd., a Company incorporated in Singapore. The Company’s ultimate holding Company is Swiss Re Ltd, incorporated in Switzerland.

2 Basis of preparation

2.1 Basis of accounting

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore (‘FRS’). The changes to material accounting policies are described in Note 2.4.

2.2 Functional and presentation currency

These financial statements are presented in United States dollars (‘\$’), which is the Company’s functional and presentation currency. Foreign branch operations are translated from its respective functional currency to the Company’s presentation currency. All amounts in United States dollars have been rounded to the nearest thousand, unless otherwise stated.

2.3 Use of estimates and judgments

The preparation of the financial statements in conformity with FRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Estimates, assumptions, and judgement are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The Company makes estimates, assumptions, and judgement in determining the reported insurance liabilities. The resulting accounting estimates will, by definition, seldom equal the related actual results. Certain estimates and assumption have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities subsequent to the reporting date.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follow:

- **Note 3.4 – Insurance contracts**

Classification of insurance, reinsurance and investment contracts

Assessing whether the contract transfers significant insurance risk.

Level of aggregation of insurance and reinsurance contracts

Identifying portfolios of contracts and determining groups of contracts that are onerous on initial recognition and those that have no significant possibility of becoming onerous subsequently.

Measurement of insurance and reinsurance contracts

Determining the techniques for estimating risk adjustments for non-financial risk and the coverage units provided under a contract.

Determining whether sufficient reasonable and information is available to apply full, modified retrospective approach, or fair value approach.

Determining the estimates of present value of future cash flows

The Company's cash flow estimates reflect the most current assumptions, incorporating all reasonable and supportable information about the amount, timing and uncertainty of the future cash flows. These estimates are reflected in the liability for remaining coverage for insurance events that have not yet occurred and in the liability for incurred claims for insurance events that have already occurred.

Due to the inherent nature of the business written, amounts and the timing of cash payments to policyholders could differ substantially from amounts originally estimated or amounts currently reflected in the liability for remaining coverage or liability for incurred claims. Actuarial judgement is involved in setting assumptions, which are regularly reviewed to reflect current conditions. Assumptions are subject to a review and governance process.

Refer to note 18.1(a) Management of insurance risk for more details.

- **Note 3.5– Financial instruments**

Classification of financial assets

Assessing the business model within which the assets are held and whether the contractual terms of the assets are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

Impairment of financial assets

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of expected credit loss ('ECL') and selection and approval of models used to measure ECL.

Determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information.

- **Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Unobservable inputs and valuation adjustments are regularly reviewed. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of FRS, including the level in the fair value hierarchy in the valuations should be classified. Significant valuation issues are reported to the Company's Board of Directors.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values and fair value measurement hierarchy are included in the Note 18.2 - Financial risk management.

2.4 Changes in material accounting policies

The Company did not have any changes to its accounting policies from those applied in the financial statements as at and for the year ended 31 December 2024.

2.5 New standards and amendments

The Company adopted the following amendments of FRS for the first time on 1 January 2025:

Effective date	New accounting standards or amendments
1 January 2025	<i>Lack of Exchangeability - Amendments to FRS 21</i>

The application of these amendments to standards did not have a material effect on the Company's financial statements.

3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

3.1 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Groups of insurance and reinsurance contracts that generate cash flows in a foreign currency, including the CSM, are treated as monetary items.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value is determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- Groups of insurance and reinsurance contracts to the extent that the foreign currency differences relate to changes in the carrying amount of the groups recognised in OCI. The amount included in OCI is the difference between the total foreign currency differences and the amount included in profit or loss. The amount included in profit or loss is the difference between the measurement of the group that is used to determine the insurance finance income and expenses in profit or loss in the year in the functional currency at the beginning of the year, adjusted for accreted interest and payments during the year, and the same measurement in the foreign currency translated at the exchange rate at the end of the year;

(ii) Foreign operations

The results and financial position of foreign operations that have functional currency different from the Company's presentation currency are translated as follow:

- Assets and liabilities are translated at the exchange rate at the reporting date; and
- Revenues and expenses are translated at exchange rates at the date of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve.

3.2 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any costs that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss within 'other gains/losses, net'.

(ii) Subsequent costs

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(iii) Depreciation

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives as follows:

- | | |
|-------------------------------|--|
| • Computer equipment | 3 to 15 years |
| • Office equipment | 3 to 8 years |
| • Fixtures and fittings | 5 to 20 years |
| • Office layout modifications | 5 to 15 years or life of lease whichever shorter |

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

3.3 Leases

As a lessee

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's assessment of whether it will exercise an extension option or there are modifications in the scope or the consideration of the lease that was not part of the original term.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities as separate line items in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low-value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Extension options

Some property leases contain extension options exercisable by the Company. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options.

3.4 Insurance contracts

(i) Recognition, measurement and presentation of insurance contracts

FRS 117 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Company's estimates of the present value of future cash flows that are expected to arise as the Company fulfils the contracts, an explicit risk adjustment for non-financial risk and a CSM.

Under FRS 117, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Company expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

Insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been recognised.

Income and expenses from reinsurance contracts other than IFIE are now presented as a single net amount in profit or loss.

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Company recognises reinsurance service expenses as it receives coverage or other services. The reinsurance service expenses relating to services received for each reporting period represent the total of the changes in the remaining coverage component that relate to services for which the Company expects pay consideration.

(ii) Classification of insurance, reinsurance and investment contracts

The Company applies FRS 117 to insurance contracts issued and reinsurance contracts held. Contracts that involve the acceptance of significant insurance risk are accounted for as insurance contracts in accordance with FRS 117. Insurance risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. Insurance risk is considered as significant if an insured event could cause the payment of additional amounts that are significant in any single scenario, excluding scenarios that have no commercial substance.

Life insurance contracts include those where the insured benefit is payable on the occurrence of a specified uncertain event such as death, injury or disability caused by accident or illness that adversely affects the policyholder. Non-life insurance contracts include property and casualty contracts. Property contracts mainly compensate the cedant's customers for damages suffered to their properties or for the value of property lost and also includes agriculture insurance which protects against damage to crops. Casualty contracts protect the cedant's customers against the risk of causing harm to third parties as a result of legitimate activities.

Contracts held by the Company under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts.

Contracts that do not transfer significant insurance risk are generally financial instruments and are accounted for in accordance with FRS 109 requirements.

(iii) Separation of components

An insurance contract may contain one or more components that fall out of scope of FRS 117 if they were separate contracts. For example, an insurance contract may include embedded derivatives, investment components or component for services other than Insurance contract services (or all).

Distinct investment components and distinct non-insurance services are separated from the insurance contract and accounted for in accordance with FRS 109 and/ or FRS 115 requirements. The Company does not have significant exposure to these types of contracts.

Non-distinct components are accounted for together with the insurance component if the cash flows and risks associated with the good or service are highly inter-related with the cash flows and risks associated with the insurance component, and the Company provides a significant service of integrating the good or service with the insurance component.

(iv) Level of aggregation

The level of aggregation defines the grouping of insurance contracts relevant for measuring (re)insurance contract profitability by first combining contracts into portfolios and then splitting portfolios into groups. Contracts are combined into portfolios at initial recognition. A portfolio comprises contracts that are subject to similar risks and managed together. On initial recognition portfolios are split into groups of contracts based on their probability of becoming onerous (assessed at the contract or sets of contracts level) and their issuance date. When assessing the probability of contracts of becoming onerous, the standard requires an entity to divide the contracts into the following groups: Contracts that are onerous at initial recognition; contracts that have no significant possibility of becoming onerous subsequently and all remaining contracts in the portfolio.

The following general criteria should be considered when identifying product lines that constitutes a portfolio of insurance contracts:

- the split should allow for a justifiable level of cross-subsidisation between similar risks;
- the approach should focus on how the Company presents itself externally;
- the split should be stable over time, be at the highest allowable level, and applied consistently between business units to the extent justified, based on existing hierarchies;
- product lines cannot be aggregated into portfolios across business units;
- the two main criteria (similar risk, managed together) should be assessed jointly;
- determination of similar risks is based on an assessment of how similar product lines respond in amount and timing in changes to key assumptions. The Company's line of business ('LoB'; main line of business) takes reference to the underlying primary risk(s) that is/are covered in a contract (i.e. the risk trigger), and this has been determined as the relevant basis for identifying similar risks. Categories of similar risk focus on insurance risk, and if applicable, financial risk should be considered as well;

- ‘managed together’ should be assessed along the following categories: business origination, pricing and underwriting; reserving / assumption setting and other risk management activities (including retrocession); claims management; portfolio management; reporting to management; and
- multiline contracts that do not qualify for separation should be assigned to specific multiline or a general multiline portfolio category. The criteria for splitting contracts into distinct insurance components are set out in ‘Splitting and combining (re)insurance contracts’.

Insurance contracts are aggregated into groups for measurement purposes by first combining contracts into portfolios and then splitting portfolios into groups. At initial recognition, the Company identifies portfolios by combining contracts that are subject to similar risks and managed together. The portfolio classification for the Company is defined as follows:

- non-life business is based on the main line of business. Non-life is further split by type of business (proportional, nonproportional and facultative) based on the business’ views on how contracts are managed;
- life business is split by product type and no further split is applicable;
- multiline contracts that do not qualify for separation are assigned to a specific multiline or a general multiline portfolio category; and
- bespoke transactions that are managed separately are allocated to unique portfolios.

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of FRS 117 are applied. The Company segregates contracts - based on profitability- into the following three categories:

- contracts that are onerous on initial recognition;
- contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts.

All the contracts within a group are issued within one year (annual cohorts). Groups of contracts are defined at initial recognition and are not reassessed after initial recognition.

Insurance/ Takaful and Reinsurance/ Retakaful contracts

Life & Health ('L&H') contracts are aggregated at Sub-Risk Fund level. All the Property & Casualty ('P&C') contracts within a group are issued within one year (annual cohorts).

Malaysia Branch applies surplus mutualisation in determining the level of aggregation, which is guided by the terms of the takaful contracts to ensure that it reflects the nature and terms of the takaful contracts. This is in-line with Takaful concept of mutual guarantee whereby the participants mutually agree to contribute to a pool of Risk Fund and with the aim of providing mutual financial aid and assistance to the participants in case of need. Any deficit arising in a single contract is mutualised among the product grouping.

(v) Splitting and combining (re)insurance contracts

The unit of account sets the level at which the recognition and measurement requirements in FRS 117 are applied. The unit of account is closely related to the level of aggregation. The unit of account has to be set before the level of aggregation criteria are applied. The unit of account is determined at inception and has to be reassessed when a contract is modified or when a contract boundary is passed.

The lowest unit of account for insurance and reinsurance contracts is the contract, either legal contract or in substance contract, that includes all insurance components that cannot be separated after i) separation of embedded derivatives, distinct investment and service components, ii) insurance components that meet the separation criteria below.

There might be circumstances where the legal form of a single contract does not reflect the substance of its contractual rights and obligations. The assessment of whether or not individual rights and obligations within a contract should be separated or not involves significant judgement and careful consideration of all relevant facts and circumstances. It is not an accounting policy choice.

The principles for separating insurance components from a single contract are generally consistent with the principles for combining insurance contracts.

To override the presumption that the legal form of the contracts reflects the substance of the agreement, significant judgement and careful consideration of all relevant facts and circumstances must be taken on a case-by-case basis. Insurance components may not be separated from each other if the components form one contract in substance.

Criteria for splitting insurance contracts into insurance components

Besides considering the economic impact of the contract overall compared to its separate insurance components, an analysis of the following indicators should be used to support a conclusion that the presumption that the legal contract reflects its substance can be overcome:

- rights and obligations have dissimilar economic characteristics and risks;
- rights and obligations of one component (or contract) do not negate the rights and obligations of another component (or contract);
- the lapse or maturity of one insurance component does not cause the lapse or maturity of the other insurance components;
- the entity prices and sells each insurance component separately;
- there are no material interdependencies between component cash flows or interdependent cash flows can be separated / allocated to the components in a non-arbitrary way, which requires a logical and consistently-applied method; and
- there are no other indications that the different components form one contract in substance, including the following: a.) There is no substantial cross-subsidisation such that one component is onerous on its own but the whole treaty is expected to be profitable, and b.) The insurance components are considered separately in business steering activities to produce cash flows and can be measured separately on a reliable and consistent basis.

The presence of a discount in and by itself does not preclude separation.

Application of the indicators should be done consistently across business lines. Not all indicators may be equally relevant in all cases, and not all indicators have to be met to support a conclusion on separating or not separating a multi-line contract.

(vi) Contract boundaries

The Company recognises groups of insurance contracts issued from the earliest of the following dates:

- the beginning of the coverage period of the group of contracts;
- the date when the first payment from a policyholder in the group becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received); and
- the date when a group of contracts becomes onerous.

The measurement of a group of contracts includes all the future cash flows within the boundary of each contract in the group.

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services.

A substantive obligation to provide services ends when:

- the Company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- the Company has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

The ‘ability to compel’ often refers to insurer’s ability to compel the insured to pay premiums and to continue the insurance coverage. A contract boundary is created when both parties have the right to terminate the contract unconditionally.

The ‘ability to reprice’ is impacted by price reviewability clauses. A contract boundary may be created when Swiss Re can reassess the risks of the particular policyholder (or a portfolio of insurance contracts that contains the contract) and then set a price to fully reflect those risks.

A constraint that limits an insurer’s practical ability to reprice differs from the insurer’s pricing decisions. In addition, expectations about whether an insurer will exercise its practical ability to reprice a contract are irrelevant to the assessment of the contract’s boundary.

The ‘ability to compel’ and ‘ability to reprice’ should be considered separately.

The contract boundary is reassessed at each reporting period.

In estimating expected future cash flows of a group of contracts, the Company applies judgement in assessing future policyholder behaviour surrounding the exercise of options available to them. These include surrender options, and other options falling within the contract boundary.

Most non-life insurance contracts issued by the Company have annual terms that are guaranteed to be renewable each year. The cash flows related to future renewals are determined to be outside the contract boundary. This is because the premium charged for each year reflects Company’s expectation of its exposure to risk for that year and, on renewal, the Company can reprice the premium to reflect the reassessed risks for the next year based on claims experience and expectations for the respective portfolio. Any renewal of the contract is treated as a new contract and is recognised, separately from the initial contract, when the recognition criteria are met.

The reassessment of risks considers only risks transferred from policyholders to the Company, which may include both insurance and financial risks, but exclude lapse and expense risks.

(vii) Insurance acquisition cash flows

The Company includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs.

The Company estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio. The Company then allocates them to the group of newly written and renewed contracts on a systematic and rational basis.

The Company recognises an asset in respect of costs to secure a portfolio or group of insurance contracts, such as costs of selling and underwriting, when these costs are incurred before the recognition of the group of insurance contracts to which these costs relate. The Company recognises such an asset for each existing or future group of insurance contracts to which insurance acquisition cash flows are allocated. The related portion of the asset for insurance acquisition cash flows is derecognised and included in the measurement of the fulfilment cash flows of the associated group of contracts when the group is initially recognised. When only some of the insurance contracts expected to be included within the group are recognised as at the end of the reporting period, the Company determines the related portion of the asset that is derecognised and included in the group's fulfilment cash flows. The related portion is determined on a systematic and rational allocation method that considers the timing of recognition of the contracts in the group.

At each reporting date, the Company reviews the carrying amounts of the asset for insurance acquisition cash flows to determine whether there is an indication that the asset has suffered an impairment. If any such indication exists, the Company adjusts the carrying amount of the asset so that the carrying amount of the asset does not exceed the expected net cash inflow for the associated future groups of contracts. An impairment loss is recognised in profit or loss for the difference. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the extent the impairment conditions no longer exist or have improved and the cumulative amount of impairment loss reversal does not exceed the impairment loss recognised for the asset in prior years.

(viii) Measurement of insurance contracts issued

The Company accounts for insurance and reinsurance contracts it issues and for retrocessions under FRS 117. An insurance contract is a contract in which the issuer accepts significant insurance risk from the holder of the contract (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

A reinsurance contract is an insurance contract issued by the reinsurer to compensate another entity for claims arising from one or more insurance contracts issued by that other entity. In line with FRS 117, references in this section to insurance contracts issued include reinsurance contracts issued, while retrocessions entered into by Company are referred to as reinsurance contracts held.

After separating any components from the insurance contract, Company assesses whether a contract transfers significant insurance risk. A contract transfers significant insurance risk if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis and if there is variability of the net result between a scenario with remote and high probability. Additionally, a reinsurance contract is deemed to transfer significant insurance risk if substantially all the insurance risk related to the reinsured portions of the underlying insurance contracts are transferred. The assessment of significant insurance risk is conducted on a contract-by-contract basis at inception.

Initial recognition

On initial recognition, the Company measures a group of insurance contracts as the total of (a) the fulfilment cash flows within contract boundary, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the CSM.

Fulfilment cash flows within contract boundary

The fulfilment cash flows are the current unbiased and probability-weighted estimates of the present value of the future cash flows, including a risk adjustment for non-financial risk. In arriving at a probability-weighted mean, the Company considers a range of scenarios to establish a full range of possible outcomes incorporating all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of expected future cash flows. The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future.

The cash flow estimates include both market variables, which are consistent with observable market prices, and non-market variables, which are not contradictory with market information and based on internally and externally derived data.

The Company estimates expected future cash flows for a group of contracts at a portfolio level and allocates them to the groups in that portfolio in a systematic and rational way. When estimating future cash flows, the Company includes all cash flows within the contract boundary including:

- premiums and any additional cash flows resulting from those premiums;
- reported claims that have not yet been paid, claims incurred but not yet reported, future claims expected to arise from the policy and potential cash inflows from recoveries on future claims covered by existing insurance contracts;
- an allocation of insurance acquisition cash flows attributable to the portfolio to which the issued contract belongs;
- claim handling costs;
- policy administration and maintenance costs including recurring commissions expected to be paid to intermediaries for policy administration services only (recurring commissions that are insurance acquisition cash flows are treated as such in the estimate of future cash flows);
- transaction-based taxes; and
- an allocation of fixed and variable overheads directly attributable to the fulfilment of insurance contracts including overhead costs such as accounting, human resources, information technology and support, maintenance and utilities.

The Company updates its estimates at the end of each reporting period using all newly available information, as well as historic evidence and information about trends. The Company determines its current expectations of probabilities of future events occurring at the end of the reporting period. In developing new estimates, the Company considers the most recent experience and earlier experience, as well as other information.

For Life, assumptions about mortality, morbidity and policyholder behaviour are used in estimating future cash flows and developed by product type, reflecting recent experience and the profiles of policyholders within a group of insurance contracts.

Mortality and morbidity assumptions are generally developed using a blend of national mortality data, industry trends and the Company's recent experience. Experience is monitored through regular studies, the results of which are reflected both in the pricing of new products and in the measurement of existing contracts.

For Non-life, the Company estimates the ultimate cost of settling claims incurred but unpaid at the reporting date by reviewing claims reported and making allowance for claims incurred but not yet reported. The ultimate cost of settling claims is estimated using a range of loss reserving techniques – e.g. the chain-ladder and Bornhuetter- Ferguson methods.

These techniques assume that the Company's own claims experience is indicative of future claims development patterns and therefore ultimate claims cost. The ultimate cost of settling claims is estimated separately for each geographic area and line of business, except for large claims, which are assessed separately from other claims.

The assumptions used, including loss ratios and future claims inflation, are implicitly derived from the historical claims development data on which the projections are based, although judgement is applied to assess the extent to which past trends might not apply in the future and future trends are expected to emerge.

Risk adjustment ('RA') for non-financial risk

Cash flows arising from insurance contracts usually involve a high degree of uncertainty regarding the point in time an insured event occurs and the amount of a claim. In addition, there may be changes to the assumptions made about the insurance business because of changes in policyholder behaviour. To take this uncertainty into consideration, FRS 117 provides an explicit risk adjustment for non-financial risk that represents compensation for bearing the risk.

The Company uses the cost of capital method in estimating the risk adjustment. The level of capital and the cost of capital rate that feed this estimation technique are calibrated from the Company's economic capital approach within which the Company estimates the impact of non-financial risks.

The RA is measured by multiplying RA factors with volumes that reflect the level of risk measured and charged via the cost of capital approach in costing, e.g. claims cashflows or sum assured. The resulting product corresponds to the amount of aggregated Risk Adjustment for the underlying business.

The RA factors are determined at the aggregate level, which is the line of business level, because detailed information used in costing is not available within the financial reporting system and is not maintained over time for developments of the in-force business. The calibrated factors are then applied on a more granular level, such as on contract level or per group of contracts. The factor-based measurement of RA constitutes a top-down approach, reflecting the more granular costing view to the best extent possible.

The underlying volumes are proportional to the measures used to calculate the compensation for risk charged in costing. They reflect the amount and timing of cashflows including its time value of money and are representative for risk exposures modelled in Swiss Re's internal risk model ICAM. This induces the RA to be in line with costing also at lower levels of granularity.

RA is measured using separate factors applied on incurred claims ('LIC') and claims from remaining coverage ('LRC'), taking the different nature of risk into consideration.

The measurement approach is the same for reinsurance written and reinsurance held.

The risk adjustment for non-life insurance and reinsurance contracts corresponds to 56.9% and 61.1% confidence levels, respectively (2024: 58.1% and 58.9%). The risk adjustment net of reinsurance for life insurance contracts corresponds to 70% confidence levels (2024: 67%).

Contractual service margin ('CSM')

For a profitable group of insurance contracts, the CSM represents the unearned profit that will be recognised in the future as insurance contract services are provided. At initial recognition of a profitable group of insurance contracts, the CSM is measured as an amount the equal and opposite of the net inflow from the following items:

- the expected fulfilment cash flows of the group at initial recognition;
- the amount of any derecognised asset for insurance acquisition cash flows allocated to the group;
- any other asset or liability previously recognised for cash flows related to the group; and
- any cash flows at the date of initial recognition that have already arisen on the contracts as of that date.

The CSM (or loss component) is calculated at the group of insurance contracts level and for onerous testing at initial recognition, at the contract or set of contracts level.

Subsequent measurement

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

Changes in fulfilment cash flows

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk.

The Company first calculates the changes in discount rates and financial assumptions on the fulfilment cash flows and then calculate changes on those cash flows from the change in non-financial assumptions.

Experience adjustments are the difference between:

- The expected cash flow estimate at the beginning of the period and the actual cash flows for premiums received in the period (and any related cash flows paid such as insurance acquisition cash flows and insurance premium taxes); and
- The expected cash flow estimate at the beginning of the period and the actual incurred amounts of insurance service expenses in the period (excluding insurance acquisition expenses).

Experience adjustments are recognised as follows:

- Experience adjustments relating to future service are included in the LRC by adjusting against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous);
- Experience adjustments relating to current or past service are recognised in profit or loss. For incurred claims (including incurred but not reported) and other incurred insurance service expenses, experience adjustments always relate to current or past service. They are included in profit or loss as part of insurance service expenses; and
- Effects of the time value of money, financial risk and changes therein on estimated future cash flows are recognised as insurance finance income or expenses.

Adjustments to the CSM

The carrying amount of the CSM of a group of contracts at the end of the reporting period equals the carrying amount at the start of the reporting period adjusted for, and in the following order (i.e., each calculation step incorporates the result of the previous step):

- the effect of any new contracts added to the group;
- interest accreted on the carrying amount of the contractual service margin during the reporting period, measured at the discount rates at initial recognition (locked-in rates);
- the changes in fulfilment cash flows relating to future service, except to the extent that: a) such increases in the fulfilment cash flows exceed the carrying amount of the contractual service margin, giving rise to a loss; or b) such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage;
- the CSM release, i.e., the amount recognised as insurance revenue because of the transfer of services in the period; and the effect of any currency exchange differences on the contractual service margin; and
- at each reporting date, CSM is remeasured from the original foreign currency into the functional currency using spot rates as of the reporting date ('closing rate'). The impact of remeasurement is recognised in profit or loss.

Interest accretion

Interest is accreted on the carrying amount of the CSM during the reporting period using the discount rates applied on initial recognition (locked-in rates) to reflect the change in the time value of money due to the passage of time. A weighted-average discount rate over the period during which contracts are issued or a rate representative for the reporting period is used. The accretion of interest on CSM in the balance sheet is recognised with offsetting amounts in IFIE in profit or loss.

Changes in fulfilment cash flows relating to future service

The following changes in fulfilment cash flows that relate to future events adjust the CSM for a group of insurance contracts:

- experience adjustments arising from premiums received in the period that relate to future service, and any related cash flows such as insurance acquisition cash flows and premium-based taxes. For the CSM calculation, the experience adjustments are measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognised;
- the change in the estimate of the present value of expected future cash flows in the LRC, arising from non-financial variables, measured at the 'locked-in' discount rates applicable when the contracts in the group were initially recognised; and
- changes in the risk adjustment for non-financial risk relating to future service. The Company has elected to disaggregate the change in the risk adjustment for non-financial risk between the change related to non-financial risk and financial risk. The experience adjustments are measured at the 'locked in' discount rates applicable when the contracts in the group were initially recognised.

The CSM cannot be adjusted for the following changes in fulfilment cash flows because they do not relate to future services:

- The effect of the time value of money and changes in the time value of money and the effect of financial risk and changes in financial risk;
- Changes in estimates of fulfilment cash flows of the liability for incurred claims; and
- Experience adjustments, except for those arising from premium received and related cash flows such as insurance acquisition cash flows and premium-based taxes that relate to future service.

CSM release

As services are provided over the coverage period, the CSM for a group of insurance contracts is released from the liability for remaining coverage and recognised in profit or loss within insurance revenue. The pattern of the CSM release reflects the provision of insurance coverage services as required by the contract. To achieve this, the Company follows three steps:

- determine the total number of coverage units in the group. The amount of coverage units in the group is determined by considering the quantity of benefits provided under the contract and the expected coverage period for each contract;
- allocate the CSM at the end of the period (before any of it is released to profit or loss to reflect the insurance contract services provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in the future; and
- recognise in profit or loss the amount of CSM allocated to the coverage units provided during the period. The rate of CSM release for the group of contracts reflects the amount of insurance contract services provided in the current period (current coverage units) as a proportion of the total current and future coverage units provided.

Discount rates

The time value of money and financial risk is measured separately from expected future cash flows with changes in financial risks recognised in profit or loss at the end of each reporting period. The Company has adopted the accounting policy to disaggregate the presentation of IFIE into profit or loss and OCI. Insurance finance income and expenses as a result of discounting future cash flows at a revised current rate recognised in OCI.

The Company measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with observable current market prices. They exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g. credit risk).

In determining discount rates for cash flows that do not vary based on the returns of underlying items, the Company uses the 'bottom-up approach'. The discount rates are derived from government bond prices and are differentiated based on currency and term. To extrapolate the discount rates, FRS 117 uses the Smith-Wilson method and determines the required modelling assumptions, last liquid point and ultimate forward rate. No additional illiquidity premium is added to the discount rates. For cash flows of insurance contracts that vary based on the returns of financial underlying items, the FRS 117 discounts the cash flows using rates that reflect that variability.

The tables below set out the yield curves used to discount the cash flows of insurance contracts for major currencies.

	2025					2024				
	1 year	5 years	10 years	15 years	20 years	1 year	5 years	10 years	15 years	20 years
CNY	1.29%	1.63%	1.90%	2.22%	2.42%	1.06%	1.45%	1.70%	1.89%	2.05%
INR	5.85%	6.59%	6.87%	7.33%	7.59%	6.77%	6.89%	6.91%	7.02%	7.13%
JPY	0.91%	1.55%	2.08%	2.63%	3.07%	0.42%	0.73%	1.12%	1.57%	1.99%
KRW	2.59%	3.33%	3.42%	3.39%	3.39%	2.75%	2.89%	2.96%	2.93%	2.90%
MYR	2.86%	3.39%	3.65%	3.94%	4.07%	3.35%	3.68%	3.90%	4.08%	4.25%
SGD	1.50%	1.89%	2.19%	2.22%	2.19%	2.85%	2.83%	2.88%	2.94%	2.84%
AUD	4.00%	4.35%	4.87%	5.13%	5.35%	4.04%	3.98%	4.47%	4.72%	4.95%
NZD	2.64%	3.87%	4.60%	4.99%	5.21%	3.78%	3.92%	4.62%	4.99%	5.16%
HKD	2.50%	2.65%	3.12%	3.39%	3.56%	3.59%	3.47%	3.86%	4.15%	4.28%
USD	3.52%	3.77%	4.23%	4.78%	5.09%	4.22%	4.46%	4.64%	4.89%	5.05%

The liquidity of the insurance contract is implicitly factored in the risk-free yield curve and thus no further adjustments are required.

The Company estimates the discount rate applicable to each group of contracts on initial recognition, which is based on recognised contracts. In the following reporting period, as new contracts are included in the group, the discount rate applicable to the group on initial recognition is revised from the start of the reporting period in which the new contracts are added to the group. The Company re-estimates the discount rate applicable to the group at initial recognition using a weighted average discount rate over the period the contracts in the group are issued.

For all business recognising within a reporting quarter, the discount rates for initial recognition are set equal to the FRS 117 interest rates as of the last day of the prior reporting quarter. In case the previous quarter end discount rate is not appropriate for a given contract or group of contracts due to material short-term market developments, Swiss Re can decide to use another more appropriate discount rate. For contracts within the same cohort, but with recognition in different quarters, a weighted-average curve is derived from the curves of each reporting period (i.e., previous quarter end). The weighted-average curve is updated as contracts are added to the cohort and applied to all existing contracts in the cohort to determine CSM and the interest accretion in the future. The weighting will be based on the premium amount of each contract rolled forward. In case the CSM of a group of contracts is split across various currencies, the average discount rates locked-in for each currency is applied to the CSM portion in that specific currency.

(ix) Onerous contracts

Initial recognition and measurement

At initial recognition, the Company considers an insurance contract to be onerous when the sum of the following amounts result in a net outflow:

- fulfilment cash flows allocated to the contract,
- the derecognition of any related assets or liabilities, e.g. acquisition costs and
- any cash flows arising from the contract at the date of initial recognition.

The onerous assessment is done at initial recognition on an individual contract level assessing future expected cash flows on a probability-weighted basis including a risk adjustment for non-financial risk. Contracts expected on initial recognition to be loss making are grouped together and such groups are measured and presented separately. Once contracts are allocated to a group, they are not re-allocated to another group, unless they are substantively modified.

At initial recognition, when a group of contracts is deemed onerous:

- A loss is recognised in insurance service expenses for the group's net outflow of cash flows plus the risk adjustment for non-financial risk;
- As a result, the CSM of the group is zero;
- The carrying amount of the LRC is equal to the fulfilment cash flows; and
- The loss component ('LC') of the liability for remaining coverage corresponds to the net outflow in the amount of the recognised loss.

Subsequent measurement

Once a LC within the liability for remaining coverage is established upon a group becoming onerous:

- Unfavourable changes in estimates of expected cash flows and the risk adjustment for non-financial risk that relate to future service are allocated solely to the LC of the liability for remaining coverage. These changes are immediately recognised as a loss within insurance service expenses; and
- Favourable changes in future cash flows and the risk adjustment for non-financial risk relating to future service decrease the LC and are immediately recognised as a negative expense in insurance service expenses until the LC is fully extinguished and a CSM is re-established for the group of contracts.

The impact of the change in estimates is based on locked-in rates at initial recognition for a group of contracts. The difference between the current rate measurement of changes to LRC in the balance sheet and the locked-in rate measurement for recognition in insurance service result is recognised in IFIE. The Company has elected to disaggregate the presentation of IFIE into profit or loss and OCI).

For subsequent measurement, a profitable group of insurance contracts may become onerous when unfavorable changes in estimates of expected cash flows and in the risk adjustment for non-financial risk allocated to the group, which relate to future services, exceed the carrying value of the CSM. The excess outflow of fulfilment cash flows is recognised as a loss in insurance service expenses and the loss component is recognised, the Company allocates any subsequent changes in fulfilment cash flows of the LRC on a systematic basis between the loss component and the LRC excluding the loss component.

For subsequent measurement, the LC balance is tracked separately from the rest of the LRC to adjust insurance service expenses over time as changes in the fulfilment cash flows are allocated to the LC, enabling the LC to revert to zero at the end of the coverage period. Tracking of the LC balances is also needed for the roll-forward disclosure of the liability for remaining coverage.

When services are provided, insurance revenue is recognised and the LRC is released. However, the amount of the release which covers the LC is excluded from insurance revenue because there is no compensation (premium) for the LC.

Insurance service expenses are adjusted by the amount of the release which covers the LC to avoid double-counting of losses over the coverage period. Losses on a group of onerous contracts are recognised in profit or loss as soon as the group becomes onerous and thus, when actual claims and insurance service expenses are incurred, the portion relating to the LC is reversed, within insurance service expenses of the profit or loss.

Changes in the LRC coverage due to insurance finance income or expenses are systematically allocated between the LC and the remainder of the liability.

The systematic allocation ratio is applied consistently over time and results in total amounts allocated to the LC to be zero by the end of the coverage period of the group of insurance contracts.

(x) Reinsurance contracts held

Recognition

The Company uses retrocession agreements to mitigate some of its risk exposure by transferring risk to the reinsurer. The retrocession agreements are accounted for applying FRS 117 when they meet the definition of an insurance contract. This includes the condition that the contract must transfer significant insurance risk.

Reinsurance contracts transfer significant insurance risk only if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, even if a reinsurance contract does not expose the issuer (reinsurer) to the possibility of a significant loss.

Reinsurance contracts held are accounted for separately from underlying insurance contracts issued and are assessed on an individual contract basis. In aggregating reinsurance contracts held, portfolios are determined in the same way as the portfolios of underlying insurance contracts are issued. Since reinsurance contracts held normally aggregate risk and consolidate underlying contract exposure, the grouping requirement can result in a group of reinsurance contracts held comprising a single contract.

The Company disaggregates a portfolio of its reinsurance contracts held into three groups of contracts:

- contracts that on initial recognition have a net gain;
- contracts that, on initial recognition, have no significant possibility of resulting in a net gain subsequently; and
- any remaining reinsurance contracts held in the portfolio.

In determining the timing of initial recognition of a reinsurance contract held, the Company assesses whether the reinsurance contract's terms provide protection on losses on a proportionate or non-proportionate basis. The Company recognises a group of reinsurance contracts held that provides proportionate coverage at the later of:

- the date on which the coverage period of that group of reinsurance contracts held; and
- the date of initial recognition of any of the underlying insurance contracts.

The Company recognises a group of reinsurance contracts held that provides non-proportionate coverage at the earlier of:

- the date on which the coverage period of that group of reinsurance contracts held; and
- the date on which the entity recognises an onerous group of underlying insurance contracts.

The contract boundary requirements for reinsurance contracts held generally follows the requirements for insurance contracts issued. The contract boundary of reinsurance contracts held is determined based on its own terms that is independent from the underlying contracts.

Each of the quota share reinsurance contracts held have an annual term, covers the underlying contracts issued within the term on a risk-attaching basis and provides unilateral rights to both the Company and the reinsurer to terminate the cession of new business at any time by giving three months' notice to the other party.

On initial recognition, the cash flows within the reinsurance contract boundary are determined to be those arising from underlying contracts that the Company expects to issue and cede under the reinsurance contract within the next three months. Subsequently, expected cash flows beyond the end of this initial notice period are considered cash flows of new reinsurance contracts and are recognised, separately from the initial contract, as they fall within the rolling three-month notice period.

Each of the surplus and stop loss reinsurance contracts held have an annual term and covers claims from underlying contracts incurred within the year (i.e. loss occurring). Cash flows within the contract boundary are those arising from underlying claims incurred during the year.

Measurement

To measure a group of reinsurance contracts held, the Company applies the same accounting policies as are applied to insurance contracts issued, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

The Company applies consistent assumptions to measure the estimate present value of future cash flows for both the group of reinsurance contracts held and the underlying insurance contracts issued. In determining the fulfilment cashflows, Company reduces the present value of future cashflows to be received for the reinsurance contracts held by an allowance of non-performance by the reinsurer. The effect of non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for a group of reinsurance contracts held represents the amount of non-financial risk being transferred by cedant to reinsurer.

On initial recognition, the CSM of reinsurance contracts held represents the net cost or gain on purchasing the group of reinsurance contracts. In contrast to the underlying insurance contracts where the CSM must be positive, the reinsurance CSM can be negative representing a net cost of purchasing reinsurance. It is measured as the equal and opposite amount of the total of:

- the fulfilment cash flows;
- any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group
- any cash flows arising at that date; and
- any income recognised in profit or loss because of onerous underlying contract recognised at that date (see 'Reinsurance of onerous underlying insurance contracts' below).

However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the group, then the Company recognises the cost immediately in profit or loss as an expense.

Reinsurance of onerous underlying insurance contracts

When a group of the underlying contracts is onerous at initial recognition, the Company will adjust the CSM of reinsurance contracts held and recognise income profit or loss when:

- the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts; or
- on addition of onerous contract to that group.

The Company establishes a loss-recovery component of the asset for remaining coverage of a group of reinsurance contracts held depicting the recovery of losses recognised. The amount of the loss recovery component adjusts the CSM of a group of reinsurance contracts held. It is calculated at an amount equal to the loss recognised on the underlying insurance contracts multiplied by the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held.

After initial recognition, the carrying amount of the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held. Reversal of the loss recovery component adjusts the CSM and the risk adjustment of the group of reinsurance contracts held.

After establishing a reinsurance loss recovery component, except for further additions of onerous contracts to the underlying groups, its amount is adjusted for:

- changes in fulfilment cash flows of underlying insurance contracts related to future service and do not adjust the CSM of their respective groups; and
- loss recovery component reversals to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held.

These adjustments are calculated and presented in profit or loss.

The Company adjusts the carrying amount of the CSM of a group of reinsurance contracts held at the end of a reporting period to reflect changes in the fulfilment cash flows applying the same approach as for insurance contracts issued, except when the underlying contract is onerous and the change in the fulfilment cash flows for underlying insurance contracts is recognised in profit or loss by adjusting the loss component. The respective changes in reinsurance contracts held is also recognised in profit and loss (adjusting the loss recovery component).

(xi) Derecognition and contract modification

The Company derecognises an insurance and reinsurance contract when all rights and obligations are extinguished- when a contract has expired or has been discharged or cancelled.

The Company also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case the Company recognises a new contract based on the modified terms. The following are the conditions for a contract modification:

- if the modified terms were included at contract inception and the Company would have concluded that the modified contract:
 - is outside of the scope of FRS 117;
 - results in a different insurance contract due to separating components from the host contract;
 - results in a substantially different contract boundary or; and
 - would be included in a different group of contracts or.
- the original contract met the definition of an insurance contract with direct participating features, but the modified contract no longer meets the definition.

If a contract modification does not result in derecognition, then the Company treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows, which also results in a revised end of period CSM (before the current period allocation).

When the Company derecognises a contract within a group of contracts, it:

- adjusts the fulfilment cash flows allocated to the group to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognised from the group;
- adjusts the CSM of the group for the change in the fulfilment cash flows (unless it relates to the increase or reversal of the loss component); and
- adjusts the number of coverage units for expected remaining insurance contract services to reflect the coverage units derecognised from the group and recognises in profit or loss in the period the amount of CSM based on that adjusted number.

The CSM adjustment for the group of insurance contracts is calculated as the difference between:

- the reduction in the PV of the FCF of the group (at locked-in discount rate) due to the derecognition; and
- the hypothetical premium (premium that the Company would have charged had it entered into a contract with equivalent terms on the date of the contract modification), less any additional premium actually charged for the modification.

The residual difference between the best estimate liability ('BEL') at locked in rates and BEL at current discount rates is released as IFIE in OCI.

If a contract is derecognised because it is transferred to a third party, the CSM of the group of contracts is adjusted in a manner that is consistent to a derecognition as a result of a modification.

(xii) Presentation

The Company presents the following items separately at a portfolio level in the statement of financial position:

- Reinsurance contracts held that are assets
- Insurance contracts issued that are assets
- Reinsurance contracts held that are liabilities
- Insurance contracts issued that are liabilities

The Company disaggregates the statement of financial performance into the following line items:

- insurance service result, comprising insurance revenue and insurance service expenses; and
- insurance finance income or expenses.

The Company has elected to present the net insurance finance income or expenses line under net insurance and investment result, which also includes the income from all the assets backing the Company's insurance liabilities.

The Company includes any assets for insurance acquisition cash flows recognised before the corresponding groups of insurance contracts are recognised in the carrying amount of the related portfolios of insurance contracts issued.

The Company has elected to disaggregate changes in the risk adjustment for non-financial risk into an insurance service component and an insurance finance.

Insurance revenue

The Company recognises insurance revenue as it satisfies its performance obligations- i.e. as it provides insurance services under groups of insurance contracts issued. Insurance revenue relating to services provided for each year represents the total of the changes in the LRC that relate to services for which the Company is entitled to compensation.

Insurance revenue consists of the sum of the changes in the LRC due to:

- the insurance service expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding:
 - amounts allocated to the loss component;
 - repayments of investment components;
 - amounts that relate to transaction-based taxes collected on behalf of third parties;
 - insurance acquisition expenses; and
 - amounts relating to risk adjustment for non-financial risk.
- the change in the risk adjustment for non-financial risk, excluding:
 - changes that relate to future service that adjust the CSM;
 - amounts allocated to the loss component.
- the amount of CSM for the services provided in the period; and
- other amounts, such as experience adjustments for premium receipts that relate to current or past service, if any.

Insurance revenue also includes the portion of premiums that relate to recovering those insurance acquisition cash flows included in the insurance service expenses in each period. Both amounts are measured in a systematic way based on the passage of time.

At the end of each reporting period, the Company considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to changes in the expected pattern of claim occurrence.

Insurance service expenses

Insurance service expenses arising from a group of insurance contracts issued comprises:

- changes in the LIC related to claims and expenses incurred in the period excluding repayment risk of investment components;
- changes in the LIC related to claims and expenses incurred in prior periods (related to past service);
- other directly attributable insurance service expenses incurred in the period;
- amortisation of insurance acquisition cash flows, which is recognised at the same amount in both insurance service expenses and insurance contract revenue;
- loss component of onerous groups of contracts initially recognised in the period; and
- changes in the LRC related to future service that do not adjust the CSM, because they are changes in the loss components of onerous groups of contracts.

Income or expenses from reinsurance contracts held

The Company presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following two amounts:

- amount recovered from reinsurers; and
- an allocation of the premiums paid.

The Company presents cash flows that are contingent on claims as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

The Company establishes a loss recovery component of the asset for the remaining coverage for a group of reinsurance contracts held. This depicts the recovery of losses recognised on the initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group. The loss recovery component adjusts the CSM of the group of reinsurance contracts held. The loss recovery component is then adjusted to reflect:

- changes in the fulfilment cash flows of the underlying insurance contracts that relate to future service and do not adjust the CSM of the respective groups to which the underlying insurance contracts belong to;
- reversals of loss recovery component to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held; and
- allocations of the loss recovery component against the amounts recovered from reinsurers reported in line with the associated reinsured incurred claims or expenses.

Insurance finance income and expenses

Insurance finance income or expenses include the effect from the accretion of interest on the present value of the net cash flows, the risk adjustment for non-financial risk and the contractual service margin. The Company recognises the impact of changes in interest rates in other comprehensive income as insurance finance reserve under equity.

For reinsurance contracts held

For reinsurance contracts held, the Company disaggregates total insurance finance income or expenses. The amount presented in profit or loss is based on a systematic allocation of the expected total insurance finance income or expenses over the duration of the contracts in the group.

The systematic allocation is based only on the characteristics of the group of reinsurance contracts held. Over the duration of the contracts in the group, the total amount recognised in OCI will equal to nil. At any time, the cumulative amount recognised in OCI is the difference between the amount recognised in the statement of financial position and the amount determined using the 'systematic allocation approach'.

The amounts presented in profit or loss are based on the discount rates that allocate the remaining revised expected financial income or expenses over the remaining duration of the group of contracts at a constant rate.

3.5 Financial Instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Financial assets and financial liabilities are initially recognised when the Company becomes party to the contractual provisions of the instrument.

A financial asset or a financial liability is initially measured at its fair value plus, for an item not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition a financial asset is classified as measured at amortised cost; fair value through other comprehensive income ('FVOCI') – debt investment; and FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. In addition, on initial recognition the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

Business model for managing financial assets refers to how the Company manages these assets to generate cash flows and is determined at a level that reflects how groups of financial assets are managed through the asset-liability matching process. The Company identifies three types of business models:

- a business model with objective to hold financial asset to collect contractual cash flows over the life of the instrument ('hold to collect' business model);
- a business model with objective of both, collecting contractual cash flows and selling the financial asset ('hold to collect and sell' business model); and
- a business model which applies to financial assets not held within 'hold to collect' or 'hold to collect and sell' business model with primary objective to realise fair value of the financial asset by active selling and buying ('other' business model).

Contractual cash flows characteristics assessment

If the financial asset is held within "hold to collect" business model or "hold to collect and sell" business model, the Company is required to classify a financial asset on the basis of its contractual cash flow characteristics. The Company performs an assessment to determine whether the asset's contractual cash flows are SPPI on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at the financial instrument level.

Non-derivative financial assets: Assessment of whether contractual cash flows are SPPI

For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. However, the principal may change over time, e.g. if there are repayments of principal.

Interest is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and

- features that modify consideration for the time value of money (e.g. periodic reset of interest rates).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment recognised in profit or loss. Any gain or loss on derecognition recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated under the effective interest method, foreign exchange gains and losses, and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss when the Company's right to receive payment has been established, unless they clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised loans and borrowings, bank overdrafts, and trade and other payables.

Derivative financial instruments

The Company uses a variety of derivative financial instruments including forwards and swaps in its hedging strategies, in line with the Company's overall risk management strategy. The objectives include managing exposures to foreign currency or interest rate risk on existing assets or liabilities.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The fair value of derivative contracts is their quoted market price at the reporting date, being the present value of the quoted forward price.

(iii) Impairment

Non-derivative financial assets

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost, debt investments measured at FVOCI and receivables.

The Company measures loss allowances at an amount equal to lifetime ECL, except in the following cases, for which the amount recognised is 12-month ECL:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments for which credit risk has not increased significantly since initial recognition.

Simplified approach

The Company applies the simplified approach to provide for ECLs for receivables. The simplified approach requires the loss allowance to be measured at an amount equal to the lifetime ECLs.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

Financial instruments for which 12-month ECL are recognised are referred to as 'Stage 1 financial instruments'. 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Financial instruments for which lifetime ECL are recognised because of a significant increase in credit risk since initial recognition but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument.

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as 'Stage 3 financial instruments'.

In all cases, the maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or; and
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

In assessing whether an investment in sovereign debt is credit-impaired, the Company considers the following factors:

- the market's assessment of creditworthiness as reflected in bond yields
- the rating agencies' assessments of creditworthiness
- the country's ability to access the capital markets for new debt issuance;
- the probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness; and
- the international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms, including an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for ECL are presented as follows:

- financial assets measured at amortised cost: the loss allowance is deducted from the gross carrying amount of the assets; and
- debt investments measured at FVOCI: the loss allowance does not reduce the carrying amount of the financial assets (which are measured at fair value) but gives rise to an equal and opposite gain in OCI.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

A financial asset not carried at FVTPL was assessed at the end of each reporting period to determine whether there was objective evidence that it was impaired. A financial asset was impaired if objective evidence indicated that a loss event(s) had occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that could be estimated reliably.

Objective evidence that financial assets were impaired included default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer would enter bankruptcy, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost was objective evidence of impairment.

Loans and receivables and held-to-maturity investment securities

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments were objective evidence that financial assets were impaired.

The carrying amount of financial assets was reduced through the use of an impairment allowance account, which was calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset became uncollectible, it was written off against the allowance account. Subsequent recoveries of amounts previously written off were recognised against the same line in profit or loss.

The impairment allowance was reduced through profit or loss in a subsequent period when the amount of impairment loss decreased and the related decrease can be objectively measured. The carrying amount of the asset previously impaired was increased to the extent that the new carrying amount did not exceed the amortised cost had no impairment been recognised in prior periods.

(iv) Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred;
 - or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when it is required or permitted by a standard – e.g. gains and losses arising from a group of similar transactions such as the gains and losses on financial assets measured at FVTPL.

(vi) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Company's cash management are included in cash and cash equivalents.

(vii) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(viii) Securities lending arrangements

The Company takes part in Swiss Re Group's Collateral Management program with the objective to manage its (re)insurance collateral, securities lending and repurchase arrangement and derivative collateral by efficiently allocating the collaterals to its best possible use. Under this program, the Company is able to be both lender and borrower.

The Company enters into securities lending arrangements under which it loans certain securities in exchange for collateral as required and receives securities lending fees. The Company's policy is to require collateral, consisting of cash or securities, equal to at least 100% of the carrying value of the securities loaned. In certain arrangements, the Company may accept collateral of less than 100% if the structure of the overall transaction offers an equivalent level of security. Cash received as collateral is recognised along with an obligation to return the cash. Securities borrowed as collateral that can be sold or repledged are also recognised as assets, along with an obligation to return those securities. Securities lending fees are recognised over the term of the related loans.

3.6 Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related service are rendered by the employees.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

(iii) Share-based compensation

Swiss Re Company has a number of share-based compensation schemes, namely Leadership Share Plan (formerly known as Leadership Performance Plan), restricted shares and a Global Share Participation Plan (collectively 'the Plans'). If eligible, the Company's employees are awarded these incentives.

Under the Plans, employees receive the share of these incentives only if they remain with the Company for a specified period in the future. The measurement of such benefits shall reflect the possibility that some of the employees may leave without receiving the incentives. A liability for the incentives shall be accrued over the vesting period.

3.7 Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale and the Company has not rebutted this presumption. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.8 Dividends

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

3.9 New standards and interpretations not adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective:

Effective date	New accounting standards or amendments
1 January 2026	<i>Classification and Measurement of Financial Instruments - Amendments to FRS 109 and FRS 107</i>
1 January 2026	<i>Contracts Referencing Nature-dependent Electricity - Amendments to FRS 109 and FRS 107</i>
1 January 2026	<i>Annual Improvements to FRS Accounting Standards - Volume 11</i>
1 January 2027	<i>Presentation and Disclosure in Financial Statements - FRS 18</i>
1 January 2027	<i>Subsidiaries without Public Accountability: Disclosures - FRS 19</i>
1 January 2027	<i>Amendments to FRS 19: Subsidiaries without Public Accountability: Disclosures</i>
To be determined	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to FRS 110 and FRS 28</i>

FRS 18 contains detailed requirements on where to classify income and expenses and subtotals required to be presented in the income statement, grouping of information to be presented in the primary financial statements, disclosure in the notes on some performance measures defined by management, and limited changes to the statement of cash flows. The standard is required to be applied retrospectively. The Company intends to initially apply this standard as of the effective date. On initial application, this new standard will only impact how the Company presents and discloses its results in the financial statements. It will not affect the Company's net income.

The management expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

4 Property, plant and equipment

	Furniture and fittings \$'000	Office equipment \$'000	Computer equipment \$'000	Office layout \$'000	Total \$'000
Cost					
At 1 January 2024	4,357	928	4,121	17,291	26,697
Additions	271	284	947	2,433	3,935
Disposal	(11)	(76)	(726)	(441)	(1,254)
At 31 December 2024	4,617	1,136	4,342	19,283	29,378
Additions	324	215	597	2,202	3,338
Disposal	(814)	(137)	(1,047)	(1,179)	(3,177)
At 31 December 2025	4,127	1,214	3,892	20,306	29,539
Accumulated depreciation					
At 1 January 2024	3,526	717	2,803	10,825	17,871
Disposals	(8)	(76)	(692)	(441)	(1,217)
Depreciation charge	280	125	706	1,321	2,432
At 31 December 2024	3,798	766	2,817	11,705	19,086
Disposals	(798)	(135)	(1,047)	(1,179)	(3,159)
Depreciation charge	279	183	783	1,753	2,998
At 31 December 2025	3,279	814	2,553	12,279	18,925
Carrying amounts					
At 1 January 2024	831	211	1,318	6,466	8,826
At 31 December 2024	819	370	1,525	7,578	10,292
At 31 December 2025	848	400	1,339	8,027	10,614

All carrying amounts are non-current.

5 Leases

Leases as lessee

The Company leases office space for the purpose of business operations. Information about leases for which the Company is a lessee is presented below.

Right-of-use assets

	2025 \$'000	2024 \$'000
Balance at 1 January	32,351	41,350
Addition during the year	5,189	–
Depreciation charge for the year	(7,534)	(7,537)
Effect of movements in exchange rates	926	(1,462)
Balance at 31 December	30,932	32,351

Amounts recognised in profit or loss

	2025	2024
	\$'000	\$'000
Interest expense on lease liabilities	1,293	1,387

Lease liabilities

	2025	2024
	\$'000	\$'000
Current	6,672	7,063
Non-current	28,874	29,090
Total	35,546	36,153

Reconciliation of liabilities arising from financing activities

	At 1 January 2025 \$'000	Principal and interest payments \$'000	Non-cash changes			At 31 December 2025 \$'000
			Addition \$'000	Interest expense \$'000	Foreign exchange movement \$'000	
Lease liabilities	36,153	(8,701)	5,189	1,293	1,612	35,546

	At 1 January 2024 \$'000	Principal and interest payments \$'000	Non-cash changes			At 31 December 2024 \$'000
			Addition \$'000	Interest expense \$'000	Foreign exchange movement \$'000	
Lease liabilities	45,834	(8,544)	–	1,387	(2,524)	36,153

6 Insurance and reinsurance contracts

The following table sets out the details of net insurance contract issued and reinsurance contract held for the period ended 31 December 2025:

	2025			2024		
	Life \$'000	Non-Life \$'000	Total \$'000	Life \$'000	Non-Life \$'000	Total \$'000
Insurance contract assets	1,090,958	9,746	1,100,704	978,737	4,004	982,741
Insurance contract liabilities	1,136,946	5,131,215	6,268,161	1,079,647	4,655,475	5,735,122
Net liabilities for insurance contracts issued per statement of financial position	45,988	5,121,469	5,167,457	100,910	4,651,471	4,752,381
Net receipts/(payments) that have not yet been allocated to portfolio of insurance contracts	69,756	(1,258)	68,498	55,425	17,340	72,765
Net liabilities for insurance contracts issued excluding unallocated payments/receipts	(23,768)	5,122,727	5,098,959	45,485	4,634,131	4,679,616
Reinsurance contract assets	1,293,672	1,932,009	3,225,681	1,351,486	1,578,538	2,930,024
Reinsurance contract liabilities	465,442	25,121	490,563	182,267	18,892	201,159
Net reinsurance contract assets held per statement of financial position	828,230	1,906,888	2,735,118	1,169,219	1,559,646	2,728,865
Net (receipts)/payments that have not yet been allocated to portfolio of reinsurance contracts	47	6,935	6,982	47	(84)	(37)
Net assets for reinsurance contracts held excluding unallocated payments/receipts	828,183	1,899,953	2,728,136	1,169,172	1,559,730	2,728,902

The breakdown of groups of insurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

	Life	2025 Non-Life	Total	Life	2024 Non-Life	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Insurance contracts						
Insurance contract assets	1,090,958	9,746	1,100,704	978,737	4,004	982,741
Insurance contract liabilities	1,067,190	5,132,473	6,199,663	1,024,222	4,638,135	5,662,357
Net insurance contract liabilities excluding unallocated payments/receipts	(23,768)	5,122,727	5,098,959	45,485	4,634,131	4,679,616
Reinsurance contracts						
Reinsurance contract assets	1,293,625	1,925,074	3,218,699	1,351,439	1,578,622	2,930,061
Reinsurance contract liabilities	465,442	25,121	490,563	182,267	18,892	201,159
Net reinsurance contract assets excluding unallocated payments/receipts	828,183	1,899,953	2,728,136	1,169,172	1,559,730	2,728,902

The carrying amounts of insurance contract receivables expected to be recovered more than 12 months after the reporting date are as follows:

	2025 \$'000	2024 \$'000
Insurance contract assets	98,187	74,239

Reinsurance contract receivables are expected to be recovered within 12 months after reporting date.

Insurance and reinsurance contract payables are expected to be settled within 12 months after the reporting dates.

At 31 December 2025, the maximum exposure to credit risk from insurance and reinsurance contracts is the carrying amount of insurance and reinsurance receivable of \$5,978,425,867 (2024: \$5,931,474,280).

(A) **Movements in insurance and reinsurance contract liabilities**

(i) Life insurance

Analysis by remaining coverage and incurred claims

	2025				2024			
	Liabilities for remaining coverage		Liabilities for incurred claims \$'000	Total \$'000	Liabilities for remaining coverage		Liabilities for incurred claims \$'000	Total \$'000
	Excluding loss component \$'000	Loss component \$'000			Excluding loss component \$'000	Loss component \$'000		
Opening assets	(2,524,996)	307,177	1,239,082	(978,737)	(2,467,417)	258,709	1,080,057	(1,128,651)
Opening liabilities	(925,608)	574,127	1,375,703	1,024,222	(541,441)	524,130	1,327,031	1,309,720
Net opening balance	(3,450,604)	881,304	2,614,785	45,485	(3,008,858)	782,839	2,407,088	181,069
Changes in the statement of profit or loss and OCI								
Insurance revenue								
Contracts under the modified retrospective transition approach	(811,748)	–	–	(811,748)	(799,714)	–	–	(799,714)
Contracts under the fair value transition approach	(1,097,545)	–	–	(1,097,545)	(1,080,317)	–	–	(1,080,317)
Other contracts	213,849	–	–	213,849	(450,263)	–	–	(450,263)
	(1,695,444)	–	–	(1,695,444)	(2,330,294)	–	–	(2,330,294)
Insurance service expenses								
Incurred claims and other insurance service expenses	–	(60,583)	952,983	892,400	–	(45,517)	1,416,722	1,371,205
Experience adjustment and amortisation of insurance acquisition cash flows	(30,752)	–	–	(30,752)	(5,388)	–	–	(5,388)
Losses and reversals of losses on onerous contracts	–	105,067	–	105,067	–	186,657	–	186,657
Adjustments to liabilities for incurred claims	–	–	619,068	619,068	–	–	613,865	613,865
	(30,752)	44,484	1,572,051	1,585,783	(5,388)	141,140	2,030,587	2,166,339
Investment components and premium refunds	(253,823)	–	253,823	–	(142,616)	–	142,616	–
Insurance service result	(1,980,019)	44,484	1,825,874	(109,661)	(2,478,298)	141,140	2,173,203	(163,955)
Net finance expenses from insurance contracts	(181,115)	21,767	44,299	(115,049)	(201,420)	(10,852)	47,432	(164,840)
Effect of movements in exchange rates	(178,429)	12,631	111,204	(54,594)	288,565	(31,823)	(162,123)	94,619
Total changes in the statement of profit or loss and OCI	(2,339,563)	78,882	1,981,377	(279,304)	(2,391,153)	98,465	2,058,512	(234,176)

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	2025				2024			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	<i>Excluding loss component</i>	<i>Loss component</i>			<i>Excluding loss component</i>	<i>Loss component</i>		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Cash flows								
Premiums received	2,415,271	–	–	2,415,271	1,949,474	–	–	
Claims and other insurance service expenses paid, including investment components	–	–	(2,192,948)	(2,192,948)	–	–	(1,850,815)	
Insurance acquisition cash flows	(12,272)	–	–	(12,272)	(67)	–	(67)	
Total cash flows	2,402,999	–	(2,192,948)	210,051	1,949,407	–	(1,850,815)	
Net closing balances	(3,387,168)	960,186	2,403,214	(23,768)	(3,450,604)	881,304	2,614,785	
Closing assets	(2,823,530)	633,949	1,098,623	(1,090,958)	(2,524,996)	307,177	1,239,082	
Closing liabilities	(563,638)	326,237	1,304,591	1,067,190	(925,608)	574,127	1,375,703	
Net closing balances	(3,387,168)	960,186	2,403,214	(23,768)	(3,450,604)	881,304	2,614,785	

Analysis by measurement component:

	2025						
	Estimates of present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	CSM				Total \$'000
			<i>Contracts under MRA</i> \$'000	<i>Contracts under FVA</i> \$'000	<i>Other contracts</i> \$'000	<i>Sub-total</i> \$'000	
Opening assets	(2,999,924)	294,281	671,981	507,349	547,576	1,726,906	(978,737)
Opening liabilities	(357,507)	995,582	185,699	53,625	146,823	386,147	1,024,222
Net opening balance	(3,357,431)	1,289,863	857,680	560,974	694,399	2,113,053	45,485
Changes in the statement of profit or loss and OCI							
<i>Changes that relate to current services</i>							
CSM recognised for services provided	–	–	(69,648)	(73,937)	(84,182)	(227,767)	(227,767)
Change in risk adjustment for non-financial risk for risk expired	–	(100,506)	–	–	–	–	(100,506)
Experience adjustments	(509,295)	–	–	–	–	–	(509,295)
<i>Changes that relate to future services</i>							
Contracts initially recognised in the year	(288,713)	51,922	–	–	242,445	242,445	5,654
Changes in estimates that adjust the CSM	302,211	(49,944)	(49,488)	37,320	(240,099)	(252,267)	–
Changes in estimates that results in losses and reversals of losses on onerous contracts	137,855	(34,670)	–	–	–	–	103,185
<i>Changes that relate to past services</i>							
Adjustment to liabilities for incurred claims	620,157	(1,089)	–	–	–	–	619,068
Insurance service result	262,215	(134,287)	(119,136)	(36,617)	(81,836)	(237,589)	(109,661)
Net finance expenses from insurance contracts	(199,983)	25,074	19,449	7,660	32,751	59,860	(115,049)
Effect of movements in exchange rates	(166,847)	32,196	30,642	82,727	(33,312)	80,057	(54,594)
Total changes in the statement of profit or loss and OCI	(104,615)	(77,017)	(69,045)	53,770	(82,397)	(97,672)	(279,304)
Cash flows							
Premiums received	2,415,271	–	–	–	–	–	2,415,271
Claims and other insurance service expenses paid	(2,192,948)	–	–	–	–	–	(2,192,948)
Insurance acquisition cash flows	(12,272)	–	–	–	–	–	(12,272)
Total cash flows	210,051	–	–	–	–	–	210,051
Net closing balances	(3,251,995)	1,212,846	788,635	614,744	612,002	2,015,381	(23,768)
Closing assets	(2,891,631)	279,792	574,589	579,054	367,238	1,520,881	(1,090,958)
Closing liabilities	(360,364)	933,054	214,046	35,690	244,764	494,500	1,067,190
Net closing balances	(3,251,995)	1,212,846	788,635	614,744	612,002	2,015,381	(23,768)

	2024						Total \$'000
	Estimates of present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	CSM			Sub-total \$'000	
			Contracts under MRA \$'000	Contracts under FVA \$'000	Other contracts \$'000		
Opening assets	(3,102,393)	320,211	684,301	505,492	463,738	1,653,531	(1,128,651)
Opening liabilities	(661,831)	1,205,964	407,335	174,709	183,543	765,587	1,309,720
Net opening balance	(3,764,224)	1,526,175	1,091,636	680,201	647,281	2,419,118	181,069
Changes in the statement of profit or loss and OCI							
<i>Changes that relate to current services</i>							
CSM recognised for services provided	–	–	(111,544)	(84,669)	(104,702)	(300,915)	(300,915)
Change in risk adjustment for non-financial risk for risk expired	–	(119,767)	–	–	–	–	(119,767)
Experience adjustments	(547,828)	–	–	–	–	–	(547,828)
<i>Changes that relate to future services</i>							
Contracts initially recognised in the year	(353,996)	43,632	–	–	318,150	318,150	7,786
Changes in estimates that adjust the CSM	511,020	(224,354)	(164,216)	22,781	(145,231)	(286,666)	–
Changes in estimates that results in losses and reversals of losses on onerous contracts	145,083	37,821	–	–	–	–	182,904
<i>Changes that relate to past services</i>							
Adjustment to liabilities for incurred claims	614,831	(966)	–	–	–	–	613,865
Insurance service result	369,110	(263,634)	(275,760)	(61,888)	68,217	(269,431)	(163,955)
Net finance expenses from insurance contracts	(284,264)	60,803	41,868	(11,800)	28,553	58,621	(164,840)
Effect of movements in exchange rates	223,355	(33,481)	(64)	(45,539)	(49,652)	(95,255)	94,619
Total changes in the statement of profit or loss and OCI	308,201	(236,312)	(233,956)	(119,227)	47,118	(306,065)	(234,176)
Cash flows							
Premiums received	1,949,474	–	–	–	–	–	1,949,474
Claims and other insurance service expenses paid	(1,850,815)	–	–	–	–	–	(1,850,815)
Insurance acquisition cash flows	(67)	–	–	–	–	–	(67)
Total cash flows	98,592	–	–	–	–	–	98,592
Net closing balances	(3,357,431)	1,289,863	857,680	560,974	694,399	2,113,053	45,485
Closing assets	(2,999,924)	294,281	671,981	507,349	547,576	1,726,906	(978,737)
Closing liabilities	(357,507)	995,582	185,699	53,625	146,823	386,147	1,024,222
Net closing balances	(3,357,431)	1,289,863	857,680	560,974	694,399	2,113,053	45,485

(ii) Non-life insurance

Analysis by remaining coverage and incurred claims

	2025				2024			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component			Excluding loss component	Loss component		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Opening assets	(23,756)	58	19,694	(4,004)	(14,865)	(62)	13,291	(1,636)
Opening liabilities	(473,576)	210,179	4,901,532	4,638,135	(200,725)	262,307	4,927,921	4,989,503
Net opening balance	(497,332)	210,237	4,921,226	4,634,131	(215,590)	262,245	4,941,212	4,987,867
Changes in the statement of profit or loss and OCI								
Insurance revenue								
Contracts under the modified retrospective transition approach	16,200	–	–	16,200	(14,040)	–	–	(14,040)
Contracts under the fair value transition approach	20,644	–	–	20,644	(64,334)	–	–	(64,334)
Other contracts	(2,967,224)	–	–	(2,967,224)	(2,940,915)	–	–	(2,940,915)
	(2,930,380)	–	–	(2,930,380)	(3,019,289)	–	–	(3,019,289)
Insurance service expenses								
Incurred claims and other insurance service expenses	–	(117,704)	2,041,276	1,923,572	–	(47,274)	1,997,049	1,949,775
Experience adjustment and amortisation of insurance acquisition cash flows	104,026	–	–	104,026	61,709	–	–	61,709
Losses and reversals of losses on onerous contracts	–	70,988	–	70,988	–	18,948	–	18,948
Adjustments to liabilities for incurred claims	–	–	103,640	103,640	–	–	(7,717)	(7,717)
	104,026	(46,716)	2,144,916	2,202,226	61,709	(28,326)	1,989,332	2,022,715
Investment components and premium refunds	(384,971)	–	384,971	–	(368,587)	–	368,587	–
Insurance service result	(3,211,325)	(46,716)	2,529,887	(728,154)	(3,326,167)	(28,326)	2,357,919	(996,574)
Net finance expenses from insurance contracts	(12,348)	1,947	94,921	84,520	(40,623)	1,276	132,466	93,119
Effect of movements in exchange rates	(43,294)	7,720	201,140	165,566	77,274	(24,958)	(315,406)	(263,090)
Total changes in the statement of profit or loss and OCI	(3,266,967)	(37,049)	2,825,948	(478,068)	(3,289,516)	(52,008)	2,174,979	(1,166,545)

	2025				2024			
	Liabilities for remaining coverage		Liabilities for incurred claims	Total	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	<i>Excluding loss component</i>	<i>Loss component</i>			<i>Excluding loss component</i>	<i>Loss component</i>		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Cash flows								
Premiums received	3,248,209	–	–	3,248,209	3,081,189	–	–	3,081,189
Claims and other insurance service expenses paid	–	–	(2,190,233)	(2,190,233)	–	–	(2,194,965)	(2,194,965)
Insurance acquisition cash flows	(91,312)	–	–	(91,312)	(73,415)	–	–	(73,415)
Total cash flows	3,156,897	–	(2,190,233)	966,664	3,007,774	–	(2,194,965)	812,809
Net closing balances	(607,402)	173,188	5,556,941	5,122,727	(497,332)	210,237	4,921,226	4,634,131
Closing assets	(20,686)	1,181	9,759	(9,746)	(23,756)	58	19,694	(4,004)
Closing liabilities	(586,716)	172,007	5,547,182	5,132,473	(473,576)	210,179	4,901,532	4,638,135
Net closing balances	(607,402)	173,188	5,556,941	5,122,727	(497,332)	210,237	4,921,226	4,634,131

Analysis by measurement component:

	2025						Total \$'000
	Estimated present value of future cash flows \$'000	Risk adjustment for non- financial risk \$'000	CSM			Sub-total \$'000	
			Contracts under MRA \$'000	Contracts under FVA \$'000	Other contracts \$'000		
Opening assets	(9,690)	795	8	–	4,883	4,891	(4,004)
Opening liabilities	4,226,936	105,290	10,736	898	294,275	305,909	4,638,135
Net opening balance	4,217,246	106,085	10,744	898	299,158	310,800	4,634,131
Changes in the statement of profit or loss and OCI							
<i>Changes that relate to current services</i>							
CSM recognised for services provided	–	–	(4,492)	(6,714)	(491,948)	(503,154)	(503,154)
Change in risk adjustment for non-financial risk for risk expired	–	(69,521)	–	–	–	–	(69,521)
Experience adjustments	(335,986)	–	–	–	–	–	(335,986)
<i>Changes that relate to future services</i>							
Contracts initially recognised in the year	(414,617)	84,878	–	–	401,655	401,655	71,916
Changes in estimates that adjust the CSM	(40,311)	368	1,274	2,808	35,861	39,943	–
Changes in estimates that do not adjust the CSM	7,041	(2,090)	–	–	–	–	4,951
<i>Changes that relate to past services</i>							
Adjustment to liabilities for incurred claims	121,186	(17,546)	–	–	–	–	103,640
Insurance service result	(662,687)	(3,911)	(3,218)	(3,906)	(54,432)	(61,556)	(728,154)
Net finance expenses from insurance contracts	60,931	2,534	109	228	20,718	21,055	84,520
Effect of movements in exchange rates	158,517	2,297	277	298	4,177	4,752	165,566
Total changes in the statement of profit or loss and OCI	(443,239)	920	(2,832)	(3,380)	(29,537)	(35,749)	(478,068)
Cash flows							
Premiums received	3,248,209	–	–	–	–	–	3,248,209
Claims and other insurance service expenses paid	(2,190,233)	–	–	–	–	–	(2,190,233)
Insurance acquisition cash flows	(91,312)	–	–	–	–	–	(91,312)
Total cash flows	966,664	–	–	–	–	–	966,664
Net closing balances	4,740,671	107,005	7,912	(2,482)	269,621	275,051	5,122,727
Closing assets	(6,378)	483	39	46	(3,936)	(3,851)	(9,746)
Closing liabilities	4,747,049	106,522	7,873	(2,528)	273,557	278,902	5,132,473
Net closing balances	4,740,671	107,005	7,912	(2,482)	269,621	275,051	5,122,727

	2024						Total \$'000
	Estimated present value of future cash flows \$'000	Risk adjustment for non- financial risk \$'000	CSM				
			Contracts under MRA \$'000	Contracts under FVA \$'000	Other contracts \$'000	Sub-total \$'000	
Opening assets	(2,142)	45	20	34	407	461	(1,636)
Opening liabilities	4,481,991	122,829	26,029	23,965	334,689	384,683	4,989,503
Net opening balance	4,479,849	122,874	26,049	23,999	335,096	385,144	4,987,867
Changes in the statement of profit or loss and OCI							
<i>Changes that relate to current services</i>							
CSM recognised for services provided	–	–	(12,922)	(33,767)	(589,425)	(636,114)	(636,114)
Change in risk adjustment for non-financial risk for risk expired	–	(84,450)	–	–	–	–	(84,450)
Experience adjustments	(288,440)	–	–	–	–	–	(288,440)
<i>Changes that relate to future services</i>							
Contracts initially recognised in the year	(510,159)	84,430	–	–	467,024	467,024	41,295
Changes in estimates that adjust the CSM	(86,611)	(923)	(2,470)	11,844	78,160	87,534	–
Changes in estimates that do not adjust the CSM	(26,116)	4,968	–	–	–	–	(21,148)
<i>Changes that relate to past services</i>							
Adjustment to liabilities for incurred claims	175	(7,892)	–	–	–	–	(7,717)
Insurance service result	(911,151)	(3,867)	(15,392)	(21,923)	(44,241)	(81,556)	(996,574)
Net finance expenses from insurance contracts	71,599	(4,654)	270	771	25,133	26,174	93,119
Effect of movements in exchange rates	(235,860)	(8,268)	(183)	(1,949)	(16,830)	(18,962)	(263,090)
Total changes in the statement of profit or loss and OCI	(1,075,412)	(16,789)	(15,305)	(23,101)	(35,938)	(74,344)	(1,166,545)
Cash flows							
Premiums received	3,081,189	–	–	–	–	–	3,081,189
Claims and other insurance service expenses paid	(2,194,965)	–	–	–	–	–	(2,194,965)
Insurance acquisition cash flows	(73,415)	–	–	–	–	–	(73,415)
Total cash flows	812,809	–	–	–	–	–	812,809
Net closing balances	4,217,246	106,085	10,744	898	299,158	310,800	4,634,131
Closing assets	(9,690)	795	8	–	4,883	4,891	(4,004)
Closing liabilities	4,226,936	105,290	10,736	898	294,275	305,909	4,638,135
Net closing balances	4,217,246	106,085	10,744	898	299,158	310,800	4,634,131

(iii) Life reinsurance

Analysis by remaining coverage and incurred claims

	Assets for remaining coverage		2025 Assets for incurred claims		Total S'000	Assets for remaining coverage		2024 Assets for incurred claims		Total S'000
	<i>Excluding loss-recovery component</i> S'000	<i>Loss-recovery component</i> S'000	Estimates of present value of future cash flows S'000	Risk adjustment for non-financial risk S'000		<i>Excluding loss-recovery component</i> S'000	<i>Loss-recovery component</i> S'000	Estimates of present value of future cash flows S'000	Risk adjustment for non-financial risk S'000	
Opening assets	540,834	89,115	721,010	480	1,351,439	726,772	94,058	663,680	641	1,485,151
Opening liabilities	(995,035)	365,566	447,009	193	(182,267)	(918,787)	280,221	498,036	223	(140,307)
Net opening balance	(454,201)	454,681	1,168,019	673	1,169,172	(192,015)	374,279	1,161,716	864	1,344,844
Changes in the statement of profit or loss and OCI										
<i>Allocation of reinsurance premiums paid</i>										
Amounts relating to the changes in the assets for remaining coverage	(914,329)	–	–	–	(914,329)	(981,169)	–	–	–	(981,169)
Effect of changes in non-performing risk of reinsurers	193	–	(2)	–	191	(238)	–	(12)	–	(250)
	(914,136)	–	(2)	–	(914,138)	(981,407)	–	(12)	–	(981,419)
<i>Amounts recoverable from reinsurers</i>										
Amount recoverable for claims and other expenses incurred in the period	–	(26,573)	635,681	465	609,573	–	(55)	668,104	255	668,304
Changes in amounts recoverable arising from changes in liability for incurred claims	–	–	123,867	(408)	123,459	–	–	180,448	(446)	180,002
Changes for fulfillment cash flows which relate to onerous underlying contracts	–	(15,793)	–	–	(15,793)	–	79,899	–	–	79,899
	–	(42,366)	759,548	57	717,239	–	79,844	848,552	(191)	928,205

	Assets for remaining coverage		2025 Assets for incurred claims		Total \$'000	Assets for remaining coverage		2024 Assets for incurred claims		Total \$'000
	<i>Excluding loss-recovery component</i> \$'000	<i>Loss-recovery component</i> \$'000	Estimates of present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000		<i>Excluding loss-recovery component</i> \$'000	<i>Loss-recovery component</i> \$'000	Estimates of present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	
Investment components and premium refunds	(116,158)	–	116,158	–	–	(37,678)	–	37,678	–	–
Net expenses from reinsurance contracts	(1,030,294)	(42,366)	875,704	57	(196,899)	(1,019,085)	79,844	886,218	(191)	(53,214)
Net finance income from reinsurance contracts	(123,680)	60,748	17,538	18	(45,376)	(98,650)	(203)	21,541	14	(77,298)
Effect of movements in exchange rates	(61,525)	(1,614)	73,265	29	10,155	(9,828)	761	(34,128)	(14)	(43,209)
Total changes in the statement of profit or loss and OCI	(1,215,499)	16,768	966,507	104	(232,120)	(1,127,563)	80,402	873,631	(191)	(173,721)
Cash flows										
Premiums paid	794,132	–	–	–	794,132	865,377	–	–	–	865,377
Amount received	–	–	(903,001)	–	(903,001)	–	–	(867,328)	–	(867,328)
Total cash flows	794,132	–	(903,001)	–	(108,869)	865,377	–	(867,328)	–	(1,951)
Net closing balances	(875,568)	471,449	1,231,525	777	828,183	(454,201)	454,681	1,168,019	673	1,169,172
Closing assets	528,826	142,203	622,090	506	1,293,625	540,834	89,115	721,010	480	1,351,439
Closing liabilities	(1,404,394)	329,246	609,435	271	(465,442)	(995,035)	365,566	447,009	193	(182,267)
Net closing balances	(875,568)	471,449	1,231,525	777	828,183	(454,201)	454,681	1,168,019	673	1,169,172

Analysis by measurement component:

	2025						Total \$'000
	Estimates of present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	CSM			Sub-total \$'000	
			Contracts under MRA \$'000	Contracts under FVA \$'000	Other contracts \$'000		
Opening assets	307,890	481,520	465,734	56,827	39,468	562,029	1,351,439
Opening liabilities	(831,937)	354,996	(24,060)	100,160	218,574	294,674	(182,267)
Net opening balance	(524,047)	836,516	441,674	156,987	258,042	856,703	1,169,172
Changes in the statement of profit or loss and OCI							
<i>Changes that relate to current services</i>							
CSM recognised for services provided	–	–	(46,799)	(16,928)	(28,704)	(92,431)	(92,431)
Change in risk adjustment for non-financial risk for risk expired	–	(59,970)	–	–	–	–	(59,970)
Experience adjustments	(152,354)	–	–	–	–	–	(152,354)
<i>Changes that relate to future services</i>							
Contracts initially recognised in the year	(111,575)	29,741	–	–	85,756	85,756	3,922
Changes in estimates that adjust the CSM	(85,750)	(31,013)	35,601	49,863	31,299	116,763	–
Changes in estimates that do not adjust the contractual service margin	6,754	(26,470)	–	–	–	–	(19,716)
<i>Changes that relate to past services</i>							
Adjustment to liabilities for incurred claims	123,866	(408)	–	–	–	–	123,458
Effect of changes in non-performance risk of reinsurers	192	–	–	–	–	–	192
Net expenses from reinsurance contracts	(218,867)	(88,120)	(11,198)	32,935	88,351	110,088	(196,899)
Net finance income from reinsurance contracts	(75,356)	13,258	8,570	(728)	8,880	16,722	(45,376)
Effect of movements in exchange rates	(67,833)	25,612	27,862	10,301	14,213	52,376	10,155
Total changes in the statement of profit or loss and OCI	(362,056)	(49,250)	25,234	42,508	111,444	179,186	(232,120)
Cash flows							
Premiums paid	794,132	–	–	–	–	–	794,132
Amount received	(903,001)	–	–	–	–	–	(903,001)
Total cash flows	(108,869)	–	–	–	–	–	(108,869)
Net closing balances	(994,972)	787,266	466,908	199,495	369,486	1,035,889	828,183
Closing assets	238,424	441,080	508,960	63,293	41,868	614,121	1,293,625
Closing liabilities	(1,233,396)	346,186	(42,052)	136,202	327,618	421,768	(465,442)
Net closing balances	(994,972)	787,266	466,908	199,495	369,486	1,035,889	828,183

	2024						Total \$'000
	CSM						
	Estimates of present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	Contracts under MRA \$'000	Contracts under FVA \$'000	Other contracts \$'000	Sub-total \$'000	
Opening assets	190,782	656,962	608,939	(7,034)	35,502	637,407	1,485,151
Opening liabilities	(770,365)	482,866	(176,066)	134,098	189,160	147,192	(140,307)
Net opening balance	(579,583)	1,139,828	432,873	127,064	224,662	784,599	1,344,844
Changes in the statement of profit or loss and OCI							
<i>Changes that relate to current services</i>							
CSM recognised for services provided	–	–	(51,281)	(10,487)	(28,457)	(90,225)	(90,225)
Change in risk adjustment for non-financial risk for risk expired	–	(83,645)	–	–	–	–	(83,645)
Experience adjustments	(138,995)	–	–	–	–	–	(138,995)
<i>Changes that relate to future services</i>							
Contracts initially recognised in the year	(138,200)	30,451	–	–	109,127	109,127	1,378
Changes in estimates that adjust the CSM	230,819	(293,171)	104,466	(2,268)	(39,846)	62,352	–
Changes in estimates that do not adjust the contractual service margin	79,677	(1,156)	–	–	–	–	78,521
<i>Changes that relate to past services</i>							
Adjustments to incurred claims recoverable	180,448	(446)	–	–	–	–	180,002
Effect of changes in non-performance risk of reinsurers	(250)	–	–	–	–	–	(250)
Net expenses from reinsurance contracts	213,499	(347,967)	53,185	(12,755)	40,824	81,254	(53,214)
Net finance income from reinsurance contracts	(147,101)	61,042	9,624	307	(1,170)	8,761	(77,298)
Effect of movements in exchange rates	(8,911)	(16,387)	(54,008)	42,371	(6,274)	(17,911)	(43,209)
Total changes in the statement of profit or loss and OCI	57,487	(303,312)	8,801	29,923	33,380	72,104	(173,721)
Cash flows							
Premiums paid	865,377	–	–	–	–	–	865,377
Amount received	(867,328)	–	–	–	–	–	(867,328)
Total cash flows	(1,951)	–	–	–	–	–	(1,951)
Net closing balances	(524,047)	836,516	441,674	156,987	258,042	856,703	1,169,172
Closing assets	307,890	481,520	465,734	56,827	39,468	562,029	1,351,439
Closing liabilities	(831,937)	354,996	(24,060)	100,160	218,574	294,674	(182,267)
Net closing balances	(524,047)	836,516	441,674	156,987	258,042	856,703	1,169,172

(iv) Non-life reinsurance

Analysis by remaining coverage and incurred claims

	Assets for remaining coverage		2025 Assets for incurred claims			Assets for remaining coverage		2024 Assets for incurred claims		
	<i>Excluding loss-recovery component</i>	<i>Loss-recovery component</i>	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total	<i>Excluding loss-recovery component</i>	<i>Loss-recovery component</i>	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening assets	(98,181)	151,615	1,512,410	12,778	1,578,622	175,803	180,570	1,507,380	11,245	1,874,998
Opening liabilities	(54,891)	4,518	31,108	373	(18,892)	(45,491)	262	37,820	334	(7,075)
Net opening balances	(153,072)	156,133	1,543,518	13,151	1,559,730	130,312	180,832	1,545,200	11,579	1,867,923
Changes in the statement of profit or loss and OCI										
<i>Allocation of reinsurance premiums paid</i>										
Amounts relating to the changes in the assets for remaining coverage	(1,578,966)	–	–	–	(1,578,966)	(1,569,244)	–	–	–	(1,569,244)
Effect of changes in non-performance risk of reinsurers	(271)	–	(61)	–	(332)	122	–	889	–	1,011
	(1,579,237)	–	(61)	–	(1,579,298)	(1,569,122)	–	889	–	(1,568,233)
<i>Amount recoverable from reinsurers</i>										
Amounts recoverable for claims and other expenses incurred in the period	–	(47,652)	1,015,979	9,265	977,592	–	(26,266)	875,391	4,221	853,346
Changes in amounts recoverable arising from changes in liability for incurred claims	–	–	128,247	(5,442)	122,805	–	–	30,859	(1,863)	28,996
Changes for fulfillment cash flows which relate to onerous underlying contracts	–	(754)	–	–	(754)	–	24,645	–	–	24,645
	–	(48,406)	1,144,226	3,823	1,099,643	–	(1,621)	906,250	2,358	906,987

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	2025					2024				
	Assets for remaining coverage		Assets for incurred claims			Assets for remaining coverage		Assets for incurred claims		
	<i>Excluding loss-recovery component</i>	<i>Loss-recovery component</i>	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total	<i>Excluding loss-recovery component</i>	<i>Loss-recovery component</i>	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment components and premium refunds	(150,658)	–	150,658	–	–	1,073	–	(1,073)	–	–
Net expenses from reinsurance contracts	(1,729,895)	(48,406)	1,294,823	3,823	(479,655)	(1,568,049)	(1,621)	906,066	2,358	(661,246)
Net finance income from reinsurance contracts	(62,896)	34,986	21,133	217	(6,560)	(90,194)	189	29,241	130	(60,634)
Effect of movement in exchange rates	(30,609)	(4,491)	66,342	494	31,736	34,284	(23,267)	(140,380)	(916)	(130,279)
Total changes in the statement of profit or loss and OCI	(1,823,400)	(17,911)	1,382,298	4,534	(454,479)	(1,623,959)	(24,699)	794,927	1,572	(852,159)
Cash flows										
Premiums paid	1,573,623	–	–	–	1,573,623	1,340,575	–	–	–	1,340,575
Amount received	–	–	(778,921)	–	(778,921)	–	–	(796,609)	–	(796,609)
Total cash flow	1,573,623	–	(778,921)	–	794,702	1,340,575	–	(796,609)	–	543,966
Net closing balances	(402,849)	138,222	2,146,895	17,685	1,899,953	(153,072)	156,133	1,543,518	13,151	1,559,730
Closing assets	(307,676)	132,767	2,082,793	17,190	1,925,074	(98,181)	151,615	1,512,410	12,778	1,578,622
Closing liabilities	(95,173)	5,455	64,102	495	(25,121)	(54,891)	4,518	31,108	373	(18,892)
Net closing balances	(402,849)	138,222	2,146,895	17,685	1,899,953	(153,072)	156,133	1,543,518	13,151	1,559,730

Analysis by measurement component

	2025						Total \$'000
	Estimates of present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	CSM			Sub-total \$'000	
			Contracts under MRA \$'000	Contracts under FVA \$'000	Other contracts \$'000		
Opening assets	1,450,300	56,724	2,507	(2,943)	72,034	71,598	1,578,622
Opening liabilities	(18,188)	2,339	35	197	(3,275)	(3,043)	(18,892)
Net opening balance	1,432,112	59,063	2,542	(2,746)	68,759	68,555	1,559,730
Changes in the statement of profit or loss and OCI							
<i>Changes that relate to current services</i>							
CSM recognised for services provided	–	–	(432)	2,565	(161,011)	(158,878)	(158,878)
Change in risk adjustment for non-financial risk for risk expired	–	(49,714)	–	–	–	–	(49,714)
Experience adjustments	(392,782)	–	–	–	–	–	(392,782)
<i>Changes that relate to future services</i>							
Contracts initially recognised in the year	(233,908)	55,999	–	–	229,637	229,637	51,728
Changes in estimates that adjust the CSM	26,021	4,647	(2,285)	8,031	(36,414)	(30,668)	–
Changes in estimates that do not adjust the contractual service margin	(50,003)	(2,479)	–	–	–	–	(52,482)
<i>Changes that relate to past services</i>							
Adjustments to incurred claims recoverable	128,247	(5,442)	–	–	–	–	122,805
Effect of changes in non-performance risk of reinsurers	(332)	–	–	–	–	–	(332)
Net expenses from reinsurance contracts	(522,757)	3,011	(2,717)	10,596	32,212	40,091	(479,655)
Net finance income from reinsurance contracts	(12,866)	46	49	(4)	6,215	6,260	(6,560)
Effect of movements in exchange rates	32,491	2,351	267	(8,163)	4,790	(3,106)	31,736
Total changes in the statement of profit or loss and OCI	(503,132)	5,408	(2,401)	2,429	43,217	43,245	(454,479)
Cash flows							
Premiums paid	1,573,623	–	–	–	–	–	1,573,623
Amount received	(778,921)	–	–	–	–	–	(778,921)
Total cash flows	794,702	–	–	–	–	–	794,702
Net closing balances	1,723,682	64,471	141	(317)	111,976	111,800	1,899,953
Closing assets	1,758,115	62,206	114	(544)	105,183	104,753	1,925,074
Closing liabilities	(34,433)	2,265	27	227	6,793	7,047	(25,121)
Net closing balances	1,723,682	64,471	141	(317)	111,976	111,800	1,899,953

	2024						Total \$'000
	CSM						
	Estimates of present value of future cash flows \$'000	Risk adjustment for non-financial risk \$'000	Contracts under MRA \$'000	Contracts under FVA \$'000	Other contracts \$'000	Sub-total \$'000	
Opening assets	1,729,041	67,359	1,628	(16,081)	93,051	78,598	1,874,998
Opening liabilities	(9,364)	657	(4,533)	1,076	5,089	1,632	(7,075)
Net opening balance	1,719,677	68,016	(2,905)	(15,005)	98,140	80,230	1,867,923
Changes in the statement of profit or loss and OCI							
<i>Changes that relate to current services</i>							
CSM recognised for services provided	–	–	5,926	(2,684)	(354,442)	(351,200)	(351,200)
Change in risk adjustment for non-financial risk for risk expired	–	(59,923)	–	–	–	–	(59,923)
Experience adjustments	(304,775)	–	–	–	–	–	(304,775)
<i>Changes that relate to future services</i>							
Contracts initially recognised in the year	(363,866)	65,205	–	–	324,913	324,913	26,252
Changes in estimates that adjust the CSM	(9,720)	(5,020)	(187)	15,669	(742)	14,740	–
Changes in estimates that do not adjust the contractual service margin	(8,559)	6,952	–	–	–	–	(1,607)
<i>Changes that relate to past services</i>							
Adjustments to incurred claims recoverable	30,859	(1,863)	–	–	–	–	28,996
Effect of changes in non-performance risk of reinsurers	1,011	–	–	–	–	–	1,011
Net expenses from reinsurance contracts	(655,050)	5,351	5,739	12,985	(30,271)	(11,547)	(661,246)
Net finance income from reinsurance contracts	(62,896)	(7,256)	13	155	9,350	9,518	(60,634)
Effect of movements in exchange rates	(113,585)	(7,048)	(305)	(881)	(8,460)	(9,646)	(130,279)
Total changes in the statement of profit or loss and OCI	(831,531)	(8,953)	5,447	12,259	(29,381)	(11,675)	(852,159)
Cash flows							
Premiums received	1,340,575	–	–	–	–	–	1,340,575
Claims and other insurance service expenses paid	(796,609)	–	–	–	–	–	(796,609)
Total cash flows	543,966	–	–	–	–	–	543,966
Net closing balances	1,432,112	59,063	2,542	(2,746)	68,759	68,555	1,559,730
Closing assets	1,450,300	56,724	2,507	(2,943)	72,034	71,598	1,578,622
Closing liabilities	(18,188)	2,339	35	197	(3,275)	(3,043)	(18,892)
Net closing balances	1,432,112	59,063	2,542	(2,746)	68,759	68,555	1,559,730

(B) Effect of contracts initially recognised in the year

(i) Life insurance

	Profitable contracts issued \$'000	Onerous contract issued \$'000	Total \$'000
2025			
Claims and other insurance service expenses payables	1,375,976	121,997	1,497,973
Insurance acquisition cash flows	28,169	3,912	32,081
Estimates of present value of cash outflows	1,404,145	125,909	1,530,054
Estimates of present value of cash inflows	(1,693,563)	(125,204)	(1,818,767)
Risk adjustment for non- financial risk	46,973	4,949	51,922
CSM	242,445	–	242,445
Losses recognised on initial recognition	–	5,654	5,654
2024			
Claims and other insurance service expenses payables	1,485,031	25,222	1,510,253
Insurance acquisition cash flows	28,218	521	28,739
Estimates of present value of cash outflows	1,513,249	25,743	1,538,992
Estimates of present value of cash inflows	(1,873,903)	(19,085)	(1,892,988)
Risk adjustment for non- financial risk	42,504	1,128	43,632
CSM	318,150	–	318,150
Losses recognised on initial recognition	–	7,786	7,786

(ii) Life reinsurance

	2025	2024
	Reinsurance contracts held	Reinsurance contracts held
	\$'000	\$'000
Estimates of present value of cash outflows – claims and other insurance service expenses payable	(590,880)	(804,019)
Estimates of present value cash inflows	702,455	942,219
Risk adjustment for non-financial risk	(29,741)	(30,451)
CSM	(85,756)	(109,127)
Income recognised on initial recognition	(3,922)	(1,378)

(iii) Non-life insurance

	Profitable contracts issued	Onerous contract issued	Total
	\$'000	\$'000	\$'000
2025			
Claims and other insurance service expenses payables	1,419,937	1,253,848	2,673,785
Insurance acquisition cash flows	59,376	8,597	67,973
Estimates of present value of cash outflows	1,479,313	1,262,445	2,741,758
Estimates of present value of cash inflows	(1,936,672)	(1,219,703)	(3,156,375)
Risk adjustment for non-financial risk	55,704	29,174	84,878
CSM	401,655	–	401,655
Losses recognised on initial recognition	–	71,916	71,916
2024			
Claims and other insurance service expenses payables	1,639,340	1,042,562	2,681,902
Insurance acquisition cash flows	54,287	7,564	61,851
Estimates of present value of cash outflows	1,693,627	1,050,126	2,743,753
Estimates of present value of cash inflows	(2,226,069)	(1,027,843)	(3,253,912)
Risk adjustment for non-financial risk	65,418	19,012	84,430
CSM	467,024	–	467,024
Losses recognised on initial recognition	–	41,295	41,295

(iv) Non-life reinsurance

	2025	2024
	Reinsurance contracts held \$'000	Reinsurance contracts held \$'000
Estimates of present value of cash outflows – claims and other insurance service expenses payable	(1,570,051)	(1,545,689)
Estimates of present value cash inflows	1,803,959	1,909,555
Risk adjustment for non-financial risk	(55,999)	(65,205)
CSM	(229,637)	(324,913)
Income recognised on initial recognition	(51,728)	(26,252)

(C) **Contractual service margin**

The following table sets out when the Company expects to recognise the remaining CSM in profit or loss after the reporting date.

	1 year or less \$'000	1-2 years \$'000	2-3 years \$'000	3-4 years \$'000	4-5 years \$'000	More than 5 years \$'000	Total \$'000
31 December 2025							
<i>Insurance contracts</i>							
Life	201,119	175,557	155,983	140,845	127,736	1,214,141	2,015,381
Non-life	187,913	45,989	18,030	9,306	4,932	8,881	275,051
	389,032	221,546	174,013	150,151	132,668	1,223,022	2,290,432
<i>Reinsurance contracts</i>							
Life	100,756	84,994	78,307	72,682	67,108	632,042	1,035,889
Non-life	93,584	11,346	4,247	3,056	880	(1,313)	111,800
	194,340	96,340	82,554	75,738	67,988	630,739	1,147,689
31 December 2024							
<i>Insurance contracts</i>							
Life	227,834	199,580	174,126	152,246	134,927	1,224,340	2,113,053
Non-life	203,485	47,280	19,118	8,695	4,853	27,369	310,800
	431,319	246,860	193,244	160,941	139,780	1,251,709	2,423,853
<i>Reinsurance contracts</i>							
Life	79,424	68,130	59,692	56,593	53,393	539,471	856,703
Non-life	31,076	8,619	3,501	1,794	1,239	22,326	68,555
	110,500	76,749	63,193	58,387	54,632	561,797	925,258

(D) Loss development tables - Non-life insurance contracts

Claims development for underwriting year 2021 and before are presented within 'Liabilities in respect of earlier year'. Each table below shows how the estimates of total claims for each underwriting year have developed over time and reconciles the cumulative claims to the amount included in the statement of the financial position.

2024

The loss development table presented below is gross of reinsurance. All items (including cumulative payments to date) are revalued based on the foreign exchange rates as at year end.

Underwriting Year	2021	2022	2023	2024	2025	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Estimate of ultimate claims costs						
At the end of year	1,400,865	1,598,071	1,498,186	1,302,005	1,602,003	7,401,130
One year later	2,731,964	2,571,665	2,696,698	2,377,852	–	10,378,179
Two years later	2,675,833	2,518,328	2,849,767	–	–	8,043,928
Three years later	2,619,350	2,471,192	–	–	–	5,090,542
Four years later	2,624,986	–	–	–	–	2,624,986
Current estimate of cumulative ultimate claims	2,624,986	2,471,192	2,849,767	2,377,852	1,602,003	11,925,800
Cumulative payments to date (include loss portfolio transferred)	2,239,404	1,913,382	1,880,740	1,029,943	252,239	7,315,708
Best estimate outstanding	385,582	557,810	969,027	1,347,909	1,349,764	4,610,092
Liabilities in respect of earlier years						447,435
Account payable/receivable, investment component and others						761,512
Effect of discounting						(296,484)
Risk Adjustment						48,402
Wakalah fee adjustments						(14,016)
Liabilities for incurred claims included in the statement of financial position (Note 6)						<u>5,556,941</u>

The loss development table presented below is net of reinsurance. All items (including cumulative payments to date) are revalued based on the foreign exchange rates as at year end.

Underwriting Year	2021	2022	2023	2024	2025	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Estimate of ultimate claims costs						
At the end of year	1,036,873	737,986	887,530	664,428	793,683	4,120,500
One year later	2,115,355	1,494,929	1,790,157	1,182,184	–	6,582,625
Two years later	2,098,041	1,455,961	1,950,065	–	–	5,504,067
Three years later	2,053,362	1,415,513	–	–	–	3,468,875
Four years later	2,064,432	–	–	–	–	2,064,432
Current estimate of cumulative ultimate claims	2,064,432	1,415,513	1,950,065	1,182,184	793,683	7,405,877
Cumulative payments to date (include loss portfolio transferred)	1,723,105	1,001,178	1,207,716	510,638	141,424	4,584,061
Best estimate outstanding	341,327	414,335	742,349	671,546	652,259	2,821,816
Liabilities in respect of earlier years						218,381
Account payable/receivable, investment component and others						543,726
Effect of discounting						(208,263)
Risk adjustment						30,717
Wakalah fee adjustments						(14,016)
Liabilities for incurred claims included in the statement of financial position (Note 6)						<u>3,392,361</u>

2025

The loss development table presented below is gross of reinsurance. All items (including cumulative payments to date) are revalued based on the foreign exchange rates as at year end.

Underwriting Year	2020	2021	2022	2023	2024	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Estimate of ultimate claims costs						
At the end of year	1,392,005	1,347,872	1,543,222	1,445,650	1,255,301	6,984,050
One year later	2,301,100	2,618,885	2,487,737	2,606,081	–	10,013,803
Two years later	2,436,617	2,563,340	2,437,945	–	–	7,437,902
Three years later	2,522,603	2,508,491	–	–	–	5,031,094
Four years later	2,508,378	–	–	–	–	2,508,378
Current estimate of cumulative ultimate claims	<u>2,508,378</u>	<u>2,508,491</u>	<u>2,437,945</u>	<u>2,606,081</u>	<u>1,255,301</u>	<u>11,316,196</u>
Cumulative payments to date (include loss portfolio transferred)	<u>2,142,022</u>	<u>2,007,251</u>	<u>1,634,442</u>	<u>1,202,692</u>	<u>225,157</u>	<u>7,211,564</u>
Best estimate outstanding	366,356	501,240	803,503	1,403,389	1,030,144	4,104,632
Liabilities in respect of earlier years						289,873
Account payable/receivable, investment component and others						734,729
Effect of discounting						(251,755)
Risk Adjustment						<u>43,747</u>
Liabilities for incurred claims included in the statement of financial position (Note 6)						<u><u>4,921,226</u></u>

The loss development table presented below is net of reinsurance. All items (including cumulative payments to date) are revalued based on the foreign exchange rates as at year end.

Underwriting Year	2020	2021	2022	2023	2024	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Estimate of ultimate claims costs						
At the end of year	565,575	995,993	717,089	865,216	639,173	3,783,046
One year later	1,209,128	2,021,660	1,451,619	1,737,126	–	6,419,533
Two years later	1,317,182	2,003,387	1,415,887	–	–	4,736,456
Three years later	1,383,899	1,960,229	–	–	–	3,344,128
Four years later	1,366,980	–	–	–	–	1,366,980
Current estimate of cumulative ultimate claims	1,366,980	1,960,229	1,415,887	1,737,126	639,173	7,119,395
Cumulative payments to date (include loss portfolio transferred)	1,075,939	1,528,499	828,669	687,759	121,603	4,242,469
Best estimate outstanding	291,041	431,730	587,218	1,049,367	517,570	2,876,926
Liabilities in respect of earlier years						98,176
Account payable/receivable, investment component and others						555,022
Effect of discounting						(196,163)
Risk Adjustment						30,596
Liabilities for incurred claims included in the statement of financial position (Note 6)						<u>3,364,557</u>

7 Financial investments

- (a) The carrying amounts of the financial assets by measurement category held by the Company are:

	Amortised cost \$'000	FVOCI \$'000	FVTPL \$'000	Total \$'000
31 December 2025				
Fixed income securities	204,947	4,904,489	1,419	5,110,855
Other loans	282,949	–	–	282,949
Other invested assets, thereof:				
- Derivative assets	–	–	–	–
- Private equity funds	–	–	74,861	74,861
Total financial investments	487,896	4,904,489	76,280	5,468,665
Derivative liabilities	–	–	(95,255)	(95,255)
31 December 2024				
Fixed income securities	331,610	4,661,579	2,643	4,995,832
Other loans	210,049	–	–	210,049
Other invested assets, thereof:				
- Derivative assets	–	–	115,507	115,507
- Private equity funds	–	–	97,551	97,551
Total financial investments	541,659	4,661,579	215,701	5,418,939
Derivative liabilities	–	–	–	–

Investment category breakdown in note has been updated to align to group financial statements presentation.

The financial investments include securities amounting to \$1,070 million (2024: \$939 million) transferred to the Swiss Reinsurance Company Ltd under a securities lending agreement. These are collateralised by securities amounting to \$1,123 million (2024: \$1,058 million).

- (b) Derivative financial instruments

Fair values and notional amounts of derivative financial instruments

The gross amounts are carried at fair value at the reporting date for each class of derivative. The gross fair value is not an indication of credit risk, as many over-the-counter transactions are contracted and documented under ISDA (International Swaps and Derivatives Association) master agreements or their equivalent. Management believes that such agreements provide for legally enforceable set-off in the event of default, which substantially reduces credit exposure.

The notional amount of these financial instruments is not recognised in the Company's financial statements, but their fair values are recognised as an asset or liability. The derivatives as at 31 December 2025 and 31 December 2024 are held with a related corporation.

As of 31 December 2025 and 31 December 2024, the notional amounts of derivatives designated as hedging instruments outstanding by maturity were as follows:

	Nominal amount by maturity			Notional amount assets/ (liabilities) \$'000
	Due within one year \$'000	Due between one and five years \$'000	Due after five years \$'000	
2025				
Foreign exchange contracts	–	(599,440)	–	(599,440)
Interest rate contracts	–	1,519,505	1,839,068	3,358,573
	–	920,065	1,839,068	2,759,133

	Nominal amount by maturity			Notional amount assets/ liabilities \$'000
	Due within one year \$'000	Due between one and five years \$'000	Due after five years \$'000	
2024				
Foreign exchange contracts	–	3,252,329	–	3,252,329
Interest rate contracts	–	72,313	204,851	277,164
	–	3,324,642	204,851	3,529,493

As of 31 December 2025 and 31 December 2024, the fair values of derivatives outstanding were as follows:

	Fair value assets by maturity			Total fair value assets \$'000	Fair value liabilities by maturity			Total fair value liabilities \$'000	Net carrying liabilities \$'000
	Due within one year \$'000	Due between one and five years \$'000	Due after five years \$'000		Due within one year \$'000	Due between one and five years \$'000	Due after five years \$'000		
2025									
Foreign exchange contracts	–	16,710	–	16,710	–	(24,135)	–	(24,135)	(7,425)
Interest rate contracts	–	87,051	752	87,803	–	(2,405)	(173,228)	(175,633)	(87,830)
Total	–	103,761	752	104,513	–	(26,540)	(173,228)	(199,768)	(95,255)
Total net amount of derivative financial instruments¹	–	103,761	752	104,513	–	(26,540)	(173,228)	(199,768)	(95,255)

	Fair value assets by maturity				Fair value liabilities by maturity			Total fair value liabilities \$'000	Net carrying liabilities \$'000
	Due within one year \$'000	Due between one and five years \$'000	Due after five years \$'000	Total fair value assets \$'000	Due within one year \$'000	Due between one and five years \$'000	Due after five years \$'000		
2024									
Foreign exchange contracts	–	76,467	–	76,467	–	(19,215)	–	(19,215)	57,252
Interest rate contracts	–	654,604	8,223	662,827	–	(604,077)	(495)	(604,572)	58,255
Total	–	731,071	8,223	739,294	–	(623,292)	(495)	(623,787)	115,507
Total net amount of derivative financial instruments¹	–	731,071	8,223	739,294	–	(623,292)	(495)	(623,787)	115,507

¹ Total net amount of derivative financial instruments held in an asset position represents the maximum exposure to credit risk.

The fair value assets are included in 'other invested assets' under investments. The fair value liabilities are included in 'Total liabilities'.

(c) Collaterals

Collateral pledged by the Company excluding securities lending agreement

As of 31 December 2025 and 2024, the collateral delivered/received in relation to derivative amounted to \$355 million and \$65 million respectively (2024: nil and \$116 million respectively).

The collateral delivered/received in relation to reinsurance activities amounted to \$8 million and \$340 million respectively (2024: \$9 million and \$162 million respectively).

The collaterals are primarily in the form of securities.

8 Receivables

	2025 \$'000	2024 \$'000
Balances due from related corporations - non-trade	163,822	125,489
Other receivables	257,496	312,389
Prepayments	670	729
Insurance contracts without significant risk transfer	604,164	495,310
	<u>1,026,152</u>	<u>933,917</u>

All receivables are current in nature, unsecured, interest free and are recoverable on demand.

Concentration risk with respect of receivables is limited due to the Company's fairly diversified portfolio and customer base which includes a number of related companies operating in the Asia Pacific region. These related entities also carry a fairly diversified portfolio and customer base, well rated and on equal footing with the Company in financial strength.

The carrying amounts of receivables approximate their fair values.

Receivables (excluding prepayments) are denominated in the following currencies:

	2025 \$'000	2024 \$'000
Australian Dollar	48,857	30,249
Hong Kong Dollar	18,410	23,200
South Korean Won	188,077	5,433
Swiss Franc	79,900	48,797
Malaysian Ringgit	23,903	33,338
Singapore Dollar	546,017	455,936
Chinese Renminbi	953	127,479
United States Dollar	84,892	169,495
Others	35,143	39,990
	<u>1,026,152</u>	<u>933,917</u>

9 Cash and cash equivalents

	2025 \$'000	2024 \$'000
Cash at bank and on hand	<u>103,594</u>	<u>123,927</u>

All cash and cash equivalents are current in nature. The carrying amounts of cash and cash equivalents approximate their fair values.

Cash and cash equivalents at the reporting date are denominated in the following currencies:

	2025	2024
	\$'000	\$'000
Australian Dollar	6,115	7,477
China Renminbi	727	1,588
Hong Kong Dollar	1,930	3,667
Indonesian Rupiah	1,557	2,841
Japanese Yen	4,027	9,938
Korean Won	13,484	3,476
Malaysia Ringgit	4,734	2,894
New Zealand Dollar	36,748	37,487
Singapore Dollar	8,023	1,925
United States Dollar	25,952	52,401
Others	297	233
	<u>103,594</u>	<u>123,927</u>

10 Share capital

	No of ordinary shares		Amount	
			\$'000	\$'000
In issue at 1 January and 31 December	<u>183,888</u>	<u>183,888</u>	<u>3,398,890</u>	<u>3,398,890</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

11 Other liabilities

	2025	2024
	\$'000	\$'000
Balances due to related corporation - non-trade	(142,673)	(132,528)
Accrued expenses	(54,162)	(52,654)
Sundry creditors	(998)	(1,832)
Pension liabilities	(614)	(586)
Payment received not cleared	–	(1,180)
Insurance contracts without significant risk transfer	(171,593)	(221,083)
Other payables	(77,796)	(148,720)
	<u>(447,836)</u>	<u>(558,583)</u>

Payables are current in nature, unsecured, interest free and are repayable on demand. The carrying amounts of payables approximate their fair value.

The Company contributes to the following pension liabilities:

- The Japan Branch has a Top-Up Retirement Plan (“Plan”) for eligible full-time employee. The Company contributes annually to the plan an amount equivalent to a fixed percentage of eligible employee’s annual base salary exceeding JPY14 million, in accordance with a stipulated service table defined in the Plan.
- In addition, the Japan Branch also has a Retirement Lump Sum Allowance Plan where the Company will make a one-time payment to eligible employees at retirement or when the employee leaves the Company. The payment is equivalent to the accumulated total base salary during the service period (capped at 300 months or 25 years), at a rate of 5% for employees in bands D–F and 7% for employees in bands B–C. For calculation purposes, the monthly base salary is capped at JPY 1.5 million for bands D–F and JPY 2.5 million for bands B–C.
- The Australia Branch has a pension fund named Swiss Re Superannuation Plan for selected employee within the Australian Retirement Trust.
- The Lifetime Pensioners are for selected employee who are currently in receipt of a pension payable for life. A reversionary pension is payable to an eligible spouse upon the primary pensioner’s death. The plan is closed to new members.

Payables are denominated in the following currencies:

	2025	2024
	\$’000	\$’000
Hong Kong Dollar	(29,320)	(35,317)
Japanese Yen	(11,920)	–
South Korean Won	(6,374)	(5,474)
Malaysian Ringgit	(8,058)	(14,579)
Singapore Dollar	(52,429)	(57,605)
Swiss Franc	(162,122)	(122,838)
Australian Dollar	(23,116)	(23,928)
Chinese Renminbi	(47,002)	(179,351)
United States Dollar	(96,237)	(101,349)
Others	(11,258)	(18,142)
	(447,836)	(558,583)

12 Insurance revenue

	Life \$'000	2025 Non-Life \$'000	Total \$'000	Life \$'000	2024 Non-Life \$'000	Total \$'000
Amounts relating to the changes in the liability for remaining coverage						
Expected insurance service expenses incurred in the period	1,429,279	2,476,039	3,905,318	1,842,931	2,538,147	4,381,078
Changes in the risk adjustment for non-financial risk	97,537	83,223	180,760	116,268	94,837	211,105
Amount of CSM recognised in profit or loss	227,766	503,154	730,920	300,915	636,114	937,029
Other amounts including experience adjustments for premium receipts	(85,099)	(210,182)	(295,281)	48,669	(318,186)	(269,517)
Amounts relating to recovery of insurance acquisition cash flows						
Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	25,961	78,146	104,107	21,511	68,377	89,888
Insurance revenue	<u>1,695,444</u>	<u>2,930,380</u>	<u>4,625,824</u>	<u>2,330,294</u>	<u>3,019,289</u>	<u>5,349,583</u>

13 Net financial result

	Life	2025 Non-Life	Total	Life	2024 Non-Life	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net finance income/(expenses) insurance contracts						
Interest accreted	(1,674)	(123,754)	(125,428)	16,543	(122,688)	(106,145)
Effect of changes in interest rates and other financial assumptions	116,723	39,234	155,957	148,297	29,569	177,866
Total net finance income/(expenses) from insurance contracts	115,049	(84,520)	30,529	164,840	(93,119)	71,721
Represented by:						
Amount recognised in profit or loss	(25,750)	(135,395)	(161,145)	(30,318)	(197,169)	(227,487)
Amount recognised in OCI	140,799	50,875	191,674	195,158	104,050	299,208
Total	115,049	(84,520)	30,529	164,840	(93,119)	71,721

	Life \$'000	2025 Non-Life \$'000	Total \$'000	Life \$'000	2024 Non-Life \$'000	Total \$'000
Net finance (expenses)/income from reinsurance contracts						
Interest accreted	24,311	25,797	50,108	51,042	24,676	75,718
Effect of changes in interest rates and other financial assumptions	(69,687)	(32,357)	(102,044)	(128,340)	(85,311)	(213,651)
Total net finance (expenses)/income from reinsurance contracts	(45,376)	(6,560)	(51,936)	(77,298)	(60,635)	(137,933)
Represented by:						
Amount recognised in profit or loss	28,257	32,338	60,595	28,057	41,604	69,661
Amount recognised in OCI	(73,633)	(38,898)	(112,531)	(105,355)	(102,239)	(207,594)
Total	(45,376)	(6,560)	(51,936)	(77,298)	(60,635)	(137,933)
Net finance income from insurance and reinsurance contracts recognised in OCI, net of tax	70,230	10,012	80,242	87,290	2,538	89,828

14 Investment result

Net investment income

For the year ended 31 December, net investment income from financial assets, by measurement category, and investment expenses were as follows:

	Investment income from financial assets measured at:			Total \$'000
	Fair value through other comprehensive income \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	
2025				
Fixed income securities	164,525	(233)	24,720	189,012
Other loans	15,554	–	–	15,554
Private equity funds	–	12,393	–	12,393
Gross investment income	180,079	12,160	24,720	216,959
Investment expenses	(6,635)	–	(551)	(7,186)
Net investment income	173,444	12,160	24,169	209,773
2024				
Fixed income securities	182,080	1,010	29,533	212,623
Other loans	9,020	–	–	9,020
Private equity funds	–	21,173	–	21,173
Gross investment income	191,100	22,183	29,533	242,816
Investment expenses	(5,451)	–	(510)	(5,961)
Net investment income	185,649	22,183	29,023	236,855

Interest revenue from financial assets measured at amortised cost and fair value through other comprehensive income, calculated using the effective interest method, amounted to USD 163 million and USD 145 million for the years ended 31 December 2025 and 2024 respectively.

Investment gains/losses

For the year ended 31 December, investment gains and/or losses from financial assets, by measurement category, and other investment gains and losses were as follows:

	Investment gains/losses from financial assets measured at:			
	Fair value through other comprehensive income \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	Total \$'000
2025				
Unrealised gains/losses on:				
Fixed income securities	7,339	298	(2)	7,635
Other loans	–	–	–	–
Private equity funds	–	(15,837)	–	(15,837)
Derivatives	–	(301,610)	–	(301,610)
Impairment related gains/losses from:				
Change in expected credit losses	383	–	7	390
Investment gains/(losses)	7,722	(317,149)	5	(309,422)
Represented by:				
Amount recognised in profit or loss	9,752	(317,149)	5	(307,392)
Amount recognised in OCI (net of tax)	(2,030)	–	–	(2,030)
Total	7,722	(317,149)	5	(309,422)

	Investment gains/losses from financial assets measured at:			
	Fair value through other comprehensive income \$'000	Fair value through profit or loss \$'000	Amortised cost \$'000	Total \$'000
2024				
Unrealised gains/losses on:				
Fixed income securities	18,510	(537)	25	17,998
Other loans	–	–	–	–
Private equity funds	–	(22,721)	–	(22,721)
Derivatives	–	96,482	–	96,482
Impairment related gains/losses from:				
Change in expected credit losses	(408)	4	1	(403)
Investment gains/(losses)	18,102	73,228	26	91,356
Represented by:				
Amount recognised in profit or loss	13,620	73,228	26	86,874
Amount recognised in OCI (net of tax)	4,482	–	–	4,482
Total	18,102	73,228	26	91,356

Change in expected credit losses related to financial assets presented within “Financial investments” is recognised in “Investment results” and amounted to gains/ (losses) of USD 0.39 million and USD (0.40) million for the years ended 31 December 2025 and 2024, respectively.

Investment result breakdown in note has been updated to align to group financial statements presentation.

15 Other income/(expenses)

	Note	2025 \$'000	2024 \$'000
Employee compensation	16	(207,504)	(196,106)
Depreciation of assets	4	(2,998)	(2,432)
Depreciation of right-of-use assets	5	(7,534)	(7,537)
Rental expenses		(1,810)	(1,590)
Repairs and maintenance		(3,631)	(3,127)
License and association fees		(32,868)	(45,129)
Fees recovery from related corporation		23,691	23,055
Professional fees		(21,005)	(22,306)
Realised foreign exchange loss		(9,628)	(37,988)
Unrealised foreign exchange gain		17,106	27,025
Non recoverable withholding tax		(4,482)	(7,595)
Income from insurance contracts without significant risk transfer		286,755	111,994
Travelling and other expense		(24,358)	(165,872)
		<u>11,734</u>	<u>(327,608)</u>
Represented by:			
Insurance service expenses		(189,632)	(190,911)
Income from insurance contracts without significant risk transfer		286,755	111,994
Other expenses		(85,389)	(248,691)
		<u>11,734</u>	<u>(327,608)</u>

16 Employee compensation

	2025 \$'000	2024 \$'000
Wages and salaries	(161,236)	(154,886)
Employer's contribution to defined contribution plans	(20,547)	(18,656)
Other benefits	(25,721)	(22,564)
	<u>(207,504)</u>	<u>(196,106)</u>

17 Income taxes

	2025	2024
	\$'000	\$'000
Tax expense attributable to profit is made up of:		
- Current income tax	21,344	66,930
- Current income tax - Global minimum top-up tax	16,705	–
- Deferred income tax	(1,108)	(638)
	<u>36,941</u>	<u>66,292</u>
 <i>Reconciliation of effective tax rate</i>		
Profit before income tax	<u>164,459</u>	<u>475,275</u>
Tax calculated using Singapore tax rate of 17% (2024: 17%)	27,958	80,796
Effects of:		
- income not subject to tax	(5,270)	(10,377)
- expenses not deductible for tax purposes	1,450	1,490
- different tax rate in other countries	(10,683)	(14,750)
- underprovision of prior year tax	6,959	8,937
- global minimum top-up tax	16,705	–
- others	(178)	196
	<u>36,941</u>	<u>66,292</u>
Deferred tax assets	33,018	38,329
Deferred tax liabilities	<u>(103,950)</u>	<u>(119,032)</u>
Net deferred tax liabilities	<u>(70,932)</u>	<u>(80,703)</u>
 Deferred tax charge taken to the Profit or Loss Statement:		
Balance at the beginning of the year	(80,703)	(67,888)
Currency translation reserve adjustment	1,748	(283)
Other temporary differences	(20,087)	72,519
Deferred tax on fair value changes of investments at FVOCI	5,243	(3,562)
Deferred tax on insurance/reinsurance finance reserve	(2,381)	(9,916)
Unutilised tax losses carried forward	25,248	(71,573)
Balance at the end of the year	<u>(70,932)</u>	<u>(80,703)</u>

	2025	2024
	\$'000	\$'000
Deferred taxes at 31 December related to the following:		
Deferred tax liabilities:		
Net unrealised losses/(gains) on investments	4,502	(795)
Differences in tax basis for insurance/reinsurance contract liabilities	(552,922)	(559,918)
Deferred tax on discounting impact to OCI	(7,082)	(3,869)
Deferred tax on currency translation adjustment	1,369	(379)
Other accruals and receivables	311,354	311,321
Set-off tax	138,829	134,608
Deferred tax liabilities	(103,950)	(119,032)
Deferred tax assets:		
Unutilised tax losses carried forward	112,807	87,559
Differences in tax basis for insurance/reinsurance contract assets	102,067	116,396
Net amortisation on fixed income investments	5,884	5,938
Deferred tax on discounting impact to OCI	11,729	10,896
Other accruals and provisions	(60,640)	(47,852)
Set-off tax	(138,829)	(134,608)
Deferred tax assets	33,018	38,329
Net deferred tax (liabilities)/ assets	(70,932)	(80,703)

International Tax Reform - Pillar Two Model Rules (Amendments to FRS 12)

Singapore, Malaysia, Hong Kong and Australia have enacted BEPS Pillar Two legislation to implement a 15% domestic minimum tax.

The jurisdictional effective tax rates of Swiss Re entities in Singapore, Malaysia and Hong Kong do not meet the minimum 15% tax rate due to the concessionary tax rate on their businesses. Tax provisions have been made in the books of the Company, and the Company's Malaysia Branch and Hong Kong Branch for the expected top-up taxes. Based on an assessment performed for the Swiss Re Australia entities, having regard to the Transitional Country-by-Country reporting Safe Harbour rules, it is determined that there should not be any top-up taxes in Australia for the year ended 31 December 2025.

Korea and Japan will also be implementing the Qualified Domestic Minimum Top-Up Tax with effect from 1 January 2026 and 1 April 2026 respectively. The Company's Korea and Japan branches should qualify for the transitional safe harbour rules and do not expect to have any top-up taxes post implementation.

18 Insurance and financial risk management

18.1 Insurance risk

The risk under an insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The Company faces the possibility of incurring higher claims costs than expected owing to the nature of the claims, their frequency and severity and the risk of change in legal or economic conditions or behavioural patterns affecting pricing and conditions of insurance or reinsurance cover.

The Company seeks to minimise and manage these risks through its underwriting strategy, adequate retrocession arrangements and proactive claims handling. The Company's underwriting policy supports the seeking of risks with adequate pricing that is commensurate with the risk profiles and claims experience.

The underwriting strategy attempts to ensure that there are appropriate risk criteria. There are underwriting policies setting the Company's risk appetite, risk management and control. Also in place are underwriting and claims authority limits. Where applicable, the Company has the right to reject payment of any fraudulent claim.

(a) Management of insurance risk

Non-life insurance contracts

A variety of actuarial methods and assumptions are normally employed to estimate losses for the business although the most common are the Chain Ladder method, Bornhuetter-Ferguson loss development methods, and Benktander method, a weighted average of the Chain Ladder and Bornhuetter-Ferguson loss development methods. These methods ordinarily involve the use of loss development factors intended to reflect the estimated annual growth in loss costs from one development year to the next. Loss development factors reflect many items including changes in claims handling, exposure and treaty conditions; current and future estimates of monetary inflation and social inflation and increases in litigation and awards. These factors are periodically reviewed and subsequently adjusted, as appropriate, to reflect emerging trends which are based upon past loss experience. Thus, many factors are implicitly considered in estimating the year to year growth in loss costs recognised.

A number of actuarial assumptions are made in the review of reserves for each line of business. Changes in these actuarial assumptions could result in a corresponding significant change in the estimate of insurance liabilities.

These actuarial assumptions generally are made with respect to the following:

- Initial expected loss ratios, which are used to establish expected ultimate losses for the underwriting year in question. This loss ratio generally reflects the loss ratio from prior underwriting years, adjusted for loss development and the impact of pricing, changes to exposure, underwriting terms and conditions and other quantifiable factors.
- Loss development factors which are used to project the reported losses for each underwriting year to an ultimate basis.

Life insurance contracts

The risks inherent in the life business assumed by the Company include mortality, morbidity, disability, longevity, persistency, expense and interest rate risks. Generally, contracts that are written on guaranteed terms will introduce higher risk exposures to the Company.

Uncertainties arising from mortality and morbidity business pose the key risks to the Company given the material size and long duration of the portfolios. The diversification between various risks has been considered in the process of monitoring and assessment of the risks. For example, there is negative correlation between mortality and longevity risks. Active risk management is essential to ensure the exposure is within the risk appetite of the Company.

Liabilities for policy benefits are determined on the basis of actuarially calculated present values of the future benefits, taking experience into account. Discount rates, decline rates, mortality and morbidity assumptions are the key assumptions used in determining the policy benefit and other reserves. Changes in these key assumptions could result in a corresponding significant change in the estimate of the future policy benefits and other payments further described in (a) to (b) below.

The benefit costs and other reserves of the Company can be grouped into two main categories being:

- (a) Reserves for outstanding benefit and claims include incurred but not reported claims ('IBNR') and disability income claims. The key assumption used in determining these reserves are the ultimate losses of the claims portfolios.
- (b) Provision for profit commissions moderates the effect of any changes in assumptions. The size of this moderating effect has not been considered but it would serve to reduce the sensitivities mentioned above.

We have determined our assumptions on the major statistical portfolio based on the historical experience in the past for up to 7 years.

Reinsurance contracts held

The Company cedes insurance premiums and risks in the normal course of its business in order to limit the potential for single large loss or losses arising from a single event or longer exposures. Retrocession does not, however, relieve the originating insurer of its liability. Reinsurance assets include balances due from reinsurance companies for paid and unpaid losses and loss adjustment expenses, ceded unearned premiums and ceded future policy benefits. Amounts recoverable from reinsurers are estimated in a manner consistent with the claims liability associated with the reinsured policy. Reinsurance is recorded gross in the Balance Sheet unless a right of offset exists.

Intra-Company retrocession ('IGR') is the main mean employed by the Company for the purpose of risk transfer. The Company currently has a number of IGR arrangements with other Swiss Re entities.

The risks being ceded to external parties are not material.

(b) Concentration of insurance risk

The concentration of insurance risk after reinsurance by main lines of business ('LOB') in relation to the type of insurance risk accepted by the Company is summarised below, with reference to the carrying amount of the Company's insurance contracts (net of reinsurance) by type of product:

	2025 \$'000	2024 \$'000
Non-life insurance contracts		
<u>Main LOB</u>		
Property	432,586	545,838
Casualty	395,895	274,240
Specialty and other	522,601	630,978
	1,351,082	1,451,056
 Life insurance contracts		
<u>Main LOB</u>		
Life	572,925	490,346
Accident & Health	208,381	858,529
	781,306	1,348,875
 Total	 2,132,388	 2,799,931

(c) Sensitivity analysis

The following table analyses how the profit or loss and equity would have increased/ (decreased) if changes in most significant actuarial assumptions that were reasonably possible at the reporting date had occurred. This analysis presents the sensitivities after risk mitigation by reinsurance and assumes that all other variables remain constant.

(i) Non-life insurance contracts

	Change in assumptions	Impact on profit before income tax \$'000	Impact on equity \$'000
2025			
- Ultimate claims	+5%	(140,147)	(140,147)
- Ultimate claims	-5%	140,147	140,147
 2024			
- Ultimate claims	+5%	(154,007)	(154,007)
- Ultimate claims	-5%	154,007	154,007

(ii) *Life insurance contracts*

	Change in assumptions	Impact on profit before income tax \$'000	Impact on equity \$'000
2025			
- Mortality rates	+10%	(219,149)	(217,171)
- Mortality rates	-10%	177,863	175,885
- Morbidity rates	+10%	(576,803)	(581,935)
- Morbidity rates	-10%	326,122	331,243
- Expenses	+10%	(12,774)	(12,545)
- Expenses	-10%	8,181	7,952
- Lapse rates	+10%	12,355	7,134
- Lapse rates	-10%	(13,754)	(7,319)
2024			
- Mortality rates	+10%	(195,599)	(189,179)
- Mortality rates	-10%	145,121	138,702
- Morbidity rates	+10%	(565,145)	(520,595)
- Morbidity rates	-10%	291,018	246,468
- Expenses	+10%	(4,892)	(4,422)
- Expenses	-10%	361	(109)
- Lapse rates	+10%	19,531	27,809
- Lapse rates	-10%	(23,344)	(34,550)

18.2 Financial risk management

The Company's activities also expose it to a variety of financial risks, including the effects of changes in debt market prices and foreign currency exchange rates.

Financial risk management objectives

The Company is exposed to financial risk through its insurance and reinsurance contracts, financial assets and financial liabilities. In particular, the key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from claims as they fall due. The most important components of this financial risk are market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Company manages these positions within an investment strategy that has been developed with the following objectives:

- (i) to preserve capital in reasonably liquid investments to pay claims
- (ii) to maximise returns to the Company's income needs

The Company's investment strategy is integrated with the management of the financial risks associated with the Company's other financial assets and liabilities not directly associated with insurance and investment liabilities. The Company does not use hedge accounting.

(i) **Market risk**

Currency risk

The Company's business is exposed to foreign exchange risk arising from transactions primarily with respect to the Singapore Dollar ('SGD'), Chinese Renminbi ('CNY'), Indian Rupee ('INR'), Japanese Yen ('JPY'), Australian Dollar ('AUD'), Korean Won ('KRW'), Malaysia Ringgit ('MYR'), Hong Kong Dollar ('HKD'), New Zealand Dollar ('NZD'). The Company manages this risk by monitoring the foreign currency balances and exchange rates movements closely.

Foreign exchange forward and swap contracts are used to reduce exposure to fluctuations in foreign exchange rates by the Company.

If the following major currencies change against United States Dollar ('USD') by 3% (2024: 3%) with all other variables being held constant and assuming no offsetting impact from the Company's foreign exchange hedging activities, the effects arising from the net financial asset/liability position will be as follows:

	Increase/ (decrease) in profit before tax \$'000	Impact on equity \$'000
2025		
SGD against \$		
- strengthened	7,025	6,323
- weakened	(7,025)	(6,323)
CNY against \$		
- strengthened	35,412	31,870
- weakened	(35,412)	(31,870)
JPY against \$		
- strengthened	3,977	3,579
- weakened	(3,977)	(3,579)
INR against \$		
- strengthened	570	513
- weakened	(570)	(513)
KRW against \$		
- strengthened	14,968	13,471
- weakened	(14,968)	(13,471)

	Increase/ (decrease) in profit before tax \$'000	Impact on equity \$'000
2025		
AUD against \$		
- strengthened	(5,269)	(4,742)
- weakened	5,269	4,742
MYR against \$		
- strengthened	9,788	8,809
- weakened	(9,788)	(8,809)
HKD against \$		
- strengthened	(14,922)	(13,430)
- weakened	14,922	13,430
NZD against \$		
- strengthened	(4,449)	(4,004)
- weakened	4,449	4,004
2024		
SGD against \$		
- strengthened	2,862	2,376
- weakened	(2,862)	(2,376)
CNY against \$		
- strengthened	(7,291)	(6,051)
- weakened	7,291	6,051
JPY against \$		
- strengthened	6,576	5,458
- weakened	(6,576)	(5,458)
INR against \$		
- strengthened	(9,889)	(8,208)
- weakened	9,889	8,208
KRW against \$		
- strengthened	18,648	15,478
- weakened	(18,648)	(15,478)

	Increase/ (decrease) in profit before tax \$'000	Impact on equity \$'000
2024		
AUD against \$		
- strengthened	8,098	6,722
- weakened	(8,098)	(6,722)
MYR against \$		
- strengthened	11,750	9,752
- weakened	(11,750)	(9,752)
HKD against \$		
- strengthened	7,493	6,219
- weakened	(7,493)	(6,219)
NZD against \$		
- strengthened	3,693	3,065
- weakened	(3,693)	(3,065)

Interest rate risk

The Company's interest rate risk mainly arises from interest bearing securities (see Note 7). The Company manages the interest rate risk by maintaining securities with varying interest rates and maturities.

Financial assets

Any changes in the interest rate would affect the value of those securities carried at fair value. As at 31 December 2025, if the interest rate at that date had been 1% higher or lower with all other variables including tax rate being held constant, the Company's equity for the year would have decreased by \$111,281,000 (2024: 126,246,000) or increased by \$100,803,000 (2024: \$113,226,000). The impact on profit or loss is insignificant.

Insurance and reinsurance assets and liabilities

For life business, an increase or decrease of 1% in the interest rate, holding other assumptions constant, will result in a decrease of \$182,000,000 (2024: \$193,000,000) or an increase of \$227,000,000 (2024: \$232,000,000) in the net insurance and reinsurance assets and liabilities of the company, respectively.

For non-life business, interest rate impact on insurance and reinsurance assets and liabilities is insignificant.

(ii) Credit risk

Credit risk is the risk of incurring a financial loss due to diminished creditworthiness or default of the Company's counterparties or of third parties. Issuers or borrowers whose securities or loans the Company holds, trading counterparties, counterparties under swaps and other derivative contracts, clearing agents, clearing houses and other financial intermediaries may default on their obligations to the Company due to bankruptcy, insolvency, lack of liquidity, adverse economic conditions, operations failure, fraud or other reasons, which could also have a material adverse effect on the Company. A substantial portion of the credit risk to which the Company is exposed, arises as a result of established reinsurance agreements.

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of counterparties whose aggregate exposures are material in relation to the Company's total exposures. The Company's portfolio of financial assets is diversified along industry and product sectors. The Company has been monitoring its concentration risks by adopting appropriate risk control measures, such as settling limits on exposures to individual counterparties.

The Company's investments in debt securities include counterparties having appropriate credit rating by Standard and Poor's ('S&P') rating or equivalent when not available from S&P. The cash deposits are also placed by the Company with financial institutions having appropriate credit rating (minimum of investment grade) by S&P rating or equivalent when not available from S&P. The Company has also policies in place to ensure the rendering of services are made via brokers with an appropriate credit history.

The Company held non-trade receivables from its related corporations of \$125,489 (2024: \$112,490). These balances are mainly inter-company recharges of expenses. The Company uses an approach that is based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, and available press information, if available, and applying experienced credit judgement). There is no significant increase in credit risk for these exposures. Therefore, impairment on these balances has been measured on the 12-month expected credit loss basis; and the amount of the allowance is insignificant.

The Company has established credit policies that govern credit approval, review and monitoring processes and impairment assessment processes to manage credit risk. The credit policies also lay down the actions to be taken to handle debts overdue for a certain period of time. There are also monthly management reports showing the aging analysis of balances overdue which are submitted for management review and discussion in the meeting. Outstanding receivables are analysed on the basis of the length of time that has passed since the due date with the following distribution; less than 3 months, 4-6 months, 7-12 months, and over 1 year. These analyses comprise the basis for various collections activities, as does the supporting documentation regarding the assessment of the counter-party's credit risk status and any write-down requirements.

The assets bearing credit risk are summarised below, together with an analysis by credit rating:

	AAA \$'000	AA \$'000	A \$'000	BBB + or less or not rated \$'000	Total \$'000
2025					
Cash and cash equivalents	–	57,769	45,825	–	103,594
Financial investments	1,009,526	2,378,881	708,305	1,371,953	5,468,665
Receivables (excluding prepayments)	–	163,822	551,491	310,169	1,025,482
Reinsurance contract assets	–	3,225,681	–	–	3,225,681
	<u>1,009,526</u>	<u>5,820,268</u>	<u>1,561,134</u>	<u>1,787,547</u>	<u>10,178,475</u>
2024					
Cash and cash equivalents	1,559	50,009	72,359	–	123,927
Financial investments	610,258	1,447,373	2,160,892	1,200,416	5,418,939
Receivables (excluding prepayments)	–	125,489	486,716	320,983	933,188
Reinsurance contract assets	–	2,930,024	–	–	2,930,024
	<u>611,817</u>	<u>4,552,895</u>	<u>2,719,967</u>	<u>1,521,399</u>	<u>9,406,078</u>

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Company uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt investments. The amount of the allowance on cash and cash equivalents is negligible.

The age analysis of receivables (excluding prepayments) is as follows:

	Not past due \$'000	Past due up to 1 year \$'000	Past due more than 1 year \$'000	Total carrying amount \$'000
2025				
Receivables (excluding prepayments)	<u>803,096</u>	<u>222,386</u>	–	<u>1,025,482</u>
2024				
Receivables (excluding prepayments)	<u>595,572</u>	<u>337,616</u>	–	<u>933,188</u>

The carrying amount of receivables (excluding prepayments) individually determined to be impaired is nil (2024: nil).

Impairment on these receivables has been measured on the 12-month expected credit loss basis. No loss allowance has been recognised as the amount of the allowance is negligible.

(iii) Liquidity risk

Liquidity risk is the risk that a Company will not be able to meet both expected and unexpected future cash flow and collateral needs without affecting either its daily operations or its financial condition. The Company maintains sufficient liquid securities to pay reasonably foreseeable claims payments. The Company also reviews, on a regular basis, the time period required to liquidate the investment portfolio.

The table below provides a maturity analysis of the Company's insurance and reinsurance contracts, financial assets and financial liabilities.

The maturity analysis of net insurance and reinsurance contracts liabilities reflects the dates on which the undiscounted net cash flows are expected to occur.

	Carrying value \$'000	1 year or less \$'000	1 to 2 years \$'000	2 to 3 years \$'000	3 to 4 years \$'000	4 to 5 years \$'000	More than 5 years \$'000	Total \$'000
2025								
Cash and cash equivalents	103,594	103,594	–	–	–	–	–	103,594
Financial investments	5,468,665	–	3,007,969	704,262	391,668	215,306	1,149,460	5,468,665
Receivables (excluding prepayments)	1,025,482	1,025,482	–	–	–	–	–	1,025,482
Payables	(447,836)	(447,836)	–	–	–	–	–	(447,836)
Derivative liability	(95,255)	(7,425)	84,457	–	–	–	(172,287)	(95,255)
Net insurance contracts liabilities	(5,961,533)	(2,158,346)	(1,349,159)	(855,068)	(511,626)	(329,039)	(758,295)	(5,961,533)
Net reinsurance contracts liabilities	(1,273,921)	(250,177)	(2,180)	(21,848)	(32,731)	(45,919)	(921,066)	(1,273,921)
2024								
Cash and cash equivalents	123,927	123,927	–	–	–	–	–	123,927
Financial investments	5,303,432	2,689,411	598,982	484,100	320,016	186,044	1,024,879	5,303,432
Derivative asset	115,507	57,252	–	50,528	–	–	7,727	115,507
Receivables (excluding prepayments)	933,188	933,188	–	–	–	–	–	933,188
Payables	(558,583)	(558,583)	–	–	–	–	–	(558,583)
Net insurance contracts liabilities	(4,217,246)	(932,625)	(1,427,416)	(879,903)	(483,192)	(301,276)	(884,041)	(4,908,453)
Net reinsurance contracts liabilities	(524,047)	79,177	40,601	50,550	24,983	21,304	(778,999)	(562,384)

(iv) Capital risk

As a reinsurer who conducts its business in Singapore, the Company is registered with the Monetary Authority of Singapore and is subject to the prudential standards which set out the basis for calculating the fund solvency requirements ('FSR') and capital adequacy requirement ('CAR') which is a minimal level of capital that must be held to meet policyholders' obligations. The FSR and CAR apply a risk-based approach to capital adequacy and are determined to be the aggregate of the risk requirement of the insurance funds established and maintained by the reinsurer under the Insurance Act 1966.

It is the Company's policy to hold capital levels in excess of FSR and CAR with the aim of having sufficient capital and liquidity to meet its outstanding liabilities.

The Company is in compliance with the FSR and CAR requirements for the financial year ended 31 December 2025.

(v) Fair value measurements

The table below presents the financial investments, including derivative liabilities, measured and carried at fair value and classified by level of the following fair value measurement hierarchy:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2025				
Financial investments at fair value, including derivative liabilities	2,409,979	2,400,674	74,861	4,885,514
2024				
Financial investments at fair value, including derivative liabilities	2,335,541	2,444,188	97,551	4,877,280

The following table presents the changes in Level 3 instruments:

	Private equity funds \$'000
2025	
Beginning of financial year	97,551
Purchases	95,613
Disposal	(102,467)
Realised and unrealised losses on financial assets at fair value through profit or loss	(15,836)
End of financial year	74,861

	Private equity funds \$'000
2024	
Beginning of financial year	139,179
Disposal	(18,906)
Realised and unrealised (losses)/gain on financial assets at fair value through profit or loss	<u>(22,722)</u>
End of financial year	<u>97,551</u>

The following table shows the valuation technique and input used in Level 3 fair value measurements.

Description	Fair value at 31 December 2025 \$'000	Valuation technique	Unobservable inputs	Reasonable possible shift +/-	Change in valuation \$'000
Private equity funds	74,861 (2024: 97,551)	NAV - Adjusted	NAV and fair value adjustments	+/- 5%	+/- 3,743 (2024: +/- 4,878)

(vi) **Financial instruments by category**

	2025 \$'000	2024 \$'000
Financial assets		
Financial assets, at amortised cost	487,896	541,659
Financial assets, at fair value through other comprehensive income	4,904,489	4,661,579
Financial assets, at fair value through profit or loss	76,280	215,701
Loans and receivables	–	–
Cash and cash equivalents	103,594	123,927
Receivables (excluding prepayments)	<u>1,025,482</u>	<u>933,188</u>
	<u>6,597,741</u>	<u>6,476,054</u>
Financial liabilities		
Payables	(447,836)	(558,583)
Derivatives liabilities	<u>(95,255)</u>	<u>–</u>
	<u>(543,091)</u>	<u>(558,583)</u>

19 Off-balance sheet arrangements

In prior year, Swiss Reinsurance Company Ltd has placed securities in a trust in favour of Swiss Re Asia Pte. Ltd., Australia Branch due to a collateralisation requirement on intra-Company reinsurance between these two parties. The value of the securities held in the trust amounted to \$85 million as at 31 December 2025 (2024: \$140 million).

20 Commitments

The Company has commitments for uncalled capital in investments amounting to \$72 million as at 31 December 2025 (2024: \$45 million).

The Company has collateral arrangements in the Branches which have been disclosed in Note 7c.

21 Related party transactions

(a) Income and charges for services rendered during the year

	2025 \$'000	2024 \$'000
Gross premium accepted from related companies, included within insurance revenue	3,136,010	3,108,455
Gross claims incurred to related companies, included within insurance service expenses	(1,929,579)	(1,961,096)
Commission paid to related companies, included within insurance service expenses	(818,292)	(886,505)
Premium ceded to related companies, included within net income/expenses from reinsurance contracts held	(3,658,833)	(3,412,334)
Reinsurance commission received from related companies, included within net income/expenses from reinsurance contracts held	801,760	707,362
Reinsurers' share of gross claims paid, included within net income/expenses from reinsurance contracts held	1,639,514	1,681,783
Trademark fees paid to ultimate holding Company	(32,881)	(42,698)
Securities lending fee	1,825	–
Interest income from cash pooling	1,468	9,760
Fees paid to related corporation	(421,922)	(370,035)
Recovery of expenses from immediate holding company and related companies	443,438	393,081

(b) Outstanding balances as at year-end

	2025	2024
	\$'000	\$'000
Net insurance receivables included within net insurance contract balances	1,604,079	1,472,069
Outstanding claims included within net insurance contract balances	(1,924,106)	(1,485,131)
Net reinsurance payables included within net reinsurance contract balances	(263,585)	(96,419)
Outstanding claims recoverable included within net reinsurance contract balances	317,186	279,826
	317,186	279,826

These balances are unsecured and payable within 12 months from year end date.

(c) Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors, the chief executive and certain executive officers are considered as key management personnel of the Company.

	2025	2024
	\$'000	\$'000
Wages and salaries	2,211	2,180
Employers' contribution to CPF	103	105
Other benefits	206	391
Directors' remuneration	574	514
	3,094	3,190

22 Dividends

During the year, the Company paid final dividend of \$3,567 per ordinary share, one-tier exempt, totalling \$656,000,000 (2024: \$140,000,000) in respect of the financial year ended 31 December 2024.

23 Capital contribution

During the financial year ended 31 December 2025, the Company received a capital injection of \$114,000,000 from its immediate holding company, \$105,000,000 was allocated to the Korea Life business and \$9,000,000 to the Malaysia General business to support operations and meet regulatory capital requirements.