

Financial Condition Report

2024

Swiss Re Ltd

Swiss Re Ltd is the holding company of the Swiss Re Group. Its shares are listed in accordance with the International Reporting Standard on SIX Swiss Exchange and traded under the symbol SREN.

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Introduction

Scope and requirements

About this report

This Financial Condition Report (Report or Financial Condition Report) is a mandatory public disclosure for Swiss regulated re/insurance entities required by Art. 111a and Art. 203a of the Insurance Supervision Ordinance (ISO) and FINMA Circular 2016/2 Disclosure – insurers (Circular). This Report includes qualitative and quantitative information on business activities, performance, risk management and the Swiss Solvency Test (SST) of the Swiss Re Group (Swiss Re Group or Group) as well as its Swiss regulated re/insurance entities:

- Swiss Reinsurance Company Ltd (SRZ),
- Swiss Re Nexus Reinsurance Company Ltd (SRN),
- Swiss Re International SE, Luxembourg, Zurich branch (SRI SE Zurich branch), and
- iptiQ EMEA P&C S.A., Luxembourg, Zurich branch (iptiQ EMEA P&C Zurich branch).

A large part of the required information included in the Report is available in other public disclosures provided by Swiss Re, such as the Group's Annual Report, available under www.swissre.com/investors/financial-information. Readers of this Report should also consult these public disclosures. Information not included in other publicly available disclosures can be found mainly in the valuation and solvency sections of this Report.

Cautionary note on the Financial Condition Report

The preparation of the SST information requires management to make a number of estimates and assumptions. The valuation of assets and liabilities reflects best estimates of underlying cash flows (eg premiums, claims, commissions, expenses), using models and taking into consideration all relevant information available at the relevant balance sheet date. In line with other valuation methods based on projections of future cash flows, economic valuations involve significant judgement when establishing which assumptions to use. The Group and its Swiss regulated re/insurance entities/branches actively and carefully review assumptions, selecting those that are considered most appropriate and seeking consistency among business activities. Valuations are updated at each balance sheet date as experience develops and more information becomes available. In-force business assets and liabilities include estimates for premiums as well as claims and benefit payments not yet received from ceding companies at the balance sheet date. In addition, the Group and its Swiss regulated re/insurance entities have certain assets and liabilities for which liquid market prices are not available.

All of the foregoing estimates are determined on a market conform basis using all relevant information available at the time of valuation. However, actual results could differ significantly from these estimates.

See also the [Cautionary note on forward-looking statements](#) and the [Note on risk factors](#) in this Report.

The financial information included in this Report is based on the following accounting frameworks:

- The consolidated financial statements of the Group are prepared in accordance with the International Financial Reporting Standards (IFRS) and are reported in US dollars.
- The statutory financial statements of Swiss regulated legal entities are prepared in accordance with Swiss law and reported in Swiss francs (they are converted into US dollars for the SST balance sheet comparison with Swiss statutory balance sheet).
- The internal Economic Value Management (EVM) framework was the basis for preparing the SST balance sheets until and including SST 2024. With the adoption of IFRS as the new accounting basis as of 2024, Swiss Re has discontinued EVM reporting with effect from the financial year starting 1 January 2024. As of SST 2025, IFRS is the basis for preparing SST balance sheet. SST financial statements are reported in US dollars.

The risk exposure basis for the SST 2025 numbers in this Report is a projection for the period from 1 January to 31 December 2025 and is based on the economic balance sheet as of 31 December 2024. Potential SST model or data limitations identified during the SST process are reported to FINMA as part of the SST Report 2025 with an impact assessment whenever possible. All comparative solvency information is based on corrected SST 2024 given the implementation of the methodology to derive the SST target capital required correction, see [Financial Condition Report 2023 and its Addendum](#) for more information.

The reported solvency information as of 1 January 2025 (SST 2025) is consistent with the information provided in the SST Report 2025 for Group, SRZ and SRN. The SST Report 2025 is filed with FINMA in April 2025 and is subject to FINMA's review and approval.

Figures are rounded to the number of digits displayed in this Report. Due to rounding, numbers presented throughout this Report may not add up precisely to the totals provided and percentages may not precisely reflect the rounded figures.

Audit

This Report has not been audited. The IFRS financial statements of the Group and the statutory financial statements of Swiss Re Ltd and its Swiss regulated re/insurance entities/branches are audited. Refer to the reports of the statutory auditor referenced in this Report.

Swiss Re Group

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Management summary

Swiss Re’s capital position remained strong, with the Group SST 2025 ratio at 257%. Compared to SST 2024¹, the ratio decreased by 12pp, mainly driven by a one-off impact of the transition from EVM to IFRS basis for SST, unfavourable underwriting contribution mainly from Life & Health Reinsurance, and dividends. These impacts were partially offset by a strong investment result and positive underwriting contribution in Property & Casualty Reinsurance and Corporate Solutions.

The SST ratio is calculated as SST risk-bearing capital (SST RBC) divided by SST target capital (SST TC).

This Report provides qualitative and quantitative information about the financial condition of the Group. This Report includes financial and risk management information already published in the Group’s [2024 Annual Report](http://www.swissre.com/investors/financial-information) available under www.swissre.com/investors/financial-information.

Solvency overview

Group SST 2025 in USD millions

SST RBC

40 205

SST TC

15 666

= 257%

Group SST 2024¹ in USD millions

SST RBC

43 666

SST TC

16 238

= 269%

SST RBC: SST risk-bearing capital
SST TC: SST target capital

¹ Amended, given the implementation of the methodology to derive the SST target capital required correction. In the past, the expected change in SST risk-bearing capital (RBC), which is deducted from total risk to derive the target capital, did not factor in the discounting of the expected RBC when implemented.

Business activities	In this section, we provide information about the Group's business model, the strategy and significant events. > Read more
Performance	We present the performance of the year under review based on the IFRS financial statements. > Read more
Governance and risk management	This section provides an overview of the system of governance, key governing bodies, risk management systems and policies. > Read more
Risk profile	The main components of the total risk calculated under SST are discussed in this section. > Read more
Valuation	In this section, we provide the SST balance sheet and additional quantitative and qualitative explanations on differences to the IFRS audited financial statements of the Group. > Read more
Capital management	The Group's capital management strategy and key changes in 2024 are discussed in this section. > Read more
Solvency	This section presents the SST calculation for the Group and includes explanations on changes relative to the prior year. > Read more

Business information

Business activities

For information on the Group strategy, see the *Group strategy* section in the 2024 Annual Report on pages 12–13.

For information on the Group structure and shareholders, see the *Group structure and shareholders* section in the 2024 Annual Report on pages 76–77.

For information on *Insurance revenue by geography*, see Note 3 to the financial statements included in the 2024 Annual Report on page 180.

For information on the *Fully consolidated subsidiaries and associates*, see Note 24 to the financial statements included in the 2024 Annual Report on pages 291–293.

For information on the Group's use of *Structured entities*, see Note 26 to the financial statements included in the 2024 Annual Report on pages 295–298.

Significant events

For information on significant events and disposals, refer to the *Information policy* section on page 102 and *Note 15* (Assets held for sale) to the financial statements included in the 2024 Annual Report on page 270.

Report of the statutory auditor

In 2024, KPMG AG was the auditor of Swiss Re Ltd and its subsidiaries. For more information on the Group's auditor, see the *External auditors* section in the 2024 Annual Report on pages 100–101. The *Statutory auditor's report* can be found in the 2024 Annual Report on pages 300–309.

Performance

The Group publicly discloses detailed financial results in the 2024 Annual Report (available under www.swissre.com/investors/financial-information). Refer to the following specific sections for more information:

- [Summary of financial statements](#) on pages 32–33
- [Group results](#) on pages 34–35
- [Income statement](#) on page 142
- [Statement of comprehensive income](#) on page 143
- [Note 7 on Investments](#) on pages 228–237

Board of Directors and Executive Management

Governance and risk management

For information on the composition of the Board of Directors and Executive Management of Swiss Re Ltd as the ultimate parent company of the Group, see sections relating to the *Board of Directors* and *Executive Management* in the 2024 Annual Report on pages 80–91 and 92–97, respectively.

Governance and risk management

All information on Swiss Re's risk management and risk governance is publicly disclosed in the *Risk and capital management* section of the 2024 Annual Report, pages 46–71.

Group Risk Management is key to the controlled risk-taking that underpins Swiss Re's financial strength. Risk Management is mandated to ensure that the Group and its legal entities have the necessary expertise, frameworks and infrastructure to support sound risk-taking. In addition, it monitors and ensures adherence to applicable frameworks and also performs reserving and reporting activities.

Taking and managing risk is central to Swiss Re's business. All risk-related activities, regardless of the legal entity in which they are undertaken, are subject to the Group's risk management framework. This framework sets out how Swiss Re organises and applies its risk management practices to ensure that all activities are conducted in line with the principles and limits mandated by the Group Risk Policy. The framework comprises the following major elements:

- *Risk policy and risk governance documentation*; see 2024 Annual Report, pages 55–56.
- *Key risk management principles*; see 2024 Annual Report, page 56.
- *Risk culture and behaviour*; see 2024 Annual Report, page 57.
- *Organisation of risk management*; see 2024 Annual Report, pages 58–59
- *Risk control framework*; see 2024 Annual Report, page 59.
- Management of risk categories; see *Swiss Re' risk landscape* in the 2024 Annual Report, pages 62–63.
- *Risk appetite framework*; see 2024 Annual Report, page 60.

Swiss Re's proprietary integrated risk model provides a meaningful assessment of the risks to which the Group is exposed and is an important tool for managing its business. It determines the capital requirements for internal purposes and forms the basis for regulatory reporting under the SST and under Solvency II.

For more information about Swiss Re's internal risk model, see the *Internal control system and risk model* section of the Risk management (Online Only) download of the 2024 Annual Report.

Swiss Re actively identifies emerging risks and threats across all risk categories as part of its risk identification process.

- Swiss Re is exposed to a broad *risk landscape*, see 2024 Annual Report, pages 62–63.
- Insurance risk management involves identifying, assessing and controlling risks that Swiss Re takes through its underwriting activities, including related risks such as lapse, inflation or uncertainty in pricing and reserving. For details on our *Insurance risk* management for property and casualty risks as well as life and health risks, see 2024 Annual Report, pages 64–65.
- Financial risk management involves identifying, assessing and controlling risks inherent in the financial markets as well as counterparty credit risks, while monitoring compliance with Swiss Re’s risk appetite and risk management standards. For details on our *Financial risk* management for financial market risks as well as credit risks, see 2024 Annual Report, pages 66–67.

Swiss Re also assesses *other risks* such as operational risk, model risk, valuation risk, regulatory risk, political risk, sustainability risk, strategic risk, emerging risk and *liquidity risk*. These risks are not explicitly part of the Group’s economic capital requirement, but are actively monitored and controlled due to their significance for Swiss Re. For more information, see 2024 Annual Report, pages 68–71 and page 54, respectively.

Climate-related financial disclosure

Swiss Re regularly assesses the actual and potential impacts of climate-related risks and opportunities on its business, strategy and financial planning. Information on the Group’s climate-related financial disclosures are published in the *2024 Sustainability Report*. Refer to the following specific sections for more information:

- Governance structure related to climate-related financial risks (FINMA Circular 2016/2 MN 13.3), 2024 Sustainability Report on pages 22 and 51
- Climate-related financial risks (FINMA Circular 2016/2 MN 13.4), 2024 Sustainability Report on pages 59–67
- Climate risk management (FINMA Circular 2016/2 MN 13.5), 2024 Sustainability Report on pages 68–70
- Climate targets and metrics (FINMA Circular 2016/2 MN 13.6), 2024 Sustainability Report on pages 71–82
- Criteria and valuation methods for determining materiality of climate-related risks (FINMA Circular 2016/2 MN 13.7), 2024 Sustainability Report on pages 59, 64–65, 66–67, 72, 73 and 77–78

Risk profile

Swiss Re is exposed to insurance and financial risks that are calculated in its internal risk model, as well as other risks that are not explicitly part of the economic capital requirement but are actively monitored and controlled. These include operational, liquidity, model, valuation, regulatory, political, strategic and sustainability risks (see *Swiss Re's risk landscape*, 2024 Annual Report, pages 62–63).

Property and casualty risk is mainly driven by natural catastrophe, non-life claims inflation, man-made and costing and reserving risk. The main drivers of life and health insurance risk are lethal pandemic and mortality trend risk.

The Group's financial risk derives from financial market risk as well as from credit risk. Key drivers of financial market risk are credit spread and equity risk. Credit risk is mainly driven by the credit and surety business and by capital market products.

Insurance risk split

Property and Casualty  56%

Life and Health  44%

Financial risk split

Credit spread  42%

Credit  25%

Equity  24%

Other  9%

Total risk

Total risk is based on 99% tail value-at-risk (tail VaR) and represents the average unexpected loss that occurs with a frequency of less than once in 100 years over a one-year time horizon.

USD millions	SST 2024	SST 2025	Change
Property and casualty	13 788	12 282	-1 506
Life and health	9 866	9 162	-704
Financial market	9 729	9 059	-670
Credit ¹	3 464	3 295	-169
Diversification	-16 638	-15 018	1 619
Total risk	20 210	18 780	-1 430

¹ Credit comprises credit default and migration risk from both asset management and underwriting. It excludes credit spread risk, which is part of financial market risk.

Total risk decreased to USD 18.8 billion, mainly driven by lower property and casualty risk. The shift led to a decrease in diversification at risk category level.

- The decrease in property and casualty risk is mainly driven by lower claims inflation risk, reflecting an improved inflation outlook in the annual parameter update, further supported by higher retrocession relief. These effects are partly offset by higher exposure to natural catastrophe and man-made risks, as well as the impact of reserve strengthening, which led to an increase in reserving risk and inflation risk.
- Lower life and health risk is mainly driven by appreciation of the US dollar, as well as higher interest rates for most major currencies. These effects are further supported by retrocession relief for mortality risk in the US, partly offset by the impact of lower Chinese yuan interest rates.
- Financial market risk decreased, mainly due to the rise in interest rates and increased credit hedges, partially offset by purchases of corporate bonds.

- The decrease in credit risk is driven by the depreciation of major currencies against the US dollar, the rise in interest rates and increased credit hedges.

Swiss Re's internal model takes account of the accumulation and diversification between individual risks. The effect of diversification at the risk category level, shown in the table above, represents the difference between total risk (the Group's 99% tail VaR) and the sum of standalone tail VaR amounts for the individual risk categories. This amount does not reflect diversification within risk categories.

Operational risk

Swiss Re uses a Group-wide risk matrix methodology and own Global Risk Register to identify and manage operational risks. The methodology focuses on risks that approach or exceed Swiss Re's own risk tolerance, as these require management actions. Adherence to risk tolerance is monitored and reported at least on a quarterly basis. The overall internal control environment within Swiss Re Ltd remains adequate.

Key focus areas of the Group's operational risk management currently include the further strengthening of IT security capabilities and enhancing of digital and business resilience. After the successful publishing of Swiss Re's first reporting under IFRS, efforts are now focused on ensuring future reporting stability. Additionally, Swiss Re is implementing measures to proactively align system recovery plans and the protection of IT assets with evolving business needs and external risks.

Other significant risks

For details on other significant risks, including liquidity, operational, model, valuation, regulatory, political, sustainability, strategic and emerging risks, see the Group's 2024 Annual Report sections on *Liquidity management* on page 54, *Swiss Re's risk landscape* on pages 62–63, and *Management of other significant risks* on pages 68–70.

Risk concentration

Swiss Re uses 99% tail VaR to measure its risk concentrations. Additionally, risk concentrations are also measured via value at risk calculations for major natural catastrophe scenarios with a 200-year return period and stress calculations for credit default, as well as sensitivities to key financial market parameters.

The tables below provide details on potential annualised unexpected losses from insurance peak scenarios with a return period of 200 years as well as the potential annualised unexpected loss from a credit default event. The financial risk sensitivities are shown in terms of their impact on the SST ratio.

In SST 2025, the largest natural catastrophe exposure for Swiss Re Group derives from the Atlantic hurricane scenario with a USD 6.1 billion loss. Lethal pandemic and credit default losses are estimated to be at USD 3.7 billion and USD 2.6 billion, respectively.

Insurance risk stress tests:	
Annualised unexpected loss, 99.5% VaR in USD millions	SST 2025
Atlantic hurricane	6 138
Californian earthquake	4 078
Lethal pandemic	3 659
European windstorm	2 495
Japanese earthquake	2 201

Excluding reinstatement premiums that could be triggered as a result of the event.

Credit risk stress test:	
Annualised unexpected loss, 99.5% VaR in USD millions	SST 2025
Credit default	2 550

Excluding reinstatement premiums that could be triggered as a result of the event.

Among the financial market sensitivities shown below, the Group SST ratio is most sensitive to a 50-basis-point decrease in interest rates or to a decrease in real estate values of 25%, each of which would result in an estimated decrease in the SST ratio of 8 percentage points.

Financial market SST ratio sensitivities	SST 2025
Interest rate +50bps	7pp
Interest rate -50bps	-8pp
Credit spreads +50bps	-6pp
Credit spreads -50bps	6pp
Equity values +25%	1pp
Equity values -25%	-2pp
Real estate values +25%	7pp
Real estate values -25%	-8pp

Risk mitigation

Swiss Re manages and controls its risks through an extensive limit framework. The Group employs internal retrocession and funding agreements to efficiently manage capital across Swiss Re and ensure that risk-taking in individual legal entities is well diversified. Insurance risks are also mitigated through retrocession, insurance risk swaps or transferring risk to capital markets. For financial risks, Swiss Re uses financial market derivative instruments as well as financial market securities to hedge financial market and credit risk.

Valuation

SST balance sheet

The Group SST 2025 balance sheet was prepared for the first time using IFRS as a basis. The Group SST 2024 balance sheet was prepared in accordance with Swiss Re's internal Economic Value Management (EVM) framework. The change from EVM to IFRS basis for SST led to a one-off transition impact as well as to several reclassifications and alignments to IFRS in comparison to the previous period.

The difference between assets and liabilities is defined as the market conform value of assets minus market conform value of liabilities, which is the basis for the calculation of the SST risk-bearing capital.

The SST valuation methodology is further described in the > [Appendix](#) to this Report.

USD millions		Notes	SST 2024	SST 2025	Change
Market conform value of investments	Real estate		5 518	5 349	-170
	Participations				n/a
	Fixed income securities	1	77 067	80 175	3 108
	Loans	2	3 177	4 220	1 043
	Mortgages		1 727	1 599	-127
	Equities		149	282	134
	Other investments		15 102	8 579	-6 524
	Collective investment schemes			11	11
	Alternative investments		5 183	5 024	-159
	Structured products				n/a
	Other investments	3	9 919	3 544	-6 375
	Total investments		102 740	100 204	-2 536
Market conform value of other assets	Financial investments from unit-linked life insurance		325	623	298
	Receivables from derivative financial instruments	4	367	1 282	915
	Deposits made under assumed reinsurance contracts		18 402	18 197	-205
	Cash and cash equivalents		4 582	4 160	-422
	Share of technical provisions from reinsurance		4 974	2 004	-2 970
	Direct insurance: life insurance business (excluding unit-linked life insurance)		-6	-5	1
	Reinsurance: life insurance business (excluding unit-linked life insurance)	5, 6	1 177	-352	-1 529
	Direct insurance: non-life insurance business	5	2 875	2 019	-856
	Reinsurance: non-life insurance business	5	905	342	-563
	Direct insurance: health insurance business				n/a
	Reinsurance: health insurance business				n/a
	Direct insurance: other business				n/a
	Reinsurance: other business				n/a
	Direct insurance: unit-linked life insurance business				n/a
	Reinsurance: unit-linked life insurance business		23		-23
	Fixed assets	7	59	992	933
	Deferred acquisition costs				n/a
	Intangible assets				n/a
	Receivables from insurance business	5	18 967	9 524	-9 444
	Other receivables	8	2 455	1 294	-1 161
Other assets	9	8 060	3 850	-4 210	
Unpaid share capital				n/a	
Accrued assets	10	45	877	831	
	Total other assets		58 238	42 803	-15 435
Total market conform value of assets			160 978	143 007	-17 970

USD millions		Notes	SST 2024	SST 2025	Change
Market conform value of liabilities (including unit-linked life insurance)	Best estimate of insurance liabilities		89068	70583	-18485
	Direct insurance: life insurance business (excluding unit-linked life insurance)	5	149	-22	-171
	Reinsurance: life insurance business (excluding unit-linked life insurance)	5, 11	16669	9984	-6685
	Direct insurance: non-life insurance business	5, 12	16679	12841	-3838
	Reinsurance: non-life insurance business	5, 13	55571	47780	-7790
	Direct insurance: health insurance business				n/a
	Reinsurance: health insurance business				n/a
	Direct insurance: other business				n/a
	Reinsurance: other business				n/a
	Best estimate of unit-linked life insurance liabilities		1888	2358	471
	Direct insurance: unit-linked life insurance business			361	361
	Reinsurance: unit-linked life insurance business		1888	1997	110
	Market value margin		7875	7453	-422
Market conform value of other liabilities	Non-technical provisions		3021	2542	-479
	Interest-bearing liabilities	14	4207	2995	-1212
	Liabilities from derivative financial instruments	15	505	1267	762
	Deposits retained on ceded reinsurance		1250	1016	-234
	Liabilities from insurance business	5	1868	9533	7665
	Other liabilities	16	4854	2107	-2747
	Accrued liabilities		297	260	-36
	Subordinated debts		6271	5892	-379
	Total market conform value of liabilities		121103	106007	-15096
	Market conform value of assets minus market conform value of liabilities		39875	37001	-2874

Notes

- Following the transition from EVM to IFRS basis for SST, the increase in fixed income securities was driven by the reclassification from other investments, partially offset by a reclassification to loans (offset see in Notes 2, 3). Furthermore, there was a decrease supported by notable foreign exchange impacts due to US dollar strengthening and mark-to-market losses from rising interest rates, particularly in the US and UK.
- The increase in loans was mainly driven by the reclassification from fixed income securities following the transition from EVM to IFRS basis for SST (offset see in Note 1).
- Following the transition from EVM to IFRS basis for SST, the decrease in other investments was driven by the reclassification to fixed income securities (offset see in Note 1).
- The increase in receivables from derivative financial instruments was mainly due to change in accounting treatment from netting to reporting gross amounts following the transition from EVM to IFRS basis for SST (offset see in Note 15).
- Following the transition from EVM to IFRS basis for SST, the pipeline premiums and commissions were reclassified out of the payables and receivables lines into best estimate of liabilities (see lines receivables from insurance business, liabilities from insurance business, share of technical provisions from reinsurance, best estimate of insurance liabilities).
- Furthermore, the decrease in reinsurance life insurance business (excluding unit-linked life insurance) was driven by the recapture of pre-2004 US yearly renewable term (YRT) business.
- The increase in fixed assets was driven by reclassification of own used property formerly reported under other assets (offset see in Note 9).
- The decrease in other receivables was mainly driven by a reclassification of accrued interest and rent to accrued assets (offset see in Note 10), as well as by lower receivables from other debtors.
- Following the transition from EVM to IFRS basis for SST, non-cash collateral held from securities lending transactions previously reported under other assets and corresponding obligation to return the collateral previously reported under other liabilities were derecognised from the balance sheet (offset see in Note 16). The decrease is further driven by reclassification of own used property to fixed assets (offset see in Note 7).
- The increase in accrued assets was driven by a reclassification of accrued interest and rent from line other receivables (offset see in Note 8).
- In addition to the impacts described in Note 5, the decrease in best estimate liabilities from reinsurance life insurance business (excluding unit-linked life insurance) was driven by the recapture of pre-2004 US YRT business and the higher risk-free rates. This was partially offset by the impact of valuation updates due to the transition to IFRS as well as by unfavourable assumption updates and experience variance across regions.
- The decrease in best estimate liabilities from direct non-life insurance business was further driven by higher risk-free rates.
- The decrease in best estimate of insurance liabilities non-life due to the reallocation of pipeline premiums and commissions was partially offset by US liability reserve additions.
- The decrease in interest-bearing liabilities was mainly driven by the conversion of a convertible debt instrument, maturity of a senior note, as well as fair value changes of outstanding instruments. To align with IFRS, the decrease was also due to the reclassification of an embedded bondholder conversion option to liabilities from derivative financial instruments (offset see in Note 15).
- The increase in liabilities from derivative financial instruments was mainly due to the change in accounting treatment from netting to reporting gross amounts in IFRS compared to EVM (offset see in Note 4). The increase was further supported by reclassification of a bondholder conversion option (offset see in Note 14).
- The decrease in other liabilities was mainly due to change in accounting treatment of non-cash collaterals and related obligations following the transition from EVM to IFRS as basis for SST (offset see in Note 9).

SST balance sheet comparison with IFRS

This section shows the balance sheet of Swiss Re Group for IFRS and SST on an aggregated basis. The comparison provides insights into the main valuation and recognition differences.

The IFRS values in the below table may deviate from the published Group IFRS balance sheet. Following the communication on 5 November 2024, IFRS recognises iptiQ's European P&C business assets and liabilities held for sale as separate line items in the balance sheet. In SST, iptiQ's assets and liabilities are recognised on individual balance sheet line items.

An overview of the main valuation and scope differences and the definition of the aggregated line items are included in the [Appendix](#) to this Report.

Assets

USD millions	IFRS	SST	Difference
Real estate	2 385	5 349	2 963
Participations			n/a
Fixed income securities	83 838	80 175	-3 663
Loans	4 332	4 220	-112
Mortgages	1 696	1 599	-97
Equity securities	284	282	-2
Other investments	4 584	8 579	3 995
Investments for unit-linked and with-profit business	624	623	-1
Cash and cash equivalents	4 164	4 160	-4
Best estimate of insurance liabilities retro ¹	12 169	11 528	-641
Deposits made under assumed reinsurance	16 920	18 197	1 277
Other assets	15 192	8 295	-6 897
Total assets	146 188	143 007	-3 180

¹ Includes share of technical provisions from reinsurance and receivables from insurance business.

Real estate

Differences in valuation: In SST, real estate is measured at market value, while under IFRS real estate is carried at depreciated cost.

Fixed income securities

Differences in recognition: In SST, securitised products are classified as part of other investments. For IFRS, securitised products are recognised in fixed income securities.

Differences in valuation: In SST, proportional consolidation to subsidiaries with minority interests is applied, while IFRS consolidates subsidiaries with minority interests at 100%.

Loans and mortgages

Differences in valuation: In SST, loans and mortgages are measured at market value, while under IFRS loans and mortgages are carried at amortised cost.

Other investments

Differences in recognition: In SST, securitised products are classified as part of other investments. For IFRS, securitised products are recognised in fixed income securities.

Differences in valuation: Under SST, equity method investees are valued at their market conform value, while under IFRS equity method investees are carried at adjusted amortised cost values.

Best estimate of insurance liabilities retro

Differences in valuation: Same principles apply as for best estimate of insurance liabilities gross described below.

Deposits made under assumed reinsurance

Differences in valuation: In SST, deposits are valued at their market conform value, while under IFRS they are carried at amortised cost.

Other assets

Differences in recognition: SST does not recognise deferred taxes, goodwill and other intangibles. Differences related to non-IFRS 17 insurance business: in IFRS, IFRS 9 non-risk contracts at amortised costs are shown in other assets and other liabilities in the IFRS balance sheet, depending on whether they are classified as financial assets or financial liabilities, while in SST, they are included in the best estimate liabilities, funds withheld and re/insurance receivables and payables.

Liabilities

USD millions	IFRS	SST	Difference
Best estimate of insurance liabilities gross ¹	106 656	89 927	-16 729
Deposits retained on ceded reinsurance	1 016	1 016	0
Debt	7 261	8 887	1 627
Other liabilities	8 012	6 176	-1 836
Total liabilities	122 945	106 007	-16 938

¹ Includes best estimate of insurance liabilities, best estimate of unit-linked life insurance liabilities, market value margin and liabilities from insurance business

Best estimate of insurance liabilities gross

Differences in recognition: Contract boundaries: SST recognises contracts at inception date while IFRS recognises loss-making contracts when issued. In addition, P&C multi-year contracts might be split into single-year contracts in SST but not in IFRS.

Contractual service margin: under IFRS 17, profits are deferred whereas in SST profits are recognised immediately. Expenses: in SST, non-directly attributable expenses are modelled and projected based on best estimates, while IFRS recognises only actual expenses.

Differences in valuation: Discount rates: while both, IFRS 17 and SST, use risk-free rates for discounting, different methods for extrapolating are applied. Market value margin (MVM): SST includes the market value margin, ie the minimum cost of holding capital after the one-year SST period until the end of a potential run-off period. Under IFRS, the risk adjustment is used instead. Differences related to non-IFRS 17 insurance business: in the SST, some IFRS 9 non-risk contracts at amortised costs are included in the best estimate liabilities, funds withheld and re/insurance receivables and payables line items. Counterparty credit risk: The valuation of counterparty credit risk on insurance contracts in SST follows the same expected credit loss model adopted in IFRS. However, the SST parameterisation is market conform.

Debt

Differences in recognition: SST shows all debt, including perpetual capital instruments, as debt liability. IFRS generally classifies perpetual capital instruments as equity, following an assessment of the instruments' characteristics.

Differences in valuation: Debt not qualified as SST supplementary capital is valued on a market conform basis excluding the impact of Swiss Re's own credit risk. SST supplementary capital instruments are carried at fair value considering the impact of own credit risk. IFRS generally values debt instruments at amortised costs.

Other liabilities

Differences in recognition: Deferred tax: deferred tax liabilities are not valued in SST, whereas in IFRS they are part of other liabilities. Expenses: SST includes projection of certain expenses, which are capitalised on SST balance sheet, while IFRS recognises only actual expenses.

Capital management

For information on the Group's capitalisation structure, see the *Financial strength and capital management* section in the 2024 Annual Report on pages 50–53, *Capital structure* on pages 78–79 and *Note 11* to the financial statements (Debt) on pages 260–262.

For the Group *Statement of changes in shareholders' equity*, see pages 146–147 of the 2024 Annual Report.

For more details on *> Valuation* differences between shareholders' equity and SST net asset value, refer to the Group Valuation section of this Report.

Solvency

For information on the Group's solvency information, risk-bearing capital, target capital and SST ratio, see the [Risk and capital management](#) section on pages 46–71 of the 2024 Annual Report.

Swiss Re uses a full internal risk model to determine the economic capital required to support the risks on its book, as well as to allocate risk-taking capacity to the different lines of business. The model also provides the basis for capital cost allocation, which is used for pricing, profitability evaluation and compensation decisions. In addition to these internal purposes, the model is used to determine regulatory capital requirements under economic solvency frameworks such as SST and Solvency II.

For more information about Swiss Re's internal risk model, see the [Internal control system and risk model](#) section of the Risk management (Online Only) download of the 2024 Annual Report.

In 2017, FINMA approved Swiss Re's internal model and its components for SST reporting purposes under their revised model review process.

Since SST 2024, the following major model changes have been implemented and approved by FINMA for SST 2025:

- Lapse risk: Inclusion of previously unmodelled mass lapse transactions into the exposure. The lapse model was adapted to include additional factors and lapse groups were updated to better capture dependencies.
- Changes related to the transition to IFRS:
 - Assumption updates and other actuarial changes in IFRS, which were also applied to SST liability valuation.
 - Update of certain valuation methodologies regarding contract boundaries for certain external retrocessions, Investment Expense Reserve methodology, Group Overhead Expense methodology, Counterparty Credit Risk methodology, and Other Assets and Liabilities.
 - Introduction of a new SST valuation engine to calculate SST Best Estimate Liabilities, which required an adaptation of the data source for computing required capital and market value margin.

These changes were approved by FINMA on a temporary basis for use in SST 2025 as part of transition model.

Supplementary capital outlook

In accordance with Art. 34 para. 3 letter a ISO, Swiss Re Group has three supplementary capital instruments with optional redemption dates within the next 12 months:

- The 2.60% Perpetual subordinated fixed-to-floating rate callable loan notes issued by SRZ, with a market value as of 31 December 2024 of USD 777 million;
- The 3.125% Subordinated fixed rate reset callable notes issued by Swiss Re Finance (UK) Plc and guaranteed by Swiss Re Ltd, with a market value as of 31 December 2024 of USD 256 million; and
- The 5.75% Subordinated fixed-to-floating rate non step-up callable loan notes issued by Swiss Re Ltd, with a market value as of 31 December 2024 of USD 714 million.

Further information in respect of these public debt instruments is available under www.swissre.com/investors/debt.html.

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Swiss Reinsurance Company Ltd

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Management summary

Swiss Reinsurance Company Ltd (SRZ)'s capital position remained strong, with the SST 2025 ratio at 233%. Compared to SST 2024¹, the ratio decreased by 9pp, mainly driven by a one-off impact of the transition from EVM to IFRS basis for SST and unfavourable underwriting contribution mainly from Life & Health Reinsurance. These impacts were partially offset by a strong investment result and positive underwriting contribution in Property & Casualty Reinsurance and Corporate Solutions.

The SST ratio is calculated as SST risk-bearing capital (SST RBC) divided by SST target capital (SST TC).

This Report provides qualitative and quantitative information about the financial condition of SRZ. This Report includes financial information already published in [SRZ's 2024 Annual Report](#), available under www.swissre.com/investors/financial-information.

Solvency overview

SST 2025 in USD millions

SST RBC

35 550

SST TC

15 274

= 233%

SST 2024¹ in USD millions

SST RBC

36 778

SST TC

15 207

= 242%

SST RBC: SST risk-bearing capital
SST TC: SST target capital

¹ Amended, given the implementation of the methodology to derive the SST target capital required correction. In the past, the expected change in SST risk-bearing capital (RBC), which is deducted from total risk to derive the target capital, did not factor in the discounting of the expected RBC when implemented.

Business activities	In this section, we provide information about the business model, the strategy and significant events. > Read more
Performance	We present the performance of the year under review based on the Swiss statutory income statement. > Read more
Governance and risk management	This section provides an overview of the system of governance, key governing bodies, risk management systems and policies. > Read more
Risk profile	The main components of the total risk calculated under SST are discussed in this section. > Read more
Valuation	In this section, we provide the SST balance sheet and additional quantitative and qualitative explanations on differences to SRZ's audited statutory financial statements. > Read more
Capital management	SRZ's capital management strategy and key changes in 2024 are discussed in this section. > Read more
Solvency	This section presents SRZ's SST calculation and includes explanation of changes relative to the prior year. > Read more

Reinsurance strategy and priorities

Business activities

SRZ operates within the strategy set out by the Swiss Re Group. The goals are consistent with the overall Swiss Re Group financial targets and the strategy is formed by the components of the Swiss Re Group strategy.

SRZ provides its clients with a combination of the underwriting knowledge and experience, geographic and product diversification, and financial strength, as well as appropriate allocation of capital to risk portfolios, to meet the Swiss Re Group's financial targets over the cycle.

SRZ applies risk knowledge to support systematic capital allocation in line with the Swiss Re Group strategy. As a global organisation with a wide product range and geographical reach, SRZ systematically allocates capital by balancing opportunities on a risk-adjusted basis to generate sustainable earnings and growth over the long-term. An annual top-down capital allocation underpins SRZ's business planning process; throughout the year, SRZ actively steers its deployed capacity to optimise risk-adjusted return. SRZ can change the capital allocated to particular risk pools as markets move and it develops new insights. This activity is rooted in the ability to take a forward-looking perspective on the economics of risk pools and allocate capital accordingly.

SRZ intends to continue to emphasise differentiation, continue to broaden and diversify its client base to increase access to risk, enhance research and development efforts, continue to focus on technology and finally maintain leadership in sustainability in line with the Swiss Re Group strategy.

Property and casualty business

Market environment

The global property and casualty insurance and reinsurance remained in a hard market in 2024. This reflects the ongoing rate increases in commercial and personal lines due to soaring claims developments during the post-COVID-19 inflation surge, and the significant re-pricing of risk in the reinsurance segment in 2023. Higher prices became necessary for the industry to keep track with the elevated claims dynamics and remain economically sustainable. Premiums in primary property and casualty insurance were up 5% in real terms. Underwriting results improved as a result of higher rates and decreasing claims inflation, while higher investment returns additionally supported sector profitability.

Throughout 2024, commercial lines business saw some price moderation. Property rates entered negative territory during the second half of 2024, compared to an 8% increase in 2023. For casualty pricing, the picture differs by region. In Europe and Asia, prices remained mostly stable, while US general liability and auto liability rates underwent double-digit increase in the second half of 2024, up from a 4% increase in 2023. Social inflation continues to have an impact on US casualty business profitability and is also emerging in markets such as the UK, Australia and Mexico.

In reinsurance, pricing remained strong or slightly higher in all areas throughout 2024. Underwriting remained disciplined with terms and conditions kept tight and retention rates elevated, particularly for catastrophe covers.

Life and health business

Market environment

Global life insurance premiums grew in 2024, as consumers took advantage of elevated interest rates to buy savings products.

Life premium growth was strongest in the US, where individual annuity sales reached a new record in 2024. Individual life protection sales in the US were flat, while group life and health sales grew moderately, supported by strong employment levels and wage gains. Demand for fixed-rate annuities was also high in the UK, while European life and health insurance markets saw strong demand for disability and long-term care insurance in 2024. In China, an anticipated reduction in guaranteed interest rates on savings products boosted sales in 2024.

The life reinsurance market grew in 2024. Cession rates have been increasing globally, driven by factors such as streamlined underwriting by life insurers, and reinsurers providing new services. For health insurance, emerging Asia is a rapidly growing region where reinsurers are enabling growth, including by supporting insurance product development.

Increasing use of annuity reinsurance by primary insurers has driven global growth in reserves ceded, primarily due to activity from new entrants backed by alternative asset managers. Though initial high volumes of flow and in-force transactions focused on fixed-rate annuity business in the US and bulk annuity business in the UK, recent transactions have expanded the scope across product types and geographies.

Outlook for both property and casualty and life and health business

Outlook for both property and casualty and life and health business

Total global insurance premiums are forecast to grow by about 2.9% in inflation-adjusted terms in 2025, with broad-based growth across segments. However, savings business growth is expected to moderate if interest rates decline. Global life premiums are expected to grow at an annual rate of 3% in real terms for 2025.

Non-life insurance growth is expected to slow to 3% annually, below the 3.2% average of the five years from 2020 to 2024. This reflects tapering of the current hard market. Nevertheless, the industry will be supported by steady economic growth, strong labour markets, rising real incomes as inflation moderates, and still-elevated long-term interest rates that support investment.

Underwriting conditions are expected to remain favourable in commercial insurance as well as in the property and casualty reinsurance sector, driven by strong underwriting results in 2024 and increasing reinsurance capacity. This is also reflected in the expansion of the alternative capital segment.

Investments

Strategy and priorities

Financial investments are managed in accordance with SRZ's Asset Management Framework and SRZ's Investment Guidelines, which are intended to ensure compliance with regulatory requirements. The general principle governing SRZ's management of investments is the creation of economic value based on returns relative to the liability benchmark, while adhering to the Investment Guidelines and the Prudent Person Principle. The liability benchmark is determined by approximating an investable benchmark from projected liability cash flows.

Outlook

Global economic conditions in 2025 will be impacted by geopolitical and macroeconomic uncertainty, including changing trade conditions and diverging monetary policies. Policy changes under the new US administration (eg taxes, tariffs, fiscal spending) have the potential to increase inflationary pressures and to impact global growth while also limiting central bank flexibility to further reduce interest rates.

SRZ sees sovereign bond yields remaining at higher levels compared to the last decade. Assuming that growth materialises, equities should have positive, yet more muted, returns given elevated valuations. Policy and geopolitical uncertainty will increase market volatility.

The investment portfolio is well positioned and highly diversified across asset classes, risk factors and regions. Swiss Re continues to focus on making a sustainable contribution to higher net income for the Group with sovereign bond and high-quality public and private credit portfolios as key pillars. Private markets remain a strategic focus for Asset Management, with planned further investments in select segments of private debt, private equity, and real estate.

Reinsurance and sub-holding company

SRZ, domiciled in Zurich, Switzerland, performs a dual role within the Swiss Re Group as both a reinsurance company and a sub-holding company. SRZ is a wholly owned subsidiary of Swiss Re Ltd, the ultimate parent company, domiciled in Zurich, Switzerland. In 2024, SRZ employed a worldwide staff at an average of 1 715 full time equivalents.

Claims on and obligations towards affiliated companies – Swiss statutory

CHF millions	2023	2024
Loans	8 171	7 642
Funds held by ceding companies	7 740	11 180
Premiums and other receivables from reinsurance	10 378	12 575
Other receivables	142	131
Other assets ¹	198	299
Debt ²	4 283	5 429
Liabilities from derivative financial instruments	30	
Funds held under reinsurance treaties	6 627	5 482
Reinsurance balances payable	7 598	7 952
Other liabilities ³	5 639	5 459
Subordinated liabilities ⁴	3 925	4 242

¹ Thereof at the 2024 balance sheet date CHF 15 million (2023: CHF 95 million) were on the parent company Swiss Re Ltd.

² Thereof at the 2024 balance sheet date CHF 1 947 million (2023: CHF 1 889 million) were towards the parent company Swiss Re Ltd.

³ Thereof at the 2024 balance sheet date CHF 1 359 million (2023: CHF 1 828 million) were towards the parent company Swiss Re Ltd.

⁴ Thereof at the 2024 balance sheet date CHF 1 380 million (2023: CHF 1 282 million) were towards the parent company Swiss Re Ltd.

Share capital and major shareholder

The share capital of SRZ amounted to CHF 34 million. It is divided into 344 052 565 registered shares, each with a nominal value of CHF 0.10. The shares were fully paid-in and held directly by Swiss Re Ltd. As of 31 December 2024 and 2023, SRZ was a wholly owned subsidiary of Swiss Re Ltd.

List of major branch offices

- Swiss Reinsurance Company Ltd, Beijing Branch
- Swiss Reinsurance Company Ltd, Canadian Branch
- Swiss Reinsurance Company Ltd, India Branch
- Swiss Reinsurance Company Ltd, Israel Branch

Structured entities

SRZ and its subsidiaries enter into arrangements with structured entities. For more information, see [Note 24](#) of SRZ's consolidated 2024 Annual Report, pages 153–156.

Significant events

SRZ's net result for 2024 amounted to a loss of CHF 1 244 million, driven by the life and health business, due to one-off transaction losses and various reserve updates, as well as by reserving actions taken on the property and casualty business.

Life and health reinsurance result was impacted by net one-off losses from internal restructurings, including the recapture of the US yearly renewable term (YRT) business, as well as by assumption updates across multiple regions.

Property and casualty reinsurance result was driven by reserving actions taken on the US casualty business for prior underwriting years to increase the overall resilience, partly offset by the strong underwriting performance in property business, as well as by benign net natural catastrophe experience, despite several new large events.

Investment result benefitted from net realised gains from the sale of alternative investments, value re-adjustments on shares in investment funds, as well as from increased regular income.

Extraordinary expenses mainly consisted of corrections of prior year errors in the area of life and health reserving.

SRZ merged with Swiss Pillar Investments Ltd, a subsidiary of SRZ, which resulted in a merger loss recorded as other expenses in the income statement.

The strengthening of all major currencies against the Swiss franc led to significant foreign exchange remeasurement losses of the balance sheet, but which could be absorbed by the provision for currency fluctuation. In addition, the financial year 2024 benefitted from accelerated releases of the provision for currency fluctuation, reflecting the shorter average duration of assets and liabilities denominated in foreign currencies, which resulted in a one-off gain recorded as other income in the income statement.

Total shareholder's equity of SRZ decreased by CHF 2 658 million to CHF 12 216 million as of 31 December 2024. The decrease was driven by the net loss for the financial year 2024 of CHF 1 244 million, as well as by a cash dividend payment for the financial year 2023 of CHF 1 449 million, partly offset by a contribution in-kind of Swiss Re Management (US) Corporation from the parent company Swiss Re Ltd of CHF 35 million, which was subsequently contributed in-kind to Swiss Re Reinsurance Holding Company Ltd on the same day.

Report of the statutory auditor

In 2024, KPMG AG was the auditor of SRZ. For more information, see the [Report of the statutory auditor](#) in SRZ's 2024 Annual Report, pages 194–200.

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Performance

Income statement – Swiss statutory

CHF millions	Total		Life		Accident & Health		Motor		Marine, aviation, transport		Property		Casualty		Miscellaneous	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Premiums written gross	31 327	35 634	5 127	8 303	3 632	3 191	2 757	3 831	1 233	1 162	11 102	12 108	4 237	3 293	3 239	3 746
Premiums written retroceded	-5 697	-5 988	-1 512	-1 724	-1 114	-904	-95	-184	-168	-129	-2 566	-2 683	-161	-243	-81	-122
Premiums written net	25 630	29 646	3 616	6 580	2 518	2 288	2 662	3 648	1 065	1 032	8 535	9 425	4 076	3 050	3 158	3 623
Change in unearned premiums gross	-838	-1 462	-54	-52	3	-4	-30	-605	-27	15	-674	-721	110	201	-166	-295
Change in unearned premiums retroceded	219	219	3	-8	-6	2	5	63	8	1	201	110	3	59	5	-9
Premiums earned	25 011	28 403	3 565	6 519	2 515	2 285	2 637	3 105	1 046	1 049	8 062	8 815	4 189	3 310	2 997	3 320
Other reinsurance revenues	2 446	1 285	1 538	752	444	137	6	72	6	4	318	114	89	133	45	73
Total revenues from reinsurance business	27 457	29 688	5 103	7 272	2 959	2 422	2 643	3 177	1 052	1 053	8 380	8 929	4 278	3 443	3 042	3 392
Claims paid and claim adjustment expenses gross	-20 238	-22 006	-4 834	-6 506	-2 972	-2 938	-2 089	-2 255	-694	-904	-5 517	-4 531	-3 170	-3 269	-962	-1 605
Claims paid and claim adjustment expenses retroceded	2 284	4 981	-10	2 986	1 267	889	49	74	97	66	781	883	46	49	54	35
Change in unpaid claims and life and health benefits gross	-2 001	-4 267	-1 008	-377	-219	-448	-240	-280	-41	-134	960	-902	-859	-1 732	-594	-393
Change in unpaid claims and life and health benefits retroceded	2 732	-839	3 408	-1 318	-472	19	19	24	-27	-29	-267	349	36	73	35	41
Change in unpaid claims for unit-linked life insurance																
Claims incurred	-17 223	-22 131	-2 444	-5 215	-2 396	-2 477	-2 261	-2 437	-665	-1 000	-4 043	-4 200	-3 947	-4 879	-1 467	-1 922
Acquisition and operating costs gross	-7 944	-9 404	-1 225	-2 435	-918	-845	-800	-937	-266	-284	-2 269	-2 643	-1 421	-1 173	-1 045	-1 086
Acquisition and operating costs retroceded	926	1 077	163	246	248	257	20	29	28	27	397	434	46	56	24	29
Acquisition and operating costs net	-7 018	-8 327	-1 062	-2 189	-670	-588	-780	-908	-238	-258	-1 872	-2 210	-1 375	-1 117	-1 021	-1 058
Other reinsurance expenses	-808	-1 089	-381	-969	-320	-33		-5	2		-109	-76				-5
Total expenses from reinsurance business	-25 049	-31 547	-3 887	-8 372	-3 386	-3 099	-3 041	-3 350	-901	-1 259	-6 024	-6 486	-5 322	-5 996	-2 488	-2 985
Investment income	16 472	2 406														
Investment expenses	-13 974	-293														
Investment result	2 498	2 113	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Investment result from unit-linked life insurance																
Other financial income	2 502	2 632														
Other financial expenses	-2 701	-3 022														
Operating result	4 707	-136	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest expenses on debt and subordinated liabilities	-523	-503														
Other income	453	790														
Other expenses	-349	-750														
Extraordinary income and expenses		-554														
Income before income tax expense	4 288	-1 153	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Income tax expense	-82	-91														
Net income/loss	4 206	-1 244	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Reinsurance result

Total revenues and expenses from reinsurance amounted to a loss of CHF 1 859 million in 2024, compared to a gain of CHF 2 408 million in 2023.

Property and casualty total revenues and expenses decreased from a gain of CHF 1 619 million in 2023 to a loss of CHF 81 million in 2024, driven by reserving actions taken on the US casualty business for prior underwriting years to increase the overall resilience. These movements were partly offset by the strong underwriting performance in property business, positive prior year developments, as well as by benign net natural catastrophe experience, despite various new large events in the year under report, such as the flooding in the Gulf region, hurricanes Helene and Milton in the US, as well as storm Boris in Central Europe. The financial year 2023 benefitted from significant reserve releases related to prior year natural catastrophe events and inflation updates.

Life and health total revenues and expenses decreased from a gain of CHF 789 million in 2023 to a loss of CHF 1 778 million in 2024, driven by net one-off losses from the restructuring of the US YRT business, as well as by assumption updates across multiple regions. The financial year 2023 benefitted from reserve releases, due to increasing interest rates, partly offset by best estimate assumption updates.

Premiums earned increased from CHF 25 011 million in 2023 to CHF 28 403 million in 2024, attributable to the growth in both, property and casualty as well as life and health business.

Claims incurred increased from CHF 17 223 million in 2023 to CHF 22 131 million in 2024. The comparison of the individual claims line items is affected by the restructuring of several intra-group retrocession (IGR) agreements, as well as by various large life and health transactions, creating substantial changes year-on-year. In aggregate, these various movements fully offset each other.

Property and casualty claims paid and claim adjustment expenses net increased from CHF 11 405 million in 2023 to CHF 11 457 million in 2024, mainly due to loss portfolio transfers from Westport Insurance Corporation.

Property and casualty change in unpaid claims net increased from CHF 978 million in 2023 to CHF 2 981 million in 2024, primarily driven by reserving actions taken on the US casualty business for prior underwriting years. This was partly offset by benign net natural catastrophe experience in the year under report, despite various new large events, such as the flooding in the Gulf region, hurricanes Helene and Milton in the US, as well as storm Boris in Central Europe.

Life and health claims paid and claim adjustment expenses net decreased from CHF 6 549 million in 2023 to CHF 5 568 million in 2024, primarily driven by net one-off losses in both years from the restructuring of the US YRT business. These movements were reflecting the change in reinsurance receivables and payables to cover the setup of the respective technical provisions and were fully offset in life and health benefits net. In addition, the decrease was due to a change in the accounting methodology to gross-up remote risk transactions in the year under report.

Change in unpaid claims and life and health benefits increased from a net gain of CHF 1 709 million in 2023 to a net loss of CHF 2 124 million in 2024, driven by the restructuring of the US YRT business over both years. These were fully offset in life and health claims paid and claim adjustment expenses net and change in unpaid claims net.

Acquisition and operating costs net increased from CHF 7 018 million in 2023 to CHF 8 327 million in 2024, mostly in life and health business, driven by a change in the accounting methodology to gross-up remote risk transactions, mainly in the US, and the restructuring of the EMEA life and health IGR. The increase in property and casualty business was driven by retrocession agreements with Swiss Re Europe S.A. and iptiQ EMEA P&C S.A.

Investment result

Investment result decreased from CHF 2 498 million in 2023 to CHF 2 113 million in 2024. The decrease was driven by lower net value re-adjustments on shares in investment funds, partially offset by higher regular income, in particular from fixed income securities, shares in investment funds and alternative investments. In addition, the 2023 investment income and expenses, respectively, were inflated by a dividend in-kind payment from Swiss Re Reinsurance Holding Company Ltd of some of its subsidiaries to SRZ of CHF 13 314 million, offset by a corresponding write-off of SRZ's participation book value of Swiss Re Reinsurance Holding Company Ltd.

Investment result – Swiss statutory

CHF millions	Income	Value readjustments	Realised gains	2024 Total
Investment income				
Investments in subsidiaries and affiliated companies				
Fixed income securities	920		44	964
Loans	522		1	523
Equity securities	2			2
Shares in investment funds	172	212		384
Short-term investments	109		1	110
Alternative investments	103	6	268	377
Other investments	384	218	269	871
Income from investment services	46			46
Investment income	1874	218	314	2406
Investment expenses				
Investments in subsidiaries and affiliated companies				
Fixed income securities			-46	-46
Loans			-1	-1
Equity securities		-14		-14
Shares in investment funds		-47		-47
Short-term investments			-2	-2
Alternative investments		-59	-19	-78
Other investments		-106	-21	-127
Investment management expenses	-105			-105
Investment expenses	-105	-120	-68	-293
Investment result				2113
2023 Total				
CHF millions	Income	Value readjustments	Realised gains	2023 Total
Investment income				
Investments in subsidiaries and affiliated companies ¹				
	13 709			13 709
Fixed income securities	779		15	794
Loans	576		184	760
Equity securities	6		137	143
Shares in investment funds	104	728	39	871
Short-term investments	105		1	106
Alternative investments	36	7	0	43
Other investments	245	735	40	1 020
Income from investment services	46			46
Investment income	15 361	735	376	16 472
Investment expenses				
Investments in subsidiaries and affiliated companies ¹				
		-13 668		-13 668
Fixed income securities		-4	-117	-121
Loans			-6	-6
Equity securities		-4	-25	-29
Shares in investment funds		0	-8	-8
Short-term investments			-2	-2
Alternative investments		-33	0	-33
Other investments		-33	-10	-43
Investment management expenses	-107			-107
Investment expenses	-107	-13 709	-158	-13 974
Investment result				2 498

¹ On 30 March 2023, SRZ received a dividend in-kind from Swiss Re Reinsurance Holding Company Ltd of its subsidiaries Swiss Pillar Investments Ltd, Swiss Re Asia Holding Pte. Ltd. and Swiss Re Europe S.A. in the amount of CHF 13 314 million, subsequently offset by a corresponding write-off of SRZ's participation book value of Swiss Re Reinsurance Holding Company Ltd.

Board of Directors and Executive Management

Governance and risk management

Board of Directors

- Jacques de Vaucleroy, Chairman of the Board of Directors (since 2024)
- Joerg Reinhardt, Member of the Board of Directors, Vice Chairman of the Board of Directors (since 2024)
- Karen Gavan, Member of the Board of Directors
- Vanessa Lau, Member of the Board of Directors
- Geraldine Matchett, Member of the Board of Directors (since 2024)
- Joachim Oechslin, Member of the Board of Directors
- Deanna Ong, Member of the Board of Directors
- Jay Ralph, Member of the Board of Directors
- Philip K. Ryan, Member of the Board of Directors
- Pia Tischhauser, Member of the Board of Directors
- Sir Paul Tucker, Member of the Board of Directors
- Larry Zimpleman, Member of the Board of Directors

Changes in 2024

- Geraldine Matchett was elected as a new Member of the Board of Directors at the AGM on 12 April 2024

Executive Management

- Andreas Berger, Chief Executive Officer, Member of the Executive Committee (effective 1 July 2024)
- Urs Baertschi, Chief Executive Officer P&C Reinsurance, Member of the Executive Committee
- John R. Dacey, Chief Financial Officer, Member of the Executive Committee
- Cathy Desquesses, Chief Human Resources Officer & Head Corporate Services, Member of the Executive Committee
- Hermann Geiger, Chief Legal Officer, Member of the Executive Committee
- Ivan Gonzalez, Chief Executive Officer Corporate Solutions, Member of the Executive Committee (effective 1 July 2024)
- Pravina Ladva, Chief Digital & Technology Officer, Member of the Executive Committee
- Paul Murray, Chief Executive Officer L&H Reinsurance, Member of the Executive Committee
- Velina Peneva, Group Chief Investment Officer, Member of the Executive Committee
- Patrick Raaflaub, Chief Risk Officer, Member of the Executive Committee
- Philip Long, Appointed Actuary, not Member of the Executive Committee

Changes in 2024

- Christian Mumenthaler, Chief Executive Officer, Member of the Executive Committee (until 30 June 2024)
- Moses Ojeisekhoba, Chief Executive Officer Global Clients and Solutions, Member of the Executive Committee (until 31 August 2024)

Governance and risk management

As a major legal entity within the Swiss Re Group, SRZ is subject to enhanced governance, which includes the following requirements:

- Establish bylaws and terms of reference, outlining the roles and responsibilities of both the board and management
- Establish an Audit Committee
- Designate a Chief Risk Officer and Chief Financial Officer

All risk-related activities of SRZ and its subsidiaries are subject to Swiss Re's risk management framework, which includes:

- An independent Risk Management function responsible for risk oversight and control across Swiss Re and comprises global departments that provide specialised risk expertise and oversight.
- A clearly defined risk control framework which comprises a body of standards that establish an internal control system for taking and managing risk.

Moreover, risk management activities at SRZ are complemented by Swiss Re's Group Internal Audit and Compliance units.

Swiss Re's 2024 Annual Report describes the governance and risk management framework for the Group and its legal entities. For more information, refer to the [Risk management](#) section on page 55–60.

Climate-related financial disclosure

SRZ regularly assesses the actual and potential impacts of climate-related risks and opportunities on its business and financial planning within the climate strategy and related frameworks set out by the Swiss Re Group. The financial risks from climate change related to insurance and investment activities of SRZ do not materially differ from the Swiss Re Group. There are only a few subsidiaries which are owned by the Swiss Re Group directly, but these entities do not change the assessment of climate related financial risks. Information on the Group's climate-related financial disclosures are published in the [Sustainability Report 2024](#). Refer to the following specific sections for more information:

- Governance structure related to climate-related financial risks (FINMA Circular 2016/2 MN 13.3), Sustainability Report 2024 on pages 22 and 51
- Climate-related financial risks (FINMA Circular 2016/2 MN 13.4), Sustainability Report 2024 on pages 59–67
- Climate risk management (FINMA Circular 2016/2 MN 13.5), Sustainability Report 2024 on pages 68–70
- Climate targets and metrics (FINMA Circular 2016/2 MN 13.6), Sustainability Report 2024 on pages 71–82
- Criteria and valuation methods for determining materiality of climate-related risks (FINMA Circular 2016/2 MN 13.7), Sustainability Report 2024 on pages 59, 64–65, 66–67, 72, 73 and 77–78

Risk profile

SRZ is exposed to insurance and financial risks that are calculated in its internal risk model, as well as other risks that are not explicitly part of the economic capital requirement and are actively monitored and controlled. These include operational, liquidity, model, valuation, regulatory, political, strategic, emerging and sustainability risks (see *Swiss Re's risk landscape*, 2024 Annual Report, pages 62–63).

Property and casualty risk is mainly driven by natural catastrophe, non-life claims inflation, costing and reserving and man-made risk. The main drivers of life and health insurance risk are lethal pandemic and mortality trend risk.

The financial risk of SRZ derives from financial market risk as well as from credit risk. Key drivers of financial market risk are credit spread and equity risk. Credit risk is mainly driven by the credit and surety business and by capital market products.

Total risk

Total risk is based on 99% tail value at risk (tail VaR) and represents the average unexpected loss that occurs with a frequency of less than once in 100 years over a one-year time horizon.

USD millions	SST 2024	SST 2025	Change
Property and casualty	13 789	12 282	-1 507
Life and health	9 866	9 162	-704
Financial market	9 542	8 955	-587
Credit ¹	3 462	3 294	-168
Diversification	-16 602	-15 024	1 577
Total risk	20 058	18 669	-1 389

¹ Credit comprises credit default and migration risk from both asset management and underwriting. It excludes credit spread risk, which is part of financial market risk.

Total risk decreased to USD 18.7 billion, mainly driven by lower property and casualty risk. The shift led to a decrease in diversification at risk category level.

- The decrease in property and casualty risk is mainly driven by lower claims inflation risk, reflecting an improved inflation outlook in the annual parameter update, further supported by higher retrocession relief. These effects are partly offset by higher exposure to natural catastrophe and man-made risks, as well as the impact of reserve strengthening, which led to an increase in reserving risk and inflation risk.
- Lower life and health risk is mainly driven by appreciation of the US dollar, as well as higher interest rates for most major currencies. These effects are further supported by retrocession relief for mortality risk in the US, partly offset by the impact of lower Chinese yuan interest rates.
- Financial market risk decreased, mainly due to the rise in interest rates and increased credit hedges, partially offset by purchases of corporate bonds.
- The decrease in credit risk is driven by the depreciation of major currencies against the US dollar, the rise in interest rates and increased credit hedges.

Swiss Re's internal model takes account of the accumulation and diversification between individual risks. The effect of diversification at the risk category level, shown in the table above, represents the difference between total risk (99% tail VaR) and the sum of standalone tail VaR amounts for the individual risk categories. This amount does not reflect diversification within risk categories.

Operational risk

SRZ uses Swiss Re's Group-wide risk matrix methodology and Global Risk Register to identify and manage operational risks. The methodology focuses on risks that approach or exceed the SRZ's own risk tolerance, as these require management actions. Adherence to risk tolerance is monitored and reported at least on a quarterly basis. The overall internal control environment within SRZ remains adequate.

Key focus areas of SRZ's operational risk management currently include the further strengthening of IT security capabilities and enhancing of digital and business resilience. After the successful publishing of the Group's first reporting under IFRS, efforts are now focused on ensuring future reporting stability. Additionally, Swiss Re is implementing measures to proactively align system recovery plans and the protection of IT assets with evolving business needs and external risks.

Other significant risks

For details on other significant risks, including liquidity, model, valuation, regulatory, political, strategic and sustainability risks, see the Group's 2024 Annual Report sections on *Liquidity management* on page 54, *Swiss Re's risk landscape* on pages 62–63, and *Management of other significant risks* on pages 68–70.

Risk concentration

Among tested financial market sensitivities, SRZ's SST ratio is most sensitive to a 50-basis point decrease in interest rates.

Risk mitigation

SRZ manages and controls its risks through an extensive limit framework. Insurance risks are also mitigated through retrocession, insurance risk swaps or transferring risk to capital markets. For financial risks, SRZ uses financial market derivative instruments as well as financial market securities to hedge financial market and credit risk.

Valuation

SST balance sheet

The SRZ SST 2025 balance sheet was prepared for the first time using IFRS as a basis. The SRZ SST 2024 balance sheet was prepared in accordance with Swiss Re's internal Economic Value Management (EVM) framework. The change from EVM to IFRS basis for SST led to a one-off transition impact as well as to several reclassifications and alignments to IFRS in comparison to the previous period.

The difference between assets and liabilities is defined as the market conform value of assets minus market conform value of liabilities, which is the basis for the calculation of the SST risk-bearing capital.

The SST valuation methodology is further described in the [Appendix](#) to this Report.

USD millions		Notes	SST 2024	SST 2025	Change
Market conform value of investments	Real estate				n/a
	Participations	1	31 561 ¹	31 428	-133
	Fixed income securities	2	25 403	26 259	856
	Loans	3	11 917	11 870	-48
	Mortgages		319	332	13
	Equities		48	133	85
	Other investments		20 903	19 497	-1 406
	Collective investment schemes	4	15 901	17 351	1 450
	Alternative investments		580	485	-95
	Structured products				n/a
Other investments	5	4 421	1 660	-2 761	
Total investments		90 151	89 518	-633	
Market conform value of other assets	Financial investments from unit-linked life insurance				n/a
	Receivables from derivative financial instruments	6	314	1 922	1 608
	Deposits made under assumed reinsurance contracts	7	23 412	23 732	320
	Cash and cash equivalents	8	1 706	1 156	-550
	Share of technical provisions from reinsurance		10 050	7 475	-2 575
	Direct insurance: life insurance business (excluding unit-linked life insurance)				n/a
	Reinsurance: life insurance business (excluding unit-linked life insurance)	9, 10	6 262	4 464	-1 798
	Direct insurance: non-life insurance business				n/a
	Reinsurance: non-life insurance business	9, 11	3 788	3 011	-778
	Direct insurance: health insurance business				n/a
	Reinsurance: health insurance business				n/a
	Direct insurance: other business				n/a
	Reinsurance: other business				n/a
	Direct insurance: unit-linked life insurance business				n/a
	Reinsurance: unit-linked life insurance business				n/a
	Fixed assets		2	4	3
	Deferred acquisition costs				n/a
	Intangible assets				n/a
	Receivables from insurance business	9	16 858	9 424	-7 434
	Other receivables	12	1 122	483	-640
	Other assets	13	6 789	3 680	-3 109
	Unpaid share capital				n/a
	Accrued assets	14	1	278	277
Total other assets		60 255	48 153	-12 102	
Total market conform value of assets			150 406	137 672	-12 734

¹ Amended due to updated discounting methodology for MVM of subsidiaries.

USD millions		Notes	SST 2024	SST 2025	Change
Market conform value of liabilities (including unit-linked life insurance)	Best estimate of insurance liabilities		72 908	61 475	-11 433
	Direct insurance: life insurance business (excluding unit-linked life insurance)				n/a
	Reinsurance: life insurance business (excluding unit-linked life insurance)	9, 15	18 481	14 505	-3 976
	Direct insurance: non-life insurance business				n/a
	Reinsurance: non-life insurance business	9, 16	54 428	46 970	-7 457
	Direct insurance: health insurance business				n/a
	Reinsurance: health insurance business				n/a
	Direct insurance: other business				n/a
	Reinsurance: other business				n/a
	Best estimate of unit-linked life insurance liabilities		0	0	0
	Direct insurance: unit-linked life insurance business				n/a
	Reinsurance: unit-linked life insurance business				n/a
	Market value margin		4 288	4 248	-40
Market conform value of other liabilities	Non-technical provisions		1 731	1 165	-566
	Interest-bearing liabilities	17	5 691	6 328	637
	Liabilities from derivative financial instruments	18	380	2 044	1 665
	Deposits retained on ceded reinsurance	19	9 112	8 254	-859
	Liabilities from insurance business	9	7 047	9 756	2 709
	Other liabilities	20	9 942	6 496	-3 446
	Accrued liabilities		26	28	2
	Subordinated debts		6 221	5 432	-789
	Total market conform value of liabilities		117 347	105 227	-12 120
	Market conform value of assets minus market conform value of liabilities		33 059	32 445	-614

Notes

- Following the transition from EVM to IFRS basis for SST, the decrease in participations reflects the impact of valuation updates due to the transition to IFRS, unfavourable assumption updates and experience variance across regions as well as unfavourable foreign exchange impacts. Additionally, collective investment schemes previously reported as participations were reclassified to the other investments line item (offset see in Note 4). These impacts were partially offset by capital injections and the contribution in kind of an affiliated entity received from the parent entity as well as a decrease in the market value margin of subsidiaries.
- Following the transition from EVM to IFRS basis for SST, the increase in fixed income securities was driven by the reclassification from other investments and loans (offset see in Note 3, 5), partially offset by net sales and unfavourable foreign exchange impacts.
- The decrease in loans was mainly driven by unfavourable foreign exchange impacts, partially offset by the reclassification from fixed income securities (offset see in Note 2) following the transition from EVM to IFRS basis for SST.
- The increase in collective investment schemes reflects a reclassification of collective investment schemes previously reported as participations (offset see in Note 1). Moreover, positive investment contributions as well as new subscriptions into the collective investment schemes further supported the increase, partially offset by unfavourable foreign exchange impacts.
- Following the transition from EVM to IFRS basis for SST, the decrease in other investments reflects a reclassification to fixed income securities (offset see in Note 2).
- The increase in receivables from derivative financial instruments was mainly due to change in accounting treatment from netting to reporting gross amounts following the transition from EVM to IFRS basis for SST (offset see in Note 18).
- The increase in deposits made under assumed reinsurance contracts mainly related to higher volumes of Property & Casualty Reinsurance business with external cedants and IGR agreements with affiliated companies.
- The decrease in cash and cash equivalents was due to the net sale of cash equivalents.
- Following the transition from EVM to IFRS basis for SST, the pipeline premiums and commissions were reclassified out of the payables and receivables lines into best estimate of liabilities (see lines receivables from insurance business, liabilities from insurance business, share of technical provisions from reinsurance, best estimate of insurance liabilities).
- The decrease in share of technical provisions from reinsurance life was furthermore supported by the run-off of the US closed book business retroceded to an affiliated entity.
- In addition to the impacts described in Note 9, the decrease in share of technical provisions from reinsurance non-life was partially offset by the retrocession of natural catastrophe losses in Canada to an affiliated entity as well as by increased business volumes retroceded to affiliated entities.
- The decrease in other receivables reflects lower receivables for securities in transit and the reclassification of accrued interest to accrued assets (offset see in Note 14).
- Following the transition from EVM to IFRS basis for SST, non-cash collateral held from securities lending transactions previously reported under other assets and corresponding obligation to return the collateral previously reported under other liabilities were derecognised from the balance sheet (offset see in Note 20).
- The increase in accrued assets was driven by a reclassification of accrued interest from line other receivables (offset see in Note 12).
- In addition to the impacts described in Note 9, the decrease in best estimate of insurance liabilities life reflects favourable foreign exchange and interest rate movements. This was partially offset by the impact of valuation updates due to the transition to IFRS and unfavourable assumption updates and experience variance across regions.

16. The decrease in best estimate of insurance liabilities non-life due to the reallocation of pipeline premiums and commissions was partially offset by reserving actions on the US casualty business for prior underwriting years, large loss experience and increased business volumes with external cedants across multiple regions.
17. The increase in interest-bearing liabilities was mainly due to a net increase of intra-group loans.
18. The increase in liabilities from derivative financial instruments was mainly due to the change in accounting treatment from netting to reporting gross amounts in IFRS compared to EVM (offset see in Note 6).
19. The decrease in deposits retained on ceded reinsurance mainly follows the decreased statutory reserve of the US closed book business retroceded to an affiliated entity.
20. The decrease in other liabilities was mainly due to change in accounting treatment of non-cash collaterals and related obligations following the transition from EVM to IFRS as basis for SST (offset see in Note 13). This was further driven by a decrease on payables related to cash pooling arrangements.

SST balance sheet comparison with Swiss statutory

The SST balance sheet comparison with the audited Swiss statutory financial statements provides insights into the main valuation and scope differences.

An overview of the main valuation and scope differences and the definition of the aggregated line items are included in the [Appendix](#) to this Report.

Assets

USD millions	Swiss Statutory	SST	Difference
Real estate			n/a
Investments in subsidiaries and affiliated companies	27 892	31 428	3 536
Fixed income securities	27 414	26 259	-1 155
Loans	10 688	11 870	1 182
Mortgages		332	332
Equity securities	122	133	11
Other investments	20 821	19 497	-1 325
Investments for unit-linked and with-profit business			n/a
Cash and cash equivalents	157	1 156	999
Funds held by ceding companies and other receivables from reinsurance	45 146	33 156	-11 990
Re/insurance recoverable from retrocessions	16 350	7 475	-8 875
Other assets	9 181	6 367	-2 815
Total assets	157 771	137 672	-20 100

Investments in subsidiaries and affiliated companies

Differences in scope: SST only includes the investments in fully consolidated companies, while statutory reporting includes investments in non-consolidated companies too.

Differences in valuation: SST reports investments in subsidiaries and affiliated companies at market conform value. In statutory reporting, investments in subsidiaries and affiliated companies are carried at cost, less necessary and legally permissible depreciation, fixed at historic FX rates. Furthermore, in statutory reporting, for valuation purposes, subsidiaries are grouped when a close business link exists and a similarity in nature is given.

Fixed income securities

Differences in scope: The distinction between fixed income securities, short-term investments and cash and cash equivalent is based on the remaining duration in SST, and on initial duration in statutory reporting.

Differences in valuation: SST carries fixed income securities at market value. In statutory reporting, fixed income securities are valued at their amortised cost less necessary depreciation to address other than temporary market value decreases.

Loans

Differences in valuation: In SST, intra-group loans are valued by discounting future estimated cash flows at risk-free rates. Under statutory reporting those loans are generally carried at nominal value. Value adjustments are recorded where the expected recovery value is lower than the nominal value. Infrastructure and commercial mortgage loans issued at nominal value are carried at cost, and those issued below nominal value are measured at present value, based on the effective interest rate method.

Mortgages

Differences in scope: Under statutory reporting external commercial mortgage loans are reported under loans.

Equity securities

Differences in scope: For SST, some shares in public equity investment funds are included in equity securities. Under statutory reporting, those shares are part of other investments.

Differences in valuation: SST values equity securities at market value. In statutory reporting, equity securities are carried at the lower of cost or market value.

Other investments

Differences in scope: The distinction between short-term investments, included in other investments, fixed income securities and cash and cash equivalent is based on the remaining duration at time of purchase in SST, and on initial duration in statutory reporting. In SST, other investments include investments in non-consolidated subsidiaries and affiliated companies, while in statutory reporting these are reported as investments in subsidiaries and affiliated companies.

Differences in valuation: SST reports other investments such as investment funds, private equities or hedge funds at market value. In statutory reporting, these investments are generally valued at the lower of cost or market value.

Cash and cash equivalents

Differences in scope: The distinction between cash and cash equivalent, short-term investments and fixed income securities is based on the remaining duration at time of purchase in SST, and on initial duration in statutory reporting.

Funds held by ceding companies and other receivables from reinsurance

Differences in scope: In SST the additional provision for bad debts is part of the best estimate liabilities while for statutory reporting it is part of the receivables from reinsurance.

Differences in valuation: In SST, funds held by ceding companies for which an interest is credited are valued by discounting future estimated cash flows at risk-free rates. Under statutory reporting, funds held are generally measured at the consideration received or at market value of the underlying assets. Furthermore, in SST policy loans for corporate-owned life insurance, included in the funds held, are valued by discounting future estimated cash flows at risk-free rates as well. Under statutory reporting, those loans are carried at nominal value. In statutory reporting, receivables from reinsurance include the receivable on deposit accounted business, while in SST this is part of the best estimate liabilities.

Re/insurance recoverable from retrocessions

Differences in valuation: Same principles apply as for re/insurance liabilities before retrocession described below.

Other assets

Differences in valuation: In SST, other assets are measured at fair value. In statutory reporting, other assets are generally carried at nominal value. For statutory reporting, assets in derivative financial instruments are held at market value. All derivative financial instruments have an observable market price and are traded in an active and liquid market. These derivative financial instruments are held to hedge SRZ's own risks and those of its subsidiaries and affiliated companies. Deferred acquisition costs are not valued for SST. In SST, assets related to securities lending and repurchase agreements are represented on a gross basis on the balance sheet with a corresponding payable in liabilities, whereas in statutory reporting these positions are presented on a net basis under certain criteria.

Liabilities

USD millions	Swiss Statutory	SST	Difference
Re/insurance liabilities before retrocession	103 666	65 723	-37 943
Unit-linked and with-profit liabilities			n/a
Debt	11 724	11 760	36
Funds held under reinsurance treaties	6 746	8 254	1 508
Other liabilities	22 154	19 490	-2 664
Total liabilities	144 290	105 227	-39 063

Re/insurance liabilities before retrocession

Differences in valuation: SST uses best estimates to value the re/insurance liabilities and adds the market value margin as a liability. There is no market value margin under statutory reporting. Statutory reporting values reinsurance liabilities at best estimates, and for life and health business requires provisions for adverse deviations. For non-life business, statutory reporting allows for an equalisation provision. Other valuation differences arise from the discounting of the liability cash flows. In SST, liabilities are generally discounted using current market risk-free rates. Under statutory reporting, discounting of life and health technical provisions generally uses asset-consistent yields, whereas there is generally no discounting for non-life business. It should also be noted that in some instances certain additional methodological differences may exist between the two valuation bases.

For more details on the general differences in valuation of re/insurance liabilities, refer to the table in the methodology section in the Appendix.

Differences in scope: SST reports reinsurance liabilities before retrocession including first of January recognition adjustments for intra-group transactions, if applicable, while statutory reports year-end figures.

Debt

Differences in valuation: Debt not qualified as SST supplementary capital is valued on a market conform basis excluding the impact of Swiss Re's own credit risk. SST supplementary capital instruments are fair valued considering the impact of own credit risk. In statutory reporting, debt is carried at nominal value.

Funds held under reinsurance treaties

Differences in valuation: Same principles apply as for funds held by ceding companies before retrocession described above.

Other liabilities

Differences in valuation: In SST, no specific provision is made for currency fluctuations. In statutory reporting, a provision for currency fluctuation comprises the net effect of foreign exchange gains and losses arising from the revaluation of the balance sheet at year-end. Derivative financial instruments are measured at fair value under SST. In statutory reporting, liabilities in derivative financial instruments are held at market value. All derivative financial instruments have an observable market price and are traded in an active and liquid market. These derivative financial instruments are held to hedge own risks and those of its subsidiaries and affiliated companies.

Capital management

SRZ is the main direct wholly owned operating subsidiary of Swiss Re Ltd. SRZ in turn holds separate holding companies for its reinsurance business (Business Units Property & Casualty Reinsurance and Life & Health Reinsurance), Corporate Solutions, as well as for the Division iptiQ.

The risk tolerance respectability criteria for the Swiss Re Group are set out in the Group Risk Policy. The Group and SRZ Boards are responsible for approving the risk tolerance criteria, as well as for monitoring and reviewing risk tolerance. To ensure the resilience of SRZ as the main operating entity from a capital and liquidity perspective, Swiss Re's risk tolerance criteria include resilience limits for SRZ to ensure that the main operating entity is able to withstand capital and liquidity stresses.

Change in shareholder's equity – Swiss statutory

CHF millions	Share capital	Legal capital reserves	Legal profit reserves	Voluntary profit reserves	Profit brought forward	Net income/ loss for financial year	Total shareholder's equity
Shareholder's equity 1.1.2023	34	5 330	650	6 646	-308	-581	11 771
Allocations relating to the dividend paid		-1 104		1 104			0
Loss offsetting				-889	308	581	0
Dividend for the financial year 2022				-1 104			-1 104
Contribution in-kind in 2023 ¹		1					1
Net income for the financial year						4 206	4 206
Shareholder's equity 31.12.2023	34	4 227	650	5 757	0	4 206	14 874
Shareholder's equity 1.1.2024	34	4 227	650	5 757		4 206	14 874
Allocations relating to the dividend paid		-1 449		2 449	3 206	-4 206	0
Loss offsetting							
Dividend for the financial year 2023				-1 449			-1 449
Contribution in-kind in 2024 ²		35					35
Net loss for the financial year						-1 244	-1 244
Shareholder's equity 31.12.2024	34	2 813	650	6 757	3 206	-1 244	12 216

¹ Contribution in-kind of Swiss Re Finance (UK) Plc on 16 May 2023 from the parent company Swiss Re Ltd.

² Contribution in-kind of Swiss Re Management (US) Corporation from the parent company Swiss Re Ltd on 18 November 2024 and subsequent contribution in-kind to Swiss Re Reinsurance Holding Company Ltd on the same day.

Shareholder's equity

Shareholder's equity decreased from CHF 14 874 million as of 31 December 2023 to CHF 12 216 million as of 31 December 2024.

The net decrease of CHF 2 658 million was driven by the net loss for the financial year 2024 of CHF 1 244 million, as well as by a cash dividend payment for the financial year 2023 of CHF 1 449 million, partly offset by a contribution in-kind of Swiss Re Management (US) Corporation from the parent company Swiss Re Ltd of CHF 35 million, which was subsequently contributed in-kind to Swiss Re Reinsurance Holding Company Ltd on the same day.

Solvency

SRZ uses a full internal risk model to determine the economic capital required to support the risks on its book, as well as to allocate risk-taking capacity to the different lines of business. The model also provides the basis for capital cost allocation, which is used for pricing, profitability evaluation and compensation decisions. In addition to these internal purposes, the model is used to determine regulatory capital requirements under economic solvency frameworks such as SST and Solvency II.

For more information, see the *Internal control system and risk model* section in the Risk management (Online Only) download of the 2024 Annual Report.

In 2017, FINMA approved Swiss Re's internal model and its components for SST reporting purposes under their revised model review process.

Since SST 2024, the following major model changes have been implemented and approved by FINMA for SST 2025:

- Lapse risk: Inclusion of previously unmodelled mass lapse transactions into the exposure. The lapse model was adapted to include additional factors and lapse groups were updated to better capture dependencies.
- Changes related to the transition to IFRS:
 - Assumption updates and other actuarial changes in IFRS, which were also applied to SST liability valuation.
 - Update of certain valuation methodologies regarding contract boundaries for certain external retrocessions, Investment Expense Reserve methodology, Group Overhead Expense methodology, Counterparty Credit Risk methodology, and Other Assets and Liabilities.
 - Introduction of a new SST valuation engine to calculate SST Best Estimate Liabilities, which required an adaptation of the data source for computing required capital and market value margin.

These changes were approved by FINMA on a temporary basis for use in SST 2025 as part of a transition model.

Solvency

SRZ's capital position remained strong, with the SST 2025 ratio at 233%. Compared to SST 2024, the ratio decreased by 9pp, mainly driven by a one-off impact of the transition from EVM to IFRS basis for SST and unfavourable underwriting contribution mainly from Life & Health Reinsurance. These impacts were partially offset by a strong investment result and positive underwriting contribution in Property & Casualty Reinsurance and Corporate Solutions.

The ratio is calculated as SST risk-bearing capital (SST RBC) divided by SST target capital (SST TC).

Solvency overview

SST 2025 in USD millions

SST RBC

35 550

SST TC

15 274

= 233%

SST 2024¹ in USD millions

SST RBC

36 778

SST TC

15 207

= 242%

SST RBC: SST risk-bearing capital

SST TC: SST target capital

¹ Amended, given the implementation of the methodology to derive the SST target capital required correction. In the past, the expected change in SST risk-bearing capital (RBC), which is deducted from total risk to derive the target capital, did not factor in the discounting of the expected RBC when implemented.

SST risk-bearing capital

The SST RBC is derived from the market conform value of assets minus market conform value of liabilities before market value margin (MVM) and market value margin of subsidiaries, which is adjusted for the items shown in the table below:

USD millions	SST 2024	SST 2025	Change
Market conform value of assets minus market conform value of liabilities before MVM and MVM of subsidiaries	44 564	42 848	-1 716
Market value margin	-4 288	-4 248	40
Market value margin of subsidiaries	-7 217 ¹	-6 155	1 062
Market conform value of assets minus market conform value of liabilities	33 059	32 445	-614
Deductions	-2 108	-2 327	-219
SST net asset value	30 951	30 118	-833
Tier 1 risk-absorbing capital instruments counted towards core capital			n/a
SST core capital	30 951	30 118	-833
Supplementary capital	5 827	5 432	-395
SST risk-bearing capital	36 778	35 550	-1 228

¹ Amended due to updated discounting methodology for MVM of subsidiaries.

The decrease in SST net asset value to USD 30.1 billion was mainly driven by a negative underwriting contribution, dividend accrual and other contributions, partially offset by a positive investment contribution, capital contributions received and a reduction in market value margin of subsidiaries.

The overall contribution from underwriting activities was negative, mainly reflecting a one-off impact of the transition from EVM to IFRS basis for SST, as well as unfavourable assumption updates in Life & Health Reinsurance. This was partially offset by positive

underwriting performance from Property & Casualty Reinsurance and Corporate Solutions:

- The Property & Casualty Reinsurance positive underwriting contribution was mainly driven by strong renewals mainly from the property and specialty lines of business, coupled with large natural catastrophe losses being lower than expected. This was partially offset by US liability reserve additions. The large natural catastrophe events in 2024 included hurricanes Milton, Debby and Helene, the Calgary hailstorm, Storm Boris in Europe and flooding in the Gulf region.
- The Life & Health Reinsurance negative underwriting contribution was mainly caused by unfavourable assumption updates and experience across regions and two external retrocession deals. This was partially offset by new business contributions.
- The Corporate Solutions positive underwriting contribution was driven by profitable new business growth, in particular for the property and credit & surety lines of business. This was further supported by benign man-made loss experience. The large natural catastrophe losses in 2024 included Tropical Cyclone Megan, hurricanes Milton and Helene and the Calgary hailstorm.
- The Group items negative underwriting contribution mainly reflected adverse experience in iptiQ.

The positive investment contribution was driven by current investment income, credit spread tightening as well as positive equity and real estate performance. This was partially offset by the negative impact of higher interest rates.

Capital contribution reflects capital injections received from the parent entity as well as the contribution in kind of an affiliated entity.

Other contributions were negative, mainly reflecting incurred operating expenses broadly in line with expectations, as well as taxes and trademark licence fees.

Foreign exchange impacts were negative and were mostly driven by the appreciation of the US dollar against major currencies.

The decrease in market value margin was driven by updated inflation economic scenarios, the depreciation of major currencies against the US dollar and exposure updates, mainly for Asia critical illness business. These impacts were partially offset by lower interest rates in Chinese yuan. The decrease in the market value margin of subsidiaries was driven by higher interest rates, the transition to IFRS, the appreciation of the US dollar against major currencies and updated inflation economic scenarios, partially offset by reserve strengthening in the property and casualty line of business.

Deductions mainly reflect the projected dividend (to be paid in 2025, subject to AGM 2025 approval) as well as deferred and transactional real estate specific taxes.

The decrease in supplementary capital was mainly driven by the redemption of two instruments, partially offset by the issuance of a new supplementary capital instrument.

SST target capital

To derive SST target capital, total risk is adjusted for the line item Other impacts as shown below.

USD millions	SST 2024	SST 2025	Change
Total risk	20 058	18 669	-1 389
Other impacts	-4 850 ¹	-3 395	1 455
SST target capital	15 207	15 274	67

¹ Amended, given the implementation of the methodology to derive the SST target capital required correction. In the past, the expected change in SST risk-bearing capital (RBC), which is deducted from total risk to derive the target capital, did not factor in the discounting of the expected RBC when implemented.

SST target capital increased slightly to USD 15.3 billion, as the decrease in total risk was partially offset by an increase in Other impacts (see [Risk profile](#) for details).

Supplementary capital outlook

In accordance with Art. 34 para. 3 letter a ISO, SRZ has three supplementary capital instruments with optional redemption dates within the next 12 months:

- The 2.60% Perpetual subordinated fixed-to-floating rate callable loan notes issued by SRZ, with a market value as of 31 December 2024 of USD 777 million;
- An internal loan in respect of the 3.125% Subordinated fixed rate reset callable notes issued by Swiss Re Finance (UK) Plc and guaranteed by Swiss Re Ltd, with a market value as of 31 December 2024 of USD 256 million; and
- An internal loan in respect of the 5.75% Subordinated fixed-to-floating rate non step-up callable loan notes issued by Swiss Re Ltd, with a market value as of 31 December 2024 of USD 714 million.

Further information in respect of these public debt instruments is available under www.swissre.com/investors/debt.html.

Swiss Re Nexus Reinsurance Company Ltd

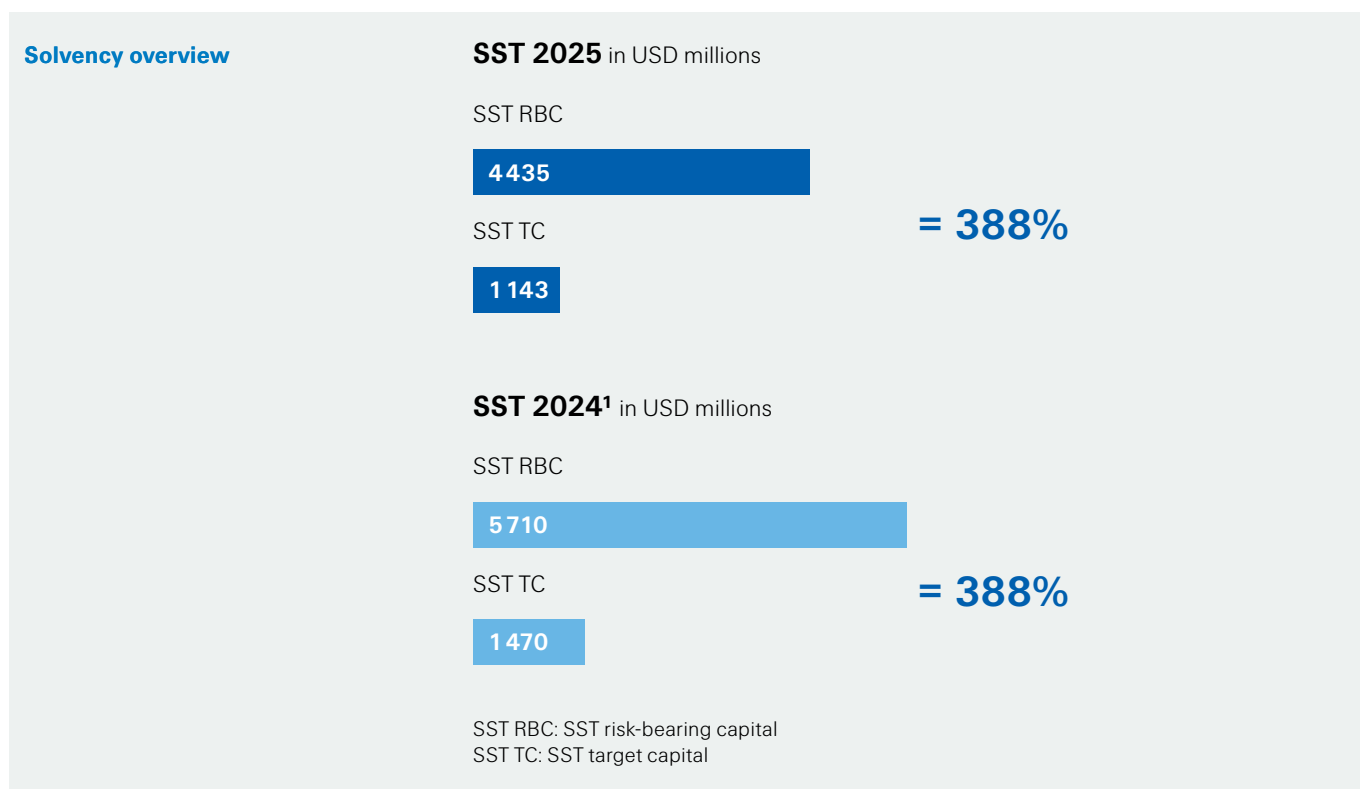
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Management summary

In SST 2025, the capital position of Swiss Re Nexus Reinsurance Company Ltd (SRN) remained very strong, with an SST ratio of 388%, unchanged compared to SST 2024¹. The ratio benefitted from the favourable net effect of interest rates movement and the appreciation of the US dollar. This increase was offset mainly by the projected dividend payment and a one-off impact of the transition from EVM to IFRS basis for SST.

The SST ratio is calculated as SST risk-bearing capital (SST RBC) divided by SST target capital (SST TC).

This Report provides qualitative and quantitative information about the financial condition of SRN.



¹ Amended, given the implementation of the methodology to derive the SST target capital required correction. In the past, the expected change in SST risk-bearing capital (RBC), which is deducted from total risk to derive the target capital, did not factor in the discounting of the expected RBC when implemented.

Business activities	In this section, we provide information about the business model, the strategy and significant events. > Read more
Performance	We present the performance of the year under review based on the Swiss statutory income statement. > Read more
Governance and risk management	This section provides an overview of the system of governance, key governing bodies, risk management systems and policies. > Read more
Risk profile	The main components of the total risk calculated under SST are discussed in this section. > Read more
Valuation	In this section, we provide the SST balance sheet and additional quantitative and qualitative explanations on differences to the audited statutory financial statements of SRN. > Read more
Capital management	SRN's capital management strategy and key changes in 2024 are discussed in this section. > Read more
Solvency	This section presents SRN's SST calculation and includes explanations on changes compared to the prior year. > Read more

Life and health and property and casualty business

Business activities

Market environment

The life reinsurance market grew in 2024. Cession rates have been increasing globally, driven by factors such as streamlined underwriting by life insurers, and reinsurers providing new services. SRN's L&H book consists mainly of in-force business, new business is limited to Canada and EMEA.

The global property and casualty reinsurance remained in a hard market in 2024. For property and casualty business, pricing remained strong or slightly higher in all areas throughout 2024. Underwriting remained disciplined with terms and conditions kept tight and retention rates elevated, particularly for catastrophe covers.

Outlook

Underwriting conditions are expected to remain favourable in the property and casualty reinsurance sector, driven by strong underwriting results in 2024 and increasing reinsurance capacity.

Investments

Strategy and priorities

Financial investments are managed in accordance with the Swiss Re's Asset Management Framework and SRN's investment guidelines, which are intended to ensure compliance with regulatory requirements. The general principle governing the management of investments in SRN is the creation of economic value based on returns relative to the liability benchmark, while adhering to the investment guidelines and the prudent person principle. The liability benchmark is determined by approximating an investable benchmark from projected liability cash flows.

Outlook

Global economic conditions in 2025 will be impacted by geopolitical and macroeconomic uncertainty, including changing trade conditions and diverging monetary policies. Policy changes under the new US administration (eg taxes, tariffs, fiscal spending) have the potential to increase inflationary pressures and to impact global growth while also limiting central bank flexibility to further reduce interest rates.

SRN sees sovereign bond yields remaining at higher levels compared to the last decade. Policy and geopolitical uncertainty will increase market volatility.

About SRN

SRN, domiciled in Zurich, Switzerland, is a wholly owned subsidiary of Swiss Re Reinsurance Holding Company Ltd, whose ultimate parent company is Swiss Re Ltd, both domiciled in Zurich, Switzerland. SRN acts as operating reinsurance carrier to facilitate a sustainable intra-group retrocession (IGR) structure for Swiss Re's global reinsurance franchise.

Claims on and obligations towards affiliated companies – Swiss statutory

CHF millions	2023	2024
Funds held by ceding companies	6 547	5 265
Premiums and other receivables from reinsurance	1 235	1 476
Other receivables	758	821
Debt	526	
Reinsurance balances payable	339	652
Other liabilities	7	7

Share capital and major shareholder

The share capital of SRN amounted to CHF 10 million. It is divided into 10 000 registered shares, each with a nominal value of CHF 1 000. The shares were fully paid-in and held directly by Swiss Re Reinsurance Holding Company Ltd. As of 31 December 2024 and 2023, SRN was a wholly owned subsidiary of Swiss Re Reinsurance Holding Company Ltd.

Structured entities

SRN has no off-balance sheet positions or risks transferred to special purpose vehicles.

Significant events

SRN recorded a net gain for 2024 of CHF 653 million, compared to a net loss of CHF 381 million in 2023, mainly driven by the one-off gain from Swiss Reinsurance Company Ltd (SRZ) recapturing the US yearly renewable term life and health business (YRT) and favourable experience in the life and health business for US closed book and Canada. This was partly offset by losses from natural catastrophe events in Canada as well as by the restructuring of the EMEA life and health IGR.

With CHF 3 125 million, the total shareholder's equity of SRN remained strong as of 31 December 2024.

Report of the statutory auditor

In 2024, KPMG AG was the auditor of SRN. For more information, see the [Report of the statutory auditor](#).

Performance

Income statement – Swiss statutory

CHF millions	Total		Life		Accident & Health		Motor		Property		Casualty		Miscellaneous	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Reinsurance														
Premiums written gross	2 249	2 245	1 479	1 488	373	346	7	6	348	365	32	29	10	10
Premiums written retroceded	-254	-284	-182	-172					-72	-112				
Premiums written net	1 995	1 961	1 297	1 316	373	346	7	6	276	254	32	29	10	10
Change in unearned premiums gross	-26	13	-3	8	2	-2	-1		-21	7	-3	1		
Change in unearned premiums retroceded	2	-1							2	-1				
Premiums earned	1 971	1 973	1 293	1 324	376	344	6	6	257	259	29	30	10	9
Other reinsurance revenues	445	1 068	392	1 035	53	33								
Total revenues from reinsurance business	2 416	3 041	1 685	2 358	429	377	6	6	257	259	29	30	10	9
Claims paid and claim adjustment expenses gross	-216	-3 604	249	-3 178	-360	-356		-4	-103	-64		-1	-2	-1
Claims paid and claim adjustment expenses retroceded	83	112	83	112										
Change in unpaid claims and life and health benefits gross	-1 566	1 323	-1 621	1 556	86	85	-8		-5	-284	-15	-17	-3	-16
Change in unpaid claims and life and health benefits retroceded	21	-6	21	-6										
Change in unpaid claims for unit-linked life insurance														
Claims incurred	-1 678	-2 174	-1 268	-1 515	-274	-272	-8	-4	-108	-347	-15	-18	-5	-17
Acquisition and operating costs gross	-301	-381	-144	-216	-78	-79	-1	-1	-66	-72	-9	-10	-3	-3
Acquisition and operating costs retroceded	50	47	50	47										
Acquisition and operating costs net	-251	-334	-94	-169	-78	-79	-1	-1	-66	-72	-9	-10	-3	-3
Other reinsurance expenses	-770	-12	-766	-3	-4	-8								
Total expenses from reinsurance business	-2 699	-2 520	-2 128	-1 688	-356	-359	-9	-5	-174	-419	-24	-28	-8	-20
Investment income	113	134												
Investment expenses	-22	-19												
Investment result	91	115	0	0	0	0	0	0	0	0	0	0	0	0
Investment result from unit-linked life insurance														
Other financial income	34	42												
Other financial expenses	-22	-22												
Operating result	-180	656	0	0	0	0	0	0	0	0	0	0	0	0
Interest expenses on debt and subordinated liabilities														
Other income		1												
Other expenses	-201	-4												
Extraordinary income and expenses														
Income before income tax expense	-381	653	0	0	0	0	0	0	0	0	0	0	0	0
Income tax expense														
Net income/loss	-381	653	0	0	0	0	0	0	0	0	0	0	0	0

Reinsurance result

Total revenues and expenses amounted to a gain of CHF 521 million in 2024, compared to a loss of CHF 283 million in 2023.

Life and health total revenues and expenses increased from a loss of CHF 370 million in 2023 to a gain of CHF 689 million in 2024, mainly driven by the restructuring of the US YRT business across both years, resulting in a gain of CHF 714 million in 2024, compared to a loss of CHF 731 million in 2023. This was partly offset by unfavourable assumption updates.

Property and casualty total revenues and expenses decreased from a gain of CHF 87 million in 2023 to a loss of CHF 168 million in 2024, mainly driven by natural catastrophe events in Canada, including hurricane Debby and the Calgary hailstorm, only partly offset by the release of the equalisation provision.

Premiums earned remained stable with CHF 1 971 million in 2023 and CHF 1 973 million in 2024 and also remained stable across all IGR agreements.

Other reinsurance revenues increased from CHF 445 million in 2023 to CHF 1 068 million in 2024, largely driven by the gain from the recapture of the US YRT business.

Claims incurred increased from CHF 1 678 million in 2023 to CHF 2 174 million in 2024, mainly due to natural catastrophe experience in Canada.

Property and casualty claims paid and claim adjustment expenses net decreased from CHF 106 million in 2023 to CHF 70 million in 2024, following the natural catastrophe losses in Canada, as well as the full release of the equalisation provision in 2024.

Property and casualty change in unpaid claims net increased from CHF 31 million in 2023 to CHF 318 million in 2024, mainly due to the natural catastrophe losses in Canada.

Life and health claims paid and claim adjustment expenses net increased from CHF 27 million in 2023 to CHF 3 422 million in 2024, mainly due to the US YRT restructuring across both years. This impact was fully offset in change in life and health benefits and unpaid claims.

Change in unpaid claims and life and health benefits led to an income of CHF 1 635 million in 2024, compared to an expense of CHF 1 514 million in 2023, mainly driven by the US YRT restructuring across both years, which were fully offset in claims paid and claim adjustment expenses.

Acquisition and operating costs net increased from CHF 251 million in 2023 to CHF 334 million in 2024, mainly due to the restructuring of the EMEA life and health IGR.

Other reinsurance expenses decreased from CHF 770 million in 2023 to CHF 12 million in 2024. The comparative period 2023 was impacted by losses from the restructuring of the US YRT business and recapture of several life and health treaties.

Investment result

Investment result increased from CHF 91 million in 2023 to CHF 115 million in 2024, driven by increased regular income from fixed income securities and short-term investments, benefitting from the improved market yields' environment in 2024.

Investment result – Swiss statutory

CHF millions	Income	Value readjustments	Realised gains	2024 Total
Investment income				
Fixed income securities	97		3	100
Other investments	34			34
Income from investment services				
Investment income	131	0	3	134
Investment expenses				
Fixed income securities		-1	-5	-6
Other investments		-1		-1
Investment management expenses	-12			-12
Investment expenses	-12	-2	-5	-19
Investment result				115

CHF millions	Income	Value readjustments	Realised gains	2023 Total
Investment income				
Fixed income securities	91		3	94
Other investments	19		0	19
Income from investment services	0			0
Investment income	110	0	3	113
Investment expenses				
Fixed income securities		-3	-4	-7
Other investments			0	0
Investment management expenses	-15			-15
Investment expenses	-15	-3	-4	-22
Investment result				91

Board of Directors and Executive Management

Governance and risk management

Board of Directors

- Giovanni Gentile, Chairman
- Natalie Kelly, Member of the Board of Directors
- Jennifer Mo Parets, Member of the Board of Directors
- Christian Herzog, Member of the Board of Directors
- Knut Pohlen, Member of the Board of Directors
- Felix Stutz, Member of the Board of Directors

Changes in 2024

Natalie Kelly has been elected as Member of the Board of Directors as of 2 April 2024. Torben Thomsen stepped down as Member of the Board of Directors as of 28 March 2024.

Executive Management

- Sebastian Strasser, Chief Executive Officer, Member of the Executive Committee
- Tushar Chatterjee, Chief Risk Officer, Member of the Executive Committee
- Urs Spring, Chief Financial Officer, Member of the Executive Committee
- Colin Bannister, Appointed Actuary, not Member of the Executive Committee

Changes in 2024

There were no changes to the Executive Management in 2024.

Governance and risk management

As a major legal entity within the Swiss Re Group, SRN is subject to enhanced governance which includes the following requirements:

- Establish bylaws and terms of reference, outlining the roles and responsibilities of both the Board and management
- Establish an Audit Committee
- Designate a Chief Risk Officer and Chief Financial Officer

All risk-related activities of SRN are subject to Swiss Re's risk management framework, which includes:

- An independent Risk Management function responsible for risk oversight and control across Swiss Re and comprises global departments that provide specialised risk expertise and oversight.
- A clearly defined risk control framework which comprises a body of standards that establish an internal control system for taking and managing risk.

Moreover, risk management activities at SRN are complemented by Swiss Re's Group Internal Audit and Compliance units.

Swiss Re's 2024 Annual Report describes the governance and risk management framework for the Group and its legal entities. For more information, refer to the [Group Governance and risk management section > Read more](#).

Risk profile

SRN is exposed to insurance and financial risks, as well as other risks that are not explicitly part of the economic capital requirement and are actively monitored and controlled. These include operational, liquidity, model, valuation, regulatory, political and strategic risks (see *Swiss Re's risk landscape*, 2024 Annual Report, pages 62–63).

Life and health risk is mainly driven by mortality trend, lapse and lethal pandemic risks. Property and casualty risk mainly arises from natural catastrophe and business with exposure to terrorism risks.

The financial risk of SRN derives from both financial market risk and credit risks. Key drivers of financial market risk are foreign exchange, credit spread and interest rate risks. Credit risk is mainly driven by the default risk on capital market products.

Total risk is based on 99% tail value-at-risk (tail VaR) and represents the average unexpected loss that occurs with a frequency of less than once in 100 years over a one-year time horizon.

USD millions	SST 2024	SST 2025	Change
Life and health	1 251	1 078	-173
Property and casualty	729	595	-134
Financial market	672	562	-110
Credit ¹	114	105	-9
Diversification	-1 173	-999	174
Total risk	1 593	1 342	-252

¹ Credit comprises credit default and migration risk from both asset management and underwriting. It excludes credit spread risk, which is part of financial market risk.

Total risk decreased to USD 1.3 billion, driven by decrease in each risk category.

- The decrease in life and health risk was mainly driven by the depreciation of major currencies against the US dollar, as well as the impact of higher longer terms interest rates.
- The decrease in property and casualty risk was also mainly driven by the depreciation of the Canadian dollar against the US dollar.
- Financial market risk declined primarily due to lower foreign exchange risk, driven by the updated currency composition of the Risk-bearing capital due to the projected dividend.
- Credit risk has slightly decreased, mainly driven by lower credit exposure.

Swiss Re's internal model takes account of the accumulation and diversification between individual risks. The effect of diversification at the category level, which is shown in the table above, represents the difference between total risk (99% tail VaR) and the sum of standalone tail VaR amounts for the individual risk categories. This amount does not reflect diversification within risk categories.

Operational risk

SRN uses a Group-wide risk matrix methodology and Swiss Re's Global Risk Register to capture operational risks. The methodology focuses on risks that approach or exceed SRN's own risk tolerance, as these require management actions. Adherence to risk tolerance is monitored and reported at least on a quarterly basis. The overall control environment within SRN remains adequate.

Other significant risks

For details on other significant risks, including liquidity, model, valuation, regulatory, political, strategic and sustainability risks, see the Group's 2024 Annual Report sections on *Liquidity Management* on page 54, *Swiss Re's risk landscape* on pages 62–63, and *Management of other significant risks* on pages 68–70.

Risk concentration

Among tested financial market sensitivities, SRN's SST ratio is most sensitive to a 50-basis point decrease in interest rates.

Risk mitigation

SRN's risk limit framework consists of risk limits and risk triggers.

Valuation

SST balance sheet

The SRN SST 2025 balance sheet was prepared for the first time using IFRS as a basis. The SRN SST 2024 balance sheet was prepared in accordance with Swiss Re's internal Economic Value Management (EVM) framework. The change from EVM to IFRS basis for SST led to a one-off transition impact as well as to several reclassifications and alignments to IFRS in comparison to the previous period.

The difference between assets and liabilities is defined as the market conform value of assets minus market conform value of liabilities, which is the basis for the calculation of the SST risk-bearing capital.

The SST valuation methodology is further described in the > [Appendix](#) of this Report.

USD millions		Notes	SST 2024	SST 2025	Change
Market conform value of investments	Real estate				n/a
	Participations				n/a
	Fixed income securities	1	2 824	3 419	595
	Loans				n/a
	Mortgages				n/a
	Equities				n/a
	Other investments		505	41	-464
	Collective investment schemes				n/a
	Alternative investments				n/a
	Structured products				n/a
	Other investments	2	505	41	-464
	Total investments		3 328	3 460	132
Market conform value of other assets	Financial investments from unit-linked life insurance				n/a
	Receivables from derivative financial instruments			0	0
	Deposits made under assumed reinsurance contracts	3	8 338	7 388	-950
	Cash and cash equivalents	4	25	178	153
	Share of technical provisions from reinsurance		-260	-217	43
	Direct insurance: life insurance business (excluding unit-linked life insurance)				n/a
	Reinsurance: life insurance business (excluding unit-linked life insurance)	5	-260	-217	43
	Direct insurance: non-life insurance business				n/a
	Reinsurance: non-life insurance business				n/a
	Direct insurance: health insurance business				n/a
	Reinsurance: health insurance business				n/a
	Direct insurance: other business				n/a
	Reinsurance: other business				n/a
	Direct insurance: unit-linked life insurance business				n/a
	Reinsurance: unit-linked life insurance business				n/a
	Fixed assets				n/a
	Deferred acquisition costs				n/a
	Intangible assets				n/a
	Receivables from insurance business	6	1 532	526	-1 006
	Other receivables		924	910	-14
	Other assets			1	1
Unpaid share capital				n/a	
Accrued assets			19	19	
	Total other assets		10 559	8 805	-1 754
	Total market conform value of assets		13 887	12 265	-1 622

USD millions		Notes	SST 2024	SST 2025	Change
Market conform value of liabilities (including unit-linked life insurance)	Best estimate of insurance liabilities		6 401	5 366	-1 035
	Direct insurance: life insurance business (excluding unit-linked life insurance)				n/a
	Reinsurance: life insurance business (excluding unit-linked life insurance)	7	6 208	4 950	-1 258
	Direct insurance: non-life insurance business				n/a
	Reinsurance: non-life insurance business	8	193	416	223
	Direct insurance: health insurance business				n/a
	Reinsurance: health insurance business				n/a
	Direct insurance: other business				n/a
	Reinsurance: other business				n/a
	Best estimate of unit-linked life insurance liabilities		0	0	0
	Direct insurance: unit-linked life insurance business				n/a
	Reinsurance: unit-linked life insurance business				n/a
	Market value margin	9	1 176	1 026	-150
Market conform value of other liabilities	Non-technical provisions		4		-4
	Interest-bearing liabilities		0		0
	Liabilities from derivative financial instruments		0		0
	Deposits retained on ceded reinsurance				n/a
	Liabilities from insurance business		586	677	91
	Other liabilities		9	9	0
	Accrued liabilities			1	1
	Subordinated debts				n/a
	Total market conform value of liabilities		8 177	7 079	-1 097
	Market conform value of assets minus market conform value of liabilities		5 710	5 185	-525

Notes

- Following the transition from EVM to IFRS basis for SST, the increase in fixed income securities reflects the reclassification of other investments (offset see in Note 2). The increase was further driven by the net purchase of fixed income securities, partially offset by unfavourable foreign exchange impacts on Canadian dollar denominated securities.
- Following the transition from EVM to IFRS basis for SST, the decrease in other investments mainly reflects the reclassification to fixed income securities (offset see in Note 1).
- The decrease in deposits made under assumed reinsurance contracts mainly reflects the lower funds held of the US closed book business following the statutory reserve decrease.
- The increase in cash and cash equivalents mainly reflects the net purchase of cash equivalents.
- The decrease in share of technical provisions from reinsurance life was mainly related to favourable foreign exchange impacts.
- Following the transition from EVM to IFRS basis for SST, the decrease in receivables from insurance business mainly reflects the reclassification of pipeline premiums and commissions out of the payables and receivables lines into best estimate of insurance liabilities (see offset Note 7).
- Following the transition from EVM to IFRS basis for SST, the decrease in the best estimate of insurance liabilities life mainly reflects the reclassification of pipeline premiums and commissions out of the payables and receivables lines into best estimate of insurance liabilities (see offset in Note 6), as well as the decrease in the US closed book business due to the run-off of the portfolio. These were partially offset by the impact of valuation updates due to the transition to IFRS.
- The increase in best estimate of insurance liabilities non-life was mainly due to the natural catastrophe losses in Canada, partially offset by favourable foreign exchange impacts.
- The decrease in the market value margin was mainly driven by higher interest rates and the depreciation of major currencies against the US dollar.

SST balance sheet comparison with Swiss statutory

The SST balance sheet comparison with the audited Swiss statutory financial statements provides insights on the main valuation and scope differences.

An overview of the main valuation and scope differences and the definition of the aggregated line items are included in the > [Appendix](#) to this Report.

Assets

USD millions	Swiss Statutory	SST	Difference
Real estate			n/a
Investments in subsidiaries and affiliated companies			n/a
Fixed income securities	2 439	3 419	979
Loans			n/a
Mortgages			n/a
Equity securities			n/a
Other investments	1 246	41	-1 205
Investments for unit-linked and with-profit business			n/a
Cash and cash equivalents	4	178	174
Funds held by ceding companies and other receivables from reinsurance	7 461	7 914	453
Re/insurance recoverable from retrocessions	190	-217	-407
Other assets	956	930	-26
Total assets	12 297	12 265	-32

Fixed income securities

Differences in scope: The distinction between fixed income securities, short-term investments and cash and cash equivalents is based on the remaining duration at time of purchase in SST, and on initial duration in statutory reporting.

Differences in valuation: SST carries fixed income securities at market value. In statutory reporting, fixed income securities are valued at their amortised cost less necessary depreciation to address other than temporary market value decreases.

Other investments

Differences in scope: The distinction between short-term investments, included in other investments, fixed income securities and cash and cash equivalents is based on the remaining duration at time of purchase in SST, and on initial duration in statutory reporting.

Cash and cash equivalents

Differences in scope: The distinction between cash and cash equivalents, short-term investments and fixed income securities is based on the remaining duration at time of purchase in SST, and on initial duration in statutory reporting.

Funds held by ceding companies and other receivables from reinsurance

Differences in scope: In SST, the additional provision for bad debts is part of the best estimate liabilities while for statutory reporting it is part of the receivables from reinsurance.

Differences in valuation: In SST, funds held by ceding companies for which an interest is credited are valued by discounting future estimated cash flows at risk-free rates. Under statutory reporting, funds held are generally measured at the consideration received or at market value of the underlying assets. Furthermore, in SST policy loans for corporate-owned life insurance, included in the funds held, are valued by discounting future estimated cash flows at risk-free rates as well. Under statutory reporting, those loans are carried at nominal value. In statutory reporting, receivables from reinsurance include the receivables on deposit accounted business, while in SST this is part of the best estimate liabilities.

Re/insurance recoverable from retrocessions

Differences in valuation: Same principles apply as for re/insurance liabilities before retrocession described below.

Other assets

Differences in valuation: In SST, other assets are measured at fair value. In statutory reporting, other assets are generally carried at nominal value. Deferred acquisition costs are not valued for SST.

Liabilities

USD millions	Swiss Statutory	SST	Difference
Re/insurance liabilities before retrocession	7 954	6 393	-1 561
Unit-linked and with-profit liabilities			n/a
Debt			n/a
Funds held under reinsurance treaties			n/a
Other liabilities	895	687	-208
Total liabilities	8 849	7 079	-1 769

Re/insurance liabilities before retrocession

Differences in valuation: SST uses best estimates to value the re/insurance liabilities and adds the market value margin as a liability. There is no market value margin under statutory reporting. Statutory reporting values reinsurance liabilities at best estimates and for life and health business requires provisions for adverse deviations. For non-life business, statutory reporting allows for an equalisation provision. Other valuation differences arise from the discounting of the liability cash flows. In SST, liabilities are generally discounted using current market risk-free rates. Under statutory reporting, discounting of life and health technical provisions generally uses asset-consistent yields, whereas there is generally no discounting for non-life business. It should also be noted that in some instances certain additional methodological differences may exist between the two valuation bases.

For more details on the general differences in valuation of re/insurance liabilities, refer to the table in the methodology section in the [> Appendix](#).

Differences in scope: SST reports reinsurance liabilities before retrocession including first of January recognition adjustments if applicable, while statutory reports year-end figures.

Other liabilities

Differences in valuation: In SST, no specific provision is made for currency fluctuations. In statutory reporting, a provision for currency fluctuation comprises the net effect of foreign exchange gains arising from the revaluation of the balance sheet at year-end.

Capital management

SRN has established a capital target based on SST capital, in line with the Group approach to capitalising subsidiaries. This is used as a basis for capital planning and determining capital management actions. The entity is expected to operate in a range around the target (subject to any other constraints), with any deficits addressed through capital contributions from Group or other actions.

Change in shareholder's equity – Swiss statutory

CHF millions	Share Capital	Legal capital reserves	Voluntary profit reserves	Net income/loss for the financial year	Total shareholder's equity
Shareholder's equity 1.1.2023	10	5	2 004	834	2 853
Allocations			834	-834	0
Net income/loss for the financial year				-381	-381
Shareholder's equity 31.12.2023	10	5	2 838	-381	2 472
Shareholder's equity 1.1.2024	10	5	2 838	-381	2 472
Allocations			-381	381	0
Net income/loss for the financial year				653	653
Shareholder's equity 31.12.2024	10	5	2 457	653	3 125

Shareholder's equity

Shareholder's equity increased from CHF 2 472 million as of 31 December 2023 to CHF 3 125 million as of 31 December 2024. The increase was driven by the net gain for the financial year 2024 of CHF 653 million.

Solvency

SRN uses a full internal risk model to determine the economic capital required to support the risks on its book, as well as to allocate risk-taking capacity to the different lines of business. The model also provides the basis for capital cost allocation, which is used for pricing, profitability evaluation and compensation decisions. In addition to these internal purposes, the model is used to determine regulatory capital requirements under economic solvency frameworks such as SST and Solvency II.

For more information, see the *Internal control system and risk model* section in the Risk management (Online Only) download of the 2024 Annual Report.

In 2017, FINMA approved Swiss Re's internal model and its components for SST reporting purposes under their revised model review process.

Since SST 2024, the following major model changes have been implemented and approved by FINMA for SST 2025:

- Lapse risk: Inclusion of previously unmodelled mass lapse transactions into the exposure. The lapse model was adapted to include additional factors and lapse groups were updated to better capture dependencies.
- Changes related to the transition to IFRS:
 - Assumption updates and other actuarial changes in IFRS, which were also applied to SST liability valuation.
 - Update of certain valuation methodologies regarding contract boundaries for certain external retrocessions, Investment Expense Reserve methodology, Group Overhead Expense methodology, Counterparty Credit Risk methodology, and Other Assets and Liabilities.
 - Introduction of a new SST valuation engine to calculate SST Best Estimate Liabilities, which required an adaptation of the data source for computing required capital and market value margin.

These changes were approved by FINMA on a temporary basis for use in SST 2025 as part of a transition model.

Solvency

In SST 2025, the capital position of SRN remained very strong, with an SST ratio of 388%, unchanged compared to SST 2024. The ratio benefitted from the favourable net effect of interest rates movement and the appreciation of the US dollar. This increase was offset mainly by the projected dividend payment and a one-off impact of the transition from EVM to IFRS basis for SST.

Solvency overview

SST 2025 in USD millions

SST RBC

4 435

SST TC

1 143

= 388%

SST 2024¹ in USD millions

SST RBC

5 710

SST TC

1 470

= 388%

SST RBC: SST risk-bearing capital
SST TC: SST target capital

¹ Amended, given the implementation of the methodology to derive the SST target capital required correction. In the past, the expected change in SST risk-bearing capital (RBC), which is deducted from total risk to derive the target capital, did not factor in the discounting of the expected RBC when implemented.

SST risk-bearing capital

The SST RBC is derived from the market conform value of assets minus market conform value of liabilities before market value margin (MVM), which is adjusted for the items shown in the table below.

USD millions	SST 2024	SST 2025	Change
Market conform value of assets minus market conform value of liabilities before MVM	6 886	6 211	-675
Market value margin	-1 176	-1 026	150
Market conform value of assets minus market conform value of liabilities	5 710	5 185	-525
Deductions		-750	-750
SST net asset value	5 710	4 435	-1 275
Tier 1 risk-absorbing capital instruments counted towards core capital			n/a
SST core capital	5 710	4 435	-1 275
Supplementary capital			n/a
SST RBC	5 710	4 435	-1 275

The decrease of SST net asset value to USD 4.4 billion was mainly driven by the projected dividend payment, the one-off impact of the transition from EVM to IFRS basis for SST as well as natural catastrophe losses in Canada. Further, the SST NAV was negatively impacted by foreign exchange impacts, partially offset by the change in MVM and positive investment contribution.

The decrease in the market value margin was mainly driven by higher interest rates and the depreciation of major currencies against the US dollar.

Deductions reflect the projected dividend (subject to approval and paid in 2025).

SRN has no supplementary capital.

SST target capital

To derive the SST TC, total risk is adjusted for the line item Other impacts as shown below.

USD millions	SST 2024	SST 2025	Change
Total risk	1 593	1 342	-252
Other impacts	-123 ¹	-198	-75
SST target capital (TC)	1 470	1 143	-327

¹ Amended, given the implementation of the methodology to derive the SST target capital required correction. In the past, the expected change in SST risk-bearing capital (RBC), which is deducted from total risk to derive the target capital, did not factor in the discounting of the expected RBC when implemented.

SST TC decreased to USD 1.1 billion mainly driven by the lower total risk amount (see section Risk Profile for details) and lower Other impacts.

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Swiss Re International SE, Luxembourg, Zurich branch

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Management summary

Swiss Re International SE, Luxembourg, Zurich branch (SRI SE Zurich branch), domiciled in Zurich, Switzerland, is a re/insurance branch within the Swiss Re Group. SRI SE Zurich branch engages in Swiss domestic and foreign re/insurance business.

SRI SE Zurich branch is part of Swiss Re International SE, Luxembourg, which is regulated by the Commissariat aux Assurances, the Luxembourg insurance supervisory authority. SRI SE Zurich branch is also locally supervised by FINMA, the Swiss insurance supervisory authority. Information about the solvency position of Swiss Re International SE, Luxembourg is disclosed according to Luxembourg regulations only. Swiss regulations do not require the disclosure of solvency information of SRI SE Zurich branch in this Report.

This Report provides qualitative and quantitative information about the statutory financial condition of SRI SE Zurich branch.

Business activities

In this section, we provide information about the business model, the strategy and significant events. [> Read more](#)

Performance

We present the performance of the year under review based on the Swiss statutory income statement. [> Read more](#)

Re/insurance strategy and priorities

Business activities

Strategy and priorities

Swiss Re International SE, Luxembourg, through its branches, conducts re/insurance business and is committed to deliver long-term profitability and economic growth. It offers customised, innovative multi-line, multi-year risk transfer solutions, taking into account the unique needs of local markets and specialty industries.

SRI SE Zurich branch’s future path is centred around capturing profitable growth while leveraging distinctive competitive strengths with a focused portfolio strategy that will build resilience in all market cycles. This will be further supported by strategic investments to capture existing market opportunities and expand through innovative risk solutions, international programmes and data/digital solutions and services that help address customer pain points and industry inefficiencies.

Outlook

With the softening market headwinds, price pressure could increase as competitors focus on growth and deploy capacity following their own turnaround to profitability in certain markets. Despite interest rate hikes slowing down and inflation moderated, global economic uncertainty remains heightened from geopolitical conflicts.

Investments

Strategy and priorities

Financial investments are managed in accordance with Swiss Re’s Asset Management Framework and SRI SE Zurich branch’s investment guidelines, which ensure compliance with regulatory requirements, in particular Swiss guidelines on Tied Assets. The general principle governing the management of investments in SRI SE Zurich branch is the creation of economic value based on returns relative to the liability benchmark, while adhering to the investment guidelines and the general prudence principle. The liability benchmark is determined by approximating an investable benchmark from projected liability cash flows.

Outlook

Global economic conditions in 2025 will be impacted by geopolitical and macroeconomic uncertainty, including changing trade conditions, and diverging monetary policies. Policy changes under the new US administration (eg taxes, tariffs, fiscal spending) have the potential to increase inflationary pressures and to impact global growth while also limiting central bank flexibility to further reduce interest rates. Swiss Re sees sovereign bond yields remaining at higher levels compared to the last decade. Assuming that growth materialises, equities should have positive, yet more muted, returns given elevated valuations. Policy and geopolitical uncertainty will increase market volatility.

Re/insurance and holding company

SRI SE Zurich branch is a re/insurance branch within the Swiss Re Group domiciled in Zurich, Switzerland. It is a branch of Swiss Re International SE, Luxembourg.

Claims on and obligations towards affiliated companies – Swiss statutory

CHF thousands	Affiliated companies 2023	Affiliated companies 2024
Premiums and other receivables from re/insurance	27 070	37 245
Other receivables	31 399	25 702
Funds held under re/insurance treaties	841	906
Re/insurance balances payable	104 143	119 147
Other liabilities	50 979	49 492

In 2024, KPMG AG was the auditor of SRI SE Zurich branch. For more information, see the [Report of the statutory auditor](#).

Performance

Income statement – Swiss statutory

CHF millions	2023	2024
Premiums written gross	177	184
Premiums written retroceded	-162	-169
Premiums written net	15	15
Change in unearned premiums gross	2	-14
Change in unearned premiums retroceded	-2	13
Premiums earned	15	14
Other re/insurance revenues		
Total revenues from re/insurance business	15	14
Claims paid and claim adjustment expenses gross	-87	-111
Claims paid and claim adjustment expenses retroceded	84	103
Change in unpaid claims gross	-112	-64
Change in unpaid claims retroceded	100	60
Change in unpaid claims for unit-linked life insurance		
Claims incurred	-15	-13
Acquisition and operating costs gross	-39	-41
Acquisition and operating costs retroceded	44	39
Acquisition and operating costs net	5	-1
Other re/insurance expenses	-1	-1
Total expenses from re/insurance business	-10	-15
Investment income	4	6
Investment expenses		-1
Investment result	3	5
Investment result from unit-linked life insurance		
Other financial income		
Other financial expenses	-1	-2
Operating result	8	2
Interest expenses on debt and subordinated liabilities		
Other income	1	2
Other expenses	-3	-1
Extraordinary income and expenses		
Income before income tax expense	6	4
Income tax expense		
Net income	6	3

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Income statement – Swiss statutory

CHF millions	Direct inland business														Direct foreign business			
	Total		Personal accident		Health		Motor		Transport		Fire, natural catastrophe, property		General liability		Miscellaneous		Total	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Premiums written gross	148	150							2	2	32	29	12	12	10	10	93	98
Premiums written retroceded	-145	-145							-2	-2	-31	-28	-11	-11	-10	-10	-91	-94
Premiums written net	3	5	0	0	0	0	0	0	0	0	1	1	0	0	0	0	2	3
Change in unearned premiums gross	5	-9									-3	-1	-1	-2		-2	9	-5
Change in unearned premiums retroceded	-4	9									2	1	1	2		2	-7	5
Premiums earned	4	5	0	0	0	0	0	0	0	0	0	1	0	0	0	0	4	3
Other re/insurance revenues																		
Total revenues from re/insurance business	4	5	0	0	0	0	0	0	0	0	0	1	0	0	0	0	4	3
Claims paid and claim adjustment expenses gross	-87	-104							-1		-6	-5	-2	-5	-9	5	-69	-98
Claims paid and claim adjustment expenses retroceded	85	98							1		6	5	2	5	9	-5	68	93
Change in unpaid claims gross	-104	-67							-1		4	-17	-2	-4	2	-8	-107	-38
Change in unpaid claims retroceded	94	63							1		-4	16	1	4	-1	8	97	35
Change in unpaid claims for unit-linked life insurance																		
Claims incurred	-11	-10	0	0	0	0	0	0	0	0	0	-1	0	-1	0	0	-11	-8
Acquisition and operating costs gross	-36	-38							-4	-3	-12	-15	-13	-13		1	-8	-7
Acquisition and operating costs retroceded	39	33							4	3	13	13	14	12		-1	8	6
Acquisition and operating costs net	3	-5	0	0	0	0	0	0	0	0	1	-2	1	-2	0	0	1	-1
Other re/insurance expenses	-1	-1														-1	-1	
Total expenses from re/insurance business	-9	-15	0	0	0	0	0	0	0	0	1	-3	1	-2	-1	-1	-11	-9

CHF millions	Indirect business															
	Total		Personal accident		Health		Motor		Marine, aviation, transport		Property		Casualty		Miscellaneous	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Premiums written gross	29	34							1		28	33				
Premiums written retroceded	-18	-24							-1		-20	-24	2		1	1
Premiums written net	12	10	0	0	0	0	0	0	0	0	8	9	3	0	1	1
Change in unearned premiums gross	-4	-5									-4	-5				
Change in unearned premiums retroceded	3	4									3	4				
Premiums earned	11	9	0	0	0	0	0	0	0	0	8	8	2	0	1	0
Other re/insurance revenues																
Total revenues from re/insurance business	11	9	0	0	0	0	0	0	0	0	8	8	2	0	1	0
Claims paid and claim adjustment expenses gross	0	-7										-6				
Claims paid and claim adjustment expenses retroceded	-1	4										6	-2	-1		
Change in unpaid claims gross	-8	3							-1		-7	3				
Change in unpaid claims retroceded	6	-4							1		6	-3		1		-2
Change in unpaid claims for unit-linked life insurance																
Claims incurred	-4	-3	0	0	0	0	0	0	0	0	-2	-1	-2	0	0	-2
Acquisition and operating costs gross	-3	-3									-3	-3				
Acquisition and operating costs retroceded	5	6									6	6	-1			
Acquisition and operating costs net	2	3	0	0	0	0	0	0	0	0	3	4	-1	0	0	0
Other re/insurance expenses																
Total expenses from re/insurance business	-1	0	0	0	0	0	0	0	0	0	1	3	-2	0	0	-2

Technical result in 2024 amounted to an expense of CHF 1.2 million, compared to a revenue of CHF 5.0 million in prior year.

Premiums earned declined by CHF 1.0 million year-on-year to CHF 13.9 million. This was primarily due to decreases in liability, property and aviation, partially offset by higher volume in engineering line of business.

Claims incurred improved by CHF 2.1 million to CHF 12.7 million in 2024. The improvement was driven by reserve releases for man-made losses that occurred in current and prior years mainly in liability and aviation, partially offset by higher claims paid, primarily in liability, aviation, property and engineering lines of business.

Acquisition and operating costs net deteriorated by CHF 6.8 million from a revenue of CHF 5.4 million in 2023 to an expense of CHF 1.4 million in 2024. The deterioration was driven by CHF 4.8 million lower costs recovered from the retrocessionaire than in prior year and CHF 3.9 million higher operating cost charges. This was partly offset by CHF 1.9 million lower acquisition costs.

Investment result – Swiss statutory

CHF thousands	Income	Value readjustments	Realised gains	2024 Total
Investment income				
Fixed-income securities	1 329			1 329
Other investments (Short-term investments)	4 295		4	4 299
Investment income	5 624	0	4	5 628
	Expenses	Value adjustments	Realised losses	2024 Total
Investment expenses				
Other investments (Short-term investments)			-29	-29
Investment management expenses	-697			-697
Investment expenses	-697	0	-29	-725
Investment result	4 927	0	-25	4 902

CHF thousands	Income	Value readjustments	Realised gains	2023 Total
Investment income				
Fixed-income securities	763			763
Other investments (Short-term investments)	2 840		9	2 849
Investment income	3 603	0	9	3 612
	Expenses	Value adjustments	Realised losses	2023 Total
Investment expenses				
Other investments (Short-term investments)			-30	-30
Investment management expenses	-223			-223
Investment expenses	-223	0	-30	-253
Investment result	3 380	0	-21	3 359

Change in capital and retained earnings – Swiss statutory

CHF thousands	Current account with Branch's head office	Retained earnings brought forward	Net result	Total
Beginning balance 1.1.2023	20 458	5 241	4 365	30 064
Allocation		4 365	-4 365	0
Prior year profits ¹		19 794		19 794
Net income for the financial year			6 158	6 158
Net capital and retained earnings 31.12.2023	20 458	29 400	6 158	56 016
Beginning balance 1.1.2024	20 458	29 400	6 158	56 016
Allocation		6 158	-6 158	0
Net income for the financial year			3 491	3 491
Net capital and retained earnings 31.12.2024	20 458	35 558	3 491	59 507

¹ The increase of retained earnings is related to a CHF 19.8 million reclassification from Other liabilities. Prior year profits had been accumulated and inappropriately disclosed under Other liabilities.

iptiQ EMEA P&C S.A., Luxembourg, Zurich branch

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Management summary

iptiQ EMEA P&C S.A., Luxembourg, Zurich branch (iptiQ EMEA P&C Zurich branch), domiciled in Zurich, Switzerland, is an insurance branch within the Swiss Re Group. iptiQ EMEA P&C Zurich branch engages in personal lines insurance business in Switzerland. iptiQ EMEA P&C Zurich branch is part of iptiQ EMEA P&C S.A. which is regulated by the Commissariat aux Assurances, the Luxembourg insurance supervisory authority.

iptiQ EMEA P&C Zurich branch is also locally supervised by FINMA, the Swiss insurance supervisory authority. Information about the solvency position of iptiQ EMEA P&C S.A. is disclosed according to Luxembourg regulations only. Swiss regulations do not require the disclosure of solvency information of iptiQ EMEA P&C Zurich branch in this Report.

This Report provides qualitative and quantitative information about the statutory financial condition of iptiQ EMEA P&C Zurich branch.

In May 2024, Swiss Re took the strategic decision to withdraw from iptiQ. In November, Swiss Re announced that it has signed an agreement to sell its iptiQ European P&C business to Allianz Direct (subject to regulatory approvals). Under this agreement, iptiQ will transfer iptiQ EMEA P&C S.A., its P&C operations in multiple European markets, along with the supporting technology platform, Quantum, to Allianz Direct.

Business activities

In this section, we provide information about the business model, the strategy and significant events. > [Read more](#)

Performance

We present the performance of the year under review based on the Swiss statutory income statement. > [Read more](#)

Strategy, priorities and outlook

Business activities

Strategy and priorities

iptiQ EMEA P&C S.A. has identified opportunities to provide simple, transparent and targeted insurance covers for non-life risks accessible through attractive digital user journeys. In the digital age, customer needs are becoming more diverse and require customised products rather than the standard product bundles still predominant in European markets. iptiQ EMEA P&C S.A. sees an attractive opportunity in offering both simple and transparent products comprising individual product modules that are bundled together as well as customised covers related to the business-to-business partners' products (eg modern covers, embedded covers, single item covers), consequently focusing on customers' specific situations and their needs.

In addition to the unmet protection needs of the customers, many companies with large existing retail customer bases are searching for ways of further monetising their customer bases while expanding the scope of offerings they provide. Insurance is one such potential offering. It requires deep product and risk management as well as servicing expertise and capabilities. These companies are looking for partners such as iptiQ EMEA P&C S.A. to supply them with digitally enabled and customisable insurance offerings that fit their specific journeys and customer needs and provide additional value to their core business.

Outlook

In May 2024, Swiss Re took the strategic decision to withdraw from iptiQ. In November, Swiss Re announced that it has signed an agreement to sell its iptiQ European P&C business to Allianz Direct (subject to regulatory approvals). Under this agreement, iptiQ will transfer iptiQ EMEA P&C S.A., its P&C operations in multiple European markets, along with the supporting technology platform, Quantum, to Allianz Direct.

In 2025, iptiQ EMEA P&C Zurich branch is expected to continue with its strategy to offer bespoke white label personal lines property and casualty insurance products to customers through a broader set of business-to-business partners. This includes focusing on the growth of its motor insurance portfolio.

Investments

Strategy and priorities

The general principle governing the management of the investments in iptiQ EMEA P&C Zurich branch is the creation of economic value on the basis of returns relative to the liability benchmark, while adhering to applicable investment regulation in Switzerland, internal investment guidelines and the prudent person principle. The liability benchmark is determined by approximating an investable benchmark from projected liability cash flows. A cash benchmark is used for the economic surplus.

Outlook

iptiQ EMEA P&C Zurich branch expects another challenging year in light of the global and Swiss economic situation. Global economic growth is forecasted to slow from last year, inflation remains high compared to the recent years and the related high-interest rate environment remains a challenge for the economic growth and in particular for the car sales market. iptiQ EMEA P&C Zurich branch thus enters the year with a cautious outlook.

About iptiQ EMEA P&C Zurich branch

iptiQ EMEA P&C Zurich branch, domiciled in Zurich, Switzerland, is an insurance branch within the Swiss Re Group. iptiQ EMEA P&C Zurich branch is part of iptiQ EMEA P&C S.A.

Claims on and obligations towards affiliated companies – Swiss statutory

CHF	Affiliated companies 2023	Affiliated companies 2024
Premiums and other receivables from reinsurance	1 827 775	5 611 689
Re/insurance balances payable	1 767 332	3 048 223
Other liabilities	2 564 810	3 582 631

Report of the statutory auditor

In 2024, KPMG Audit S.à.r.l. was the auditor of iptiQ EMEA P&C Zurich branch. For more information, see the [Report of the statutory auditor](#).

Performance

Income statement – Swiss statutory

CHF	2023	2024
Premiums written gross	6 000 616	25 566 909
Premiums written ceded	-5 415 111	-23 046 913
Premiums written net	585 505	2 519 997
Change in unearned premiums gross	-2 636 974	-11 189 707
Change in unearned premiums ceded	2 373 276	10 070 738
Change in Other reserves necessary to ensure sufficient provisions gross	-390 417	-10 001 343
Change in Other reserves necessary to ensure sufficient provisions ceded	351 375	9 001 208
Change in unearned premiums net	-302 740	-2 119 104
Premiums earned	282 765	400 893
Total revenues from insurance business	282 765	400 893
Claims paid and claims adjustment expenses gross	-2 257 723	-8 694 992
Claims paid and claims adjustment expenses ceded	2 031 951	7 825 490
Claims paid and claim adjustment expenses net	-225 772	-869 502
Change in unpaid claims gross	-1 643 643	-9 656 755
Change in unpaid claims ceded	1 479 277	8 691 082
Change in profit commissions gross	3 696	198 207
Change in profit commissions ceded	-3 326	-178 386
Change in safety provision gross	-85 329	-434 469
Change in safety provision ceded	76 796	391 023
Change in unpaid claims net	-172 529	-989 299
Claims incurred	-398 302	-1 858 801
Acquisition costs gross	-560 798	-2 301 228
Operating costs ceded	-3 741 521	-3 643 385
Acquisition costs and administration expenses gross	-4 302 319	-5 944 613
Acquisition costs and operating costs ceded	1 358 992	4 271 811
Acquisition costs and administration expenses net	-2 943 327	-1 672 803
Total expenses from insurance business	-3 341 629	-3 531 604
Insurance result	-3 058 863	-3 130 711
Investments		
Investment income	77 284	238 608
Investment expenses	-9 273	-22 166
Investment result	68 011	216 442
Operating result	-2 990 852	-2 914 269
Other income	7 482	146 369
Other expenses	-325 782	-450 789
Other income and expenses	-318 300	-304 419
Income before income tax expense	-3 309 153	-3 218 688
Direct taxes	-1 808	-107 847
Net loss	-3 310 960	-3 326 535

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CHF	Direct Inland Business											
	Total		Credit & Surety		General Liability		Fire and other damage to property insurance		Other motor insurance		Motor vehicle liability insurance	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Premiums written gross	6 000 616	25 566 909	3 483	3 591	244 618	318 119	382 669	443 773	4 128 150	17 984 038	1 241 696	6 817 388
Premiums written ceded	-5 415 111	-23 046 913	-3 133	-3 227	-220 196	-419 167	-344 394	-395 465	-3 715 336	-16 089 407	-1 132 053	-6 139 647
Premiums written net	585 505	2 519 997	349	364	24 422	-101 048	38 276	48 308	412 814	1 894 631	109 643	677 741
Change in unearned premiums gross	-2 636 974	-11 189 707	715	373	-42 789	-31 085	-47 403	-33 871	-1 990 798	-7 739 322	-556 698	-3 385 802
Change in unearned premiums ceded	2 373 276	10 070 738	-643	-309	38 509	109 679	42 662	29 498	1 791 719	6 910 190	501 028	3 021 680
Change in Other reserves necessary to ensure sufficient provisions gross	-390 417	-10 001 343							-390 417	-8 072 595		-1 928 747
Change in Other reserves necessary to ensure sufficient provisions ceded	351 375	9 001 208				7 398			351 375	7 257 938		1 735 872
Change in unearned premiums net	-302 740	-2 119 104	72	64	-4 279	85 993	-4 741	-4 373	-238 121	-1 643 790	-55 670	-556 998
Premiums earned	282 765	400 893	421	428	20 142	-15 056	33 535	43 936	174 693	250 841	53 973	120 743
Total revenues from insurance business	282 765	400 893	421	428	20 142	-15 056	33 535	43 936	174 693	250 841	53 973	120 743
Claims paid and claim adjustment expenses gross	-2 257 723	-8 694 992			-103 267	-120 190	53 972	283 329	-1 795 635	-7 901 980	-412 794	-956 151
Claims paid and claim adjustment expenses ceded	2 031 951	7 825 490			98 620	147 308	90 572	201 118	1 626 790	6 624 517	215 968	852 547
Claims paid and claim adjustment expenses net	-225 772	-869 502			-4 647	27 117	144 545	484 446	-168 845	-1 277 463	-196 826	-103 603
Change in unpaid claims gross	-1 643 643	-9 656 755	-599	109	-38 698	-406 781	10 150	-12 336	-1 307 053	-5 885 989	-307 443	-3 351 759
Change in unpaid claims ceded	1 479 277	8 691 082	538	-97	34 829	397 114	-9 138	9 431	1 176 349	5 280 963	276 698	3 003 671
Change in profit commissions gross	3 696	198 207					3 696	1 004		122 397		74 806
Change in profit commissions ceded	-3 326	-178 386				64	-3 326	-967		-110 156		-67 326
Change in safety provision gross	-85 329	-434 469	-149	9	-3 010	-17 998	-2 499	-448	-62 275	-263 833	-17 396	-152 200
Change in safety provision ceded	76 796	391 023	134	-8	2 709	16 198	2 249	404	56 048	237 449	15 656	136 980
Change in unpaid claims net	-172 529	-989 299	-76	13	-4 170	-11 403	1 132	-2 913	-136 932	-619 169	-32 484	-355 827
Claims incurred	-398 302	-1 858 801	-76	13	-8 816	15 715	145 677	481 533	-305 776	-1 896 632	-229 310	-459 431
Acquisition costs gross	-560 798	-2 301 228			-6 800	-74 589	-248 444	22 451	-230 896	-1 625 091	-74 657	-623 999
Operating costs gross	-3 741 521	-3 643 385	-2 172	-512	-152 525	-45 333	-238 603	-63 239	-2 573 996	-2 562 796	-774 226	-971 505
Acquisition costs and administration expenses gross	-4 302 319	-5 944 613	-2 172	-512	-159 325	-119 922	-487 047	-40 788	-2 804 893	-4 187 888	-848 883	-1 595 504
Acquisition and operating costs ceded	1 358 992	4 271 811	595	372	-39 782	162 496	410 974	188 468	770 590	2 893 201	216 615	1 027 273
Acquisition costs and administration expenses net	-2 943 327	-1 672 803	-1 577	-139	-199 107	42 574	-76 073	147 680	-2 034 302	-1 294 687	-632 268	-568 231
Total expenses from insurance business	-3 341 629	-3 531 604	-1 652	-126	-207 923	58 289	69 603	629 213	-2 340 079	-3 191 319	-861 578	-1 027 662
Result from the insurance business	-3 058 863	-3 130 711	-1 231	303	-187 781	43 233	103 138	673 149	-2 165 385	-2 940 477	-807 605	-906 919

Total revenues and expenses from insurance business experienced a loss of CHF 3 130 711 in 2024, compared to a loss of CHF 3 058 863 in 2023. The branch recorded a material growth in its gross written premium with an increase from CHF 6 000 616 in 2023 to CHF 25 566 909 in 2024. This is mainly due to the growth of the motor insurance product. Net premiums earned increased from CHF 282 765 in 2023 to CHF 400 893 in 2024, while claims incurred increased from CHF 398 302 in 2023 to CHF 1 858 801 in 2024. The 2024 insurance result remained broadly in line with previous year as the revenue growth was accompanied by the set-up of other reserves necessary to ensure sufficient provisions.

The 2024 operating costs remained broadly in line with previous year.

Investment result

Net investment result improved from a CHF 68 011 profit in 2023 to a profit CHF 216 442 in 2024, mainly due to the increase in invested assets.

The valuation of investments has been corrected prospectively during 2024 to align the treatment with the accounting policy. The impact of applying similar updates to the 2023 investments would have resulted in an additional net loss of CHF 3 529, correction not booked in 2024 due to materiality. Previous calculation was considering the lowest value between market value and amortised cost, while current valuation is based on amortised cost.

Investment result – Swiss statutory

CHF	Income	Value readjustments	Realised gains and losses	2024 Total
Investment income				
Bonds	110 357			110 357
Short-term investments	128 251			128 251
Investment income	238 608			238 608
	Expenses	Value adjustments	Realised losses	2024 Total
Investment expenses				
Bonds				
Short-term investments	-900			-900
Investment management expenses	-21 265			-21 265
Investment expenses	-22 166			-22 166
Investment result	216 442			216 442
CHF	Income	Value adjustment	Realised gains and losses	2023 Total
Investment income				
Bonds	20 248	7 889		28 137
Short-term investments	398	48 748		49 147
Investment income	20 647	56 637		77 284
	Expenses	Value adjustments	Realised gains and losses	2023 Total
Investment expenses				
Bonds		-1 300		-1 300
Short-term investments	-2 580			-2 580
Investment management expenses	-5 393			-5 393
Investment expenses	-7 973	-1 300		-9 273
Investment result	12 673	55 337		68 011

Change in capital and retained earnings – Swiss statutory

CHF	Current account with Branch's head office	Retained earnings brought forward	Net result	Total
Beginning balance 1.1.2023	11 215 699	-11 126 156		89 543
Cash capital contribution	9 213 372			9 213 372
Loss offsetting	-11 126 156	11 126 156		
Net loss for financial year			-3 310 960	-3 310 960
Net capital and retained earnings 31.12.2023	9 302 915	0	-3 310 960	5 991 955
Beginning balance 1.1.2024	9 302 915	-3 310 960		5 991 955
Cash capital contribution	55 157 572			55 157 572
Loss offsetting	-3 310 960	3 310 960		
Net loss for financial year			-3 326 535	-3 326 535
Net capital and retained earnings 31.12.2024	61 149 527	0	-3 326 535	57 822 992

Subsequent events

As a result of the signed agreement to sell iptiQ EMEA P&C S.A. to Allianz Direct, starting with 1 January 2025, iptiQ EMEA P&C S.A. has operated the reduction of intra-group reinsurance quota share with Swiss Reinsurance Company Ltd from 90% to zero.

Appendix

This appendix provides further information on the SST methodology and the valuation for solvency purposes. The scope, the legal basis and the components of the SST calculation are explained. The main valuation and scope differences between the SST balance sheet and the audited financial statements are summarised.

Introduction

Methodology and valuation

The SST is the solvency regime applicable to re/insurance entities and groups domiciled in Switzerland. The key principles of the SST are defined in the Insurance Supervision Ordinance (ISO), the ISO-FINMA and in the FINMA circular 2024/01 on SST.

Swiss Re Group and its Swiss Regulated entities submit their SST Report to FINMA. The SST Report 2025 is filed with FINMA in April 2025. The published SST ratio is subject to FINMA's review and approval. Swiss Re applies an internal model to calculate the SST ratio, which is also subject to FINMA's approval.

The calculation of the SST ratio includes forward-looking elements. For factors that could affect the SST ratio, see > [Note on risk factors](#) and > [Cautionary note on forward-looking statements](#).

Key principles

The SST is a market conform and risk-based approach to determine available and required capital, see also [FINMA SST Fact Sheet](#). An entity is solvent under SST if the available capital (the SST risk-bearing capital) is equal or higher than the required capital (the SST target capital).

The SST ratio determines the solvency position of an entity and is calculated as:

$$\frac{\text{SST risk-bearing capital}}{\text{SST target capital}}$$

SST risk-bearing capital

The SST risk-bearing capital is the amount of capital that is available to protect the policyholders of an entity in case of a large and unexpected adverse event.

The SST risk-bearing capital is derived as follows:

$$\begin{aligned} & \text{Market conform value of assets minus market conform value of liabilities} \\ & - \text{Deductions} \\ \hline & \text{SST net asset value} \\ & + \text{Tier 1 risk-absorbing capital instruments counted towards core capital} \\ \hline & \text{SST core capital} \\ & + \text{SST supplementary capital} \\ \hline & = \text{SST risk-bearing capital} \end{aligned}$$

The SST risk-bearing capital (SST RBC) is the sum of SST core and supplementary capital. Swiss Re's SST core capital consists exclusively of the SST Net Asset Value (NAV). SST NAV is defined as the difference between market conform value of assets minus market conform value of liabilities including the market value margin (MVM) but excluding deferred income taxes. In accordance with Art. 32 ISO Swiss Re deducts projected dividends, capital repayments as well as deferred and transactional real estate specific taxes from the market conform value of assets and the best estimate of liabilities to derive SST NAV. Own shares and intangible assets are not valued in Swiss Re's SST balance sheet.

As required by Art. 32 para. 3 ISO and Art. 9a para. ISA, a market conform balance sheet is the basis for the calculation of the SST RBC. The market conform balance sheet uses a market (mark-to-market) valuation whenever possible. A mark-to-model valuation is used only when a mark-to-market valuation is not available.

All traded assets and liabilities are mark-to-market, based on quoted prices in active markets or observable inputs. Non-traded assets and liabilities are valued on a market conform basis by applying the marking-to-model method for SST valuation purposes (Art. 24 ISO). Insurance net liabilities are valued on a market conform basis, using best

estimate cash flow assumptions and appropriate discounting. Insurance net liabilities include all cash flows related to insurance contracts, in particular future premiums and fees, claims, commissions as well as external and internal expenses. The MVM is also included in the market conform valuation of insurance liabilities. Debt not qualified as SST supplementary capital is valued on a market conform basis excluding the impact of Swiss Re's own credit risk, whereas debt qualified as supplementary capital is fair valued considering the impact of own credit risk.

The SST value of other assets and liabilities is generally taken over from the IFRS balance sheet, except where IFRS valuation principles materially deviate from SST valuation principles required by the ISO and ISO-FINMA; for those other assets and liabilities Swiss Re performs a dedicated market conform valuation for SST reporting purposes. Deferred tax assets and liabilities are not valued under SST. The value of a participation is based on the market conform value of assets minus market conform value of liabilities.

Tier 1 risk-absorbing capital instruments are added to the SST net asset value to calculate core capital. Tier 1 risk-absorbing capital instruments consist of the debt and hybrid instruments satisfying the conditions specified in Art. 37 ISO and Art. 34 para. 5 ISO upon FINMA approval. Currently, Swiss Re does not have any risk-absorbing capital instruments which are eligible as core capital.

Art. 37 ISO allows specific risk-absorbing capital instruments to be included in SST RBC as supplementary capital subject to the conditions defined in Art. 34, Art. 37, and Art. 198d ISO and upon approval by FINMA.

Market value margin

SST RBC includes the MVM as part of the market conform value of liabilities. It is a margin on the best estimate liabilities, representing the cost of financing risk-bearing capital to fulfil the required level of policyholder protection as defined in SST. For a solo legal entity, only the business assumed on the own book (including intra-group transactions) is considered, while the capital cost for liabilities on subsidiaries is captured in the so-called MVM of subsidiaries; the consolidated view of Swiss Re Group directly considers the business assumed through all its subsidiaries.

The MVM of a given entity is calculated using the 99% shortfall on projected insurance and reinsurance exposure from the end of the solvency assessment period onwards, discounted back to the beginning of the period. The sum of the present value of the projected 99% shortfall is then multiplied by the 6% capital cost rate specified by FINMA. The projected 99% shortfalls do not include financial market and credit risks, as it is assumed that Swiss Re would be able to match its insurance liabilities with only risk-free assets.

The MVM of subsidiaries is based on similar approach but includes in addition the capital cost during the solvency assessment period (first year), where financial market and credit risks are also reflected.

The MVM methodology is currently under review and will be updated to align with the new regulations, along with the rest of the industry.

SST target capital

The SST target capital represents the amount of capital an entity is required to hold to support its assumed risks based on the SST methodology. SST target capital measures the potential change in SST RBC over 1 year, based on 99% shortfall, and is derived from Swiss Re's internal shortfall calculation of total risk. In order to derive SST target capital, the total risk is adjusted for various items summarised under other impacts.

- An entity's total risk is measured in terms of 99% shortfall, ie the average unexpected loss at entity level that occurs with a frequency of less than once in 100 years over a one-year time horizon. All losses are a combination of insurance, financial market and credit losses, and accumulation as well as diversification between individual risks is taken into account.
- Other impacts include the impact from business development over the forecasting period, as well as requirements from FINMA that are not included in total risk as they are not consistent with Swiss Re's own risk view.

SST balance sheet

The SST balance sheet included in this Report is an aggregated representation of the financial positions listed in the "SST information on Internal Model users" in accordance with Art. 85 ISO-FINMA. The SST balance sheet represents SST NAV before deductions.

This Report includes a comparison of the SST balance sheet with audited financial statements. The consolidated financial statements of the Group are prepared in accordance with IFRS. The statutory financial statements of Swiss Reinsurance Company Ltd, Swiss Re Nexus Reinsurance Company Ltd, Swiss Re International SE, Luxembourg, Zurich branch and iptiQ EMEA P&C S.A., Luxembourg, Zurich branch are based on Swiss law.

Valuation and scope differences with audited financial statements

	SST	IFRS	Statutory
Actuarial assumptions	Best estimate	Best estimate	Non-life business: reinsurance contracts are accrued when insured events occur and are based on the estimated ultimate cost of settling the claims. Unearned premium reserves are calculated based on a "pro-rata" share of the estimated premium written, taking into account seasonality of risk when necessary; allowance for equalisation reserves Life and health business: best estimate with additional provisions for possible adverse deviations (PAD)
Contract boundaries	Generally, contracts inception until 31 December 2024	Largely aligned to SST	Contracts inception until 31 December 2024
Valuation of cash flows	Discounted using risk-free rates; market conform valuation of options and guarantees. Yield curves are extrapolated with a flat spot rate after the last market data point	Discounted using risk-free rates; market conform valuation of options and guarantees. Yield curves are extrapolated to an ultimate forward rate after the last market data point.	Non-life business: generally no discounting Life and health business: generally discounted at historical yields of assets backing liabilities, with a PAD applied; generally no market conform valuation of embedded options and guarantees; for some derivative instruments (eg. variable annuities) a full stochastic valuation is carried out
Capital generation from new business	Recognised upfront for all business	Generally deferred over time through the contractual service margin (CSM)	Deferred over time for positive expectation (unearned premium reserve), immediately for negative expectation
Explicit margin for risk	Market value margin	Risk adjustment, measured via a capital-cost method, but with different parameters compared to SST	No
Investment assets	Market values	Mostly market values, with some exceptions such as real estate investments and real estate for own use which are held at depreciated cost	Fixed income securities and short-term investment at amortised value, shares in investment funds at lower of cost or market value, loans at nominal value, some mortgages at amortised cost.
Senior debt, subordinated debt and convertible instruments	Valuation at fair value excluding own credit risk, except for supplementary capital instruments which are valued at fair value with no adjustment ¹	Generally valued at amortised cost; generally classifies perpetual capital instruments as equity, following an assessment of the instruments' characteristics	Generally valued at redemption value; all debt positions recognised as liabilities
Deferred taxes²	No	Yes	No
Goodwill and intangibles	Not recognised	Recognised, goodwill subject to impairment test, some intangibles subject to amortisation and some to impairment	Normally no goodwill recognition; intangibles and potential goodwill amortised/depreciated on a straight-line basis

Swiss pension fund liabilities	Surplus of the Swiss pension fund is not recognised under SST due to use of pension fund assets strictly for pension beneficiaries	Includes the concept of an asset ceiling for net defined benefit assets	Surplus is recognised
Minority interests	SST recognises minority interests in the proportional consolidation of assets and liabilities	Minority interests are recognised as part of the statement of shareholders' equity	No minority interests on standalone financial statement
Sub-consolidation principles for solo view	Some entities are sub-consolidated for SST reporting	Not applicable	Not applicable

¹ For the balance sheet comparison, SST may include subordinated debt and convertibles as supplementary capital for solvency assessment upon FINMA approval.

² Deferred and transactional real estate specific taxes are deducted from SST NAV.

Comparison with audited financial statements

The balance sheet comparisons included in this Report are provided on an aggregated basis, which is explained in the following table (empty cells denote items that are not reflected in the respective view):

Account for comparison	SST accounts (as published)	IFRS accounts (as published)	Statutory accounts (as published)
Assets:			
Real estate	■ Real estate	■ Investment property	
Investments in subsidiaries and affiliated companies	■ Participations		■ Investments in subsidiaries and affiliated companies
Fixed-income securities	■ Fixed-income securities	■ Fixed-income securities	■ Fixed-income securities
Loans	■ Loans	■ Mortgage and other loans	■ Loans
Mortgages	■ Mortgages		■ Mortgages
Equity securities	■ Equities	■ Equity investments	■ Equity securities
Other investments	■ Collective investment schemes ■ Alternative investments ■ Structured products ■ Other investments	■ Other invested assets	■ Shares in investment funds ■ Short-term investments ■ Alternative investments
Investments for unit-linked and with-profit business	■ Financial investments from unit-linked life insurance	■ Part of "Other Assets"	
Cash and cash equivalents	■ Cash and cash equivalents	■ Cash and cash equivalents	■ Cash and cash equivalents
Funds held by ceding companies and other receivables from reinsurance	■ Deposits made under assumed reinsurance contracts ■ Receivables from insurance business	■ Insurance contracts issued that are assets and liabilities	■ Funds held by ceding companies ■ Premiums and other receivables from reinsurance
Reinsurance recoverable from retrocessions	■ Share of technical provisions from reinsurance	■ Reinsurance contracts held that are assets	■ Reinsurance recoverable from unpaid claims ■ Reinsurance recoverable from liabilities life and health ■ Reinsurance recoverable from unearned premiums ■ Reinsurance recoverable from provision for profit commission
Other assets	■ Receivables from derivative financial instruments ■ Other receivables ■ Fixed assets ■ Accrued assets ■ Other assets	■ Accrued interest, rent and other ■ Receivables from investments ■ Contract assets & receivables ■ Investment for unit-linked ■ Net defined benefit pension asset ■ Right-of-use Assets and Land & Buildings own use ■ Income taxes recoverable ■ Deferred tax assets ■ Goodwill and other intangible assets ■ Other assets	■ Assets in derivative financial instruments ■ Tangible assets ■ Deferred acquisition costs ■ Intangible assets ■ Other receivables ■ Accrued income ■ Other assets

Account for comparison	SST accounts (as published)	IFRS accounts (as published)	Statutory accounts (as published)
Liabilities:			
Reinsurance liabilities before retrocessions	<ul style="list-style-type: none"> ■ Best estimate of provisions for insurance liabilities³ ■ Market value margin 	<ul style="list-style-type: none"> ■ Insurance contracts issued that are liabilities ■ Risk adjustment 	<ul style="list-style-type: none"> ■ Unpaid claims ■ Liabilities for life and health policy benefits ■ Unearned premiums ■ Provisions for profit commissions ■ Equalisation provision
Unit-linked and with profit liabilities	<ul style="list-style-type: none"> ■ Best estimate of unit-linked life insurance liabilities⁴ 	<ul style="list-style-type: none"> ■ Insurance contracts issued that are liabilities 	
Debt	<ul style="list-style-type: none"> ■ Interest-bearing liabilities ■ Subordinated debts 	<ul style="list-style-type: none"> ■ Short-term debt ■ Long-term debt 	<ul style="list-style-type: none"> ■ Debt ■ Subordinated liabilities
Funds held under reinsurance treaties	<ul style="list-style-type: none"> ■ Deposits made under assumed reinsurance contracts 	<ul style="list-style-type: none"> ■ Insurance contracts issued that are liabilities 	<ul style="list-style-type: none"> ■ Funds held under reinsurance treaties
Other liabilities	<ul style="list-style-type: none"> ■ Non-technical provisions ■ Liabilities from derivative financial instruments ■ Liabilities from insurance business ■ Accrued liabilities ■ Other liabilities 	<ul style="list-style-type: none"> ■ Derivative Financial Instruments ■ Securities and lending agreements ■ Payables from investments ■ Pension liabilities ■ Lease liabilities ■ Income taxes payable ■ Deferred tax liabilities ■ Other liabilities 	<ul style="list-style-type: none"> ■ Tax provisions ■ Provision for currency fluctuation ■ Other provisions ■ Liabilities from derivative financial instruments ■ Reinsurance balances payable ■ Accrued expenses ■ Other liabilities

³ Excluding unit-linked life insurance.

⁴ Before and after retrocession for direct insurance and active reinsurance.

Drivers of change in SST RBC

The change in SST RBC presented in this Report is attributed to the following drivers:

- Underwriting contribution and investment contribution are derived from the SST income statement. These contributions reflect the business performance from an SST perspective over the year impacting a particular SST entity. The contributions are always fully consolidated (eg the underwriting contribution includes the performance of the subsidiaries of a particular SST entity).
- Insurance Finance Result represents the change in the carrying amount of a group of either insurance contracts issued, or reinsurance contracts held, arising from the effect of, and changes in, the time value of money as well as from the effect of, and changes in, financial risk.
- Capital movements include the current projected dividends over the next 12 months as well as differences between the actual dividend paid and the previously projected dividend.
- Other contributions include foreign exchange impacts, current taxes, coupon payments on supplementary capital, changes in MVM own and MVM of subsidiaries, changes in deferred and transactional real estate specific taxes, changes in other assets and liabilities, and other contributions.
- Changes in supplementary capital are due to the issuance and/or redemption of risk-absorbing capital instruments qualifying as supplementary capital.

The drivers of change in SST RBC are prepared on a best-effort basis to support the analysis of the SST RBC.

Cautionary note on forward-looking statements

Certain statements and illustrations contained herein are forward-looking. These statements (including as to plans, objectives, targets, and trends) and illustrations provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact.

Forward-looking statements typically are identified by words or phrases such as “anticipate”, “target”, “aim”, “assume”, “believe”, “continue”, “estimate”, “expect”, “foresee”, “intend” and similar expressions, or by future or conditional verbs such as “will”, “may”, “should”, “would” and “could”. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause Swiss Re’s (the “Group”) actual results of operations, financial condition, solvency ratios, capital or liquidity positions or prospects to be materially different from any future results of operations, financial condition, solvency ratios, capital or liquidity positions or prospects expressed or implied by such statements or cause the Group to not achieve its published targets. Such factors include, among others:

- macro-economic events or developments including inflation rates, increased volatility of, and/or disruption in, global capital, credit, foreign exchange and other markets and their impact on the respective prices, interest and exchange rates and other benchmarks of such markets;
- elevated geopolitical risks or tensions which may consist of conflicts arising in and between, or otherwise impacting, countries that are operationally and/or financially material to the Group or significant elections that may result in domestic and/or regional political tensions as well as contributing to or causing macro-economic events or developments as described above;
- the frequency, severity and development of, and losses associated with, insured claim events, particularly natural catastrophes, human-made disasters, pandemics, social inflation litigation, acts of terrorism or acts of war, including the ongoing wars and conflicts in the Middle East, and any associated governmental and other measures such as sanctions, expropriations and seizures of assets as well as the economic consequences of the foregoing;
- the Group’s adherence to standards related to environmental, social and governance (“ESG”), sustainability and corporate social responsibility (“CSR”) matters, ability to fully achieve goals, targets, ambitions or stakeholder expectations related to such matters and ability to adapt to the evolving expectations of investors, shareholders, business partners, or third parties, including regulators and public authorities, as well as CSR, ESG and/or sustainability recommendations, standards, norms, metrics or regulatory requirements;
- the Group’s ability to achieve its strategic objectives;
- legal actions or regulatory investigations or actions, including in respect of industry requirements or business conduct rules of general applicability, the intensity and frequency of which may also increase as a result of social inflation;
- the Group’s ability to attract, retain and train highly skilled and technically qualified employees at the senior management level as well as in key operational roles;
- the effects of business disruption due to terrorist attacks, cyberattacks, natural catastrophes, public health emergencies, hostilities or other events;
- central bank intervention in the financial markets, trade wars or other protectionist measures relating to international trade arrangements, adverse geopolitical events, domestic political upheavals or other developments that adversely impact global economic conditions;
- mortality, morbidity and longevity experience;
- the cyclical nature of the reinsurance sector;
- the Group’s ability to maintain sufficient liquidity and access to capital markets, including sufficient liquidity to cover potential recapture of reinsurance agreements, early calls of debt or debt-like arrangements and collateral calls due to actual or perceived deterioration of the Group’s financial strength or otherwise;
- the Group’s ability to realise amounts on sales of securities on the Group’s balance sheet equivalent to their values recorded for accounting purposes;
- the Group’s ability to generate sufficient investment income from its investment portfolio, including as a result of fluctuations in the equity and fixed income markets,

- the composition of the investment portfolio or otherwise;
- changes in legislation and regulation or the interpretations thereof by regulators and courts, affecting the Group or its ceding companies, including as a result of comprehensive reform or shifts away from multilateral approaches to regulation of global operations;
 - matters negatively affecting the reputation of the Group, its board of directors or its management;
 - the lowering, loss, giving up of, or the decision not to participate in one of the financial strength or other ratings of one or more companies in the Group, and developments adversely affecting its ability to achieve improved ratings;
 - uncertainties in estimating reserves, including differences between actual claims experience and underwriting and reserving assumptions, including in Life & Health and in Property & Casualty Reinsurance due to higher costs caused by pandemic-related or inflation and supply chain issues;
 - changes in our policy renewal and lapse rates and their impact on the Group's business;
 - the outcome of tax audits, the ability to realise tax loss carryforwards and the ability to realise deferred tax assets (including by reason of the mix of earnings in a jurisdiction or deemed change of control), which could negatively impact future earnings, and the overall impact of changes in tax regimes on the Group's business model;
 - changes in accounting estimates or assumptions that affect reported amounts of assets, liabilities, revenues or expenses, including contingent assets and liabilities as well as changes in accounting standards, practices or policies, including the Group's recent adoption of IFRS;
 - strengthening or weakening of foreign currencies;
 - reforms of, or other potential changes to, benchmark reference rates;
 - failure of the Group's hedging arrangements to be effective;
 - significant investments, acquisitions or dispositions, and any delays, unforeseen liabilities or other costs, lower-than expected benefits, impairments, ratings action or other issues experienced in connection with any such transactions;
 - extraordinary events affecting the Group's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
 - changing levels of competition in the markets and geographies in which the Group competes;
 - limitations on the ability of the Group's subsidiaries to pay dividends or make other distributions; and
 - operational factors, including the efficacy of risk management or the recent adoption of IFRS as well as other internal procedures in anticipating and managing the foregoing risks.

These factors are not exhaustive. The Group operates in a constantly changing environment and new risks may emerge accordingly. You are cautioned not to place undue reliance on forward-looking statements. The Group undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

Note on risk factors

The operations, investments and other activities of Swiss Re Ltd (SRL) and its subsidiaries (collectively, the “Group” or “Swiss Re”) are subject to a range of risks that could adversely impact the Group’s business, financial condition, results of operations, liquidity and cash flows.

General impact of adverse market conditions

Swiss Re’s operations as well as its investment returns are subject to the financial market and macroeconomic environment. Financial, credit and foreign exchange markets are experiencing continued periods of volatility reflecting a range of political, geopolitical, economic and other uncertainties, some of which are inter-related. For example, geopolitical and policy ambiguity are driving inflation uncertainty.

In case of a claims occurrence, higher inflation may lead to higher replacement costs than anticipated. In Property & Casualty Reinsurance, the inflation and supply chain issues seen in recent years have raised costs to rebuild and repair structures. While headline inflation rates have since eased, price levels in absolute terms are still elevated and geopolitics could spark risks of renewed inflation surges. Respectively in Life & Health Reinsurance, higher medical costs in combination with potential increases in excess mortality or outbreaks of pandemics could bring the risk that Swiss Re’s reserves may not be adequate to address future claims.

Further adverse developments that have a negative impact on financial markets and economic conditions could limit the Group’s ability to access capital and bank funding, affect the ability of counterparties to meet their obligations to the Group, or weaken the confidence of the ultimate buyers of insurance and reinsurance.

Such adverse developments could additionally have a material adverse effect on the Group’s investment and overall results, make it difficult to determine the value of certain assets in the Group’s portfolio, make it more difficult to acquire suitable investments to meet its risk and return criteria, and otherwise have a material adverse effect on its business and operations.

Impact of the military conflicts and other geopolitical tensions

Regional, national or international geopolitical conflicts and tensions may adversely affect the economies of countries that are operationally and/or financially material to the Group, be it through direct military action, the imposition of sanctions, expropriations, tariffs or other measures or due to depressed demand as a result of such conflict or tension. Any of the foregoing may also impact supply chains, banking and monetary systems, financial markets and therefore also customers of Swiss Re in affected regions or globally and may lead to lower demand for Swiss Re’s products or excessive claims against Swiss Re.

Sustainability and environmental, social and governance activities and disclosures

Swiss Re’s investors, shareholders, business partners, customers and other third parties, including regulators and public authorities, are increasingly focused on environmental, social and governance (ESG), sustainability and corporate social responsibility (CSR) endeavours and reporting. Swiss Re’s statutory ESG reporting requirements were applicable for the first time with respect to the 2023 financial year.

Swiss Re may be subject to greater scrutiny when it comes to its own CSR, ESG and/or sustainability endeavours and reporting or its commitment to net-zero greenhouse gas emissions by 2050. If Swiss Re does not adapt to or comply with the evolving investor, shareholder, business partner or third party, including regulators and public authorities, expectations and CSR, ESG and/or sustainability recommendations, standards, norms, metrics or regulatory requirements and/or does not meet its CSR, ESG and/or sustainability targets, goals and/or ambitions, Swiss Re can be perceived to have not responded appropriately to CSR, ESG and/or sustainability recommendations, standards, norms, metrics or regulatory requirements. Furthermore, Swiss Re may suffer

from reputational damage and/or litigation or regulatory proceedings, which could result in its financial condition, results of operations, business and prospects being materially and adversely affected. In addition, changes and uncertainty in relation to policies or regulations regarding sustainability, ESG or CSR matters as well as the fragmentation of ESG legislation globally, may result in potential investigation and litigation, higher regulatory and compliance costs and increased capital expenditures, which could result in Swiss Re's financial condition being materially and adversely affected.

In addition, Swiss Re's investors, shareholders, business partners and third parties look to ESG rating systems, or disclosure frameworks that have been developed by third party groups to allow comparisons between companies on ESG factors as they evaluate investment decisions as well as company disclosures. Swiss Re does not participate in all of the available rating systems and may not necessarily score well in all of the available ratings systems. Further, the criteria used in these ratings systems change frequently, and Swiss Re cannot guarantee that it will be able to score well as criteria change. Not participating in certain third-party ratings systems, failure to score well in those ratings systems or failure to provide certain ESG disclosures could result in reputational damage, which could result in Swiss Re's financial condition, results of operations, business and prospects being materially and adversely affected.

Risk of unexpected and unintended issues related to claims and coverage, including social inflation

As industry practices and legal, judicial, social and other environmental conditions change, unexpected and unintended issues related to risk of claims and coverage may develop in an adversely different manner than originally anticipated may continue to emerge. Such issues have adversely affected, and may in the future adversely affect, the Group's business by either requiring it to extend coverage beyond its underwriting intent or by increasing the number or amounts of claims against the Group. For example, the trend of social inflation has increased liability claims against the Group in recent years. There has been an increase in severity of awards and settlements affecting excess and umbrella layers, particularly in the US, as well as an increase in commercial automotive and general liability claims. The Group has continued to pro-actively strengthen its reserves and has considered the latest information and outlook related to such claims, including in relation to economic and social inflation when making its reserve decisions. In addition, the Group closely monitors the intersection between social inflation, economic inflation and loss trend and intends to adjust its pricing accordingly. The Group intends to continue to manage its exposure to large corporate risks in line with its cautious view on social inflation. Despite the Group's various measures to address these issues, there remains uncertainty on how these unintended issues related to claims and coverage may impact the Group's business. If the Group's reserving and pricing is not adequate to cover these or other issues, there could be an additional adverse effect for the Group's business, financial condition or results of operations.

Insurance, operational and other risks

As part of the Group's ordinary course of operations, the Group is subject to a variety of risks, including risks that reserves may not adequately cover future claims and benefits; risks that catastrophic events (including natural catastrophes, such as hurricanes, cyclones, tornadoes, windstorms, hail storms, wildfires, floods and earthquakes, as well as extreme space weather events such as solar storms and geomagnetic activity, and man-made disasters, such as acts of terrorism, cyberattacks and other disasters such as explosions, industrial accidents and fires, as well as diseases, pandemics, epidemics and humanitarian crises) are inherently unpredictable in terms of both their frequency and severity (as well as heightened accumulation risk eg in the case of cyberattacks) and have exposed, and may continue to expose, the Group to unexpected large losses (and related uncertainties in estimating future claims in respect of such events); changes in the insurance industry that affect ceding companies, particularly those that further increase their sensitivity to counterparty risk; competitive conditions (including as a result of consolidation and the availability of significant levels of alternative capacity); cyclical nature of the industry; risks related to emerging claims and coverage issues (including, in particular, social inflation); macro developments giving rise to emerging risks, such as climate change and technological developments (including greater exposure to cyber risks, where accumulation risk is yet to be fully understood, which could have a range of consequences from operational disruption, to loss of proprietary or customer data, to greater regulatory burdens and potential liability); risks arising from the Group's dependence on policies, procedures and expertise of ceding companies; risks related to investments and operations in emerging markets; and risks related to the failure of, or attacks directed at, the Group's operational systems and infrastructure (or those of its third party providers), including systems and infrastructure relating to IT, data storage and processing as well as accounting and control. Any of the foregoing, as well as the occurrence of future risks that the Group's risk management procedures fail to identify or anticipate, could have a material adverse effect on the Group, and could also give rise to reputational risk.

Financial and capital market risk

Volatility and disruption in the global financial markets could expose the Group to significant financial and capital markets risk, including changes in interest rates, credit spreads, equity prices, real estate prices and foreign currency exchange rates, which may adversely impact the Group's financial condition, results of operations, liquidity and capital position. The Group's exposure to interest rate risk is primarily related to the market price and cash flow variability associated with changes in interest rates. In general, a higher interest rate environment is beneficial to the insurance and reinsurance industries, supporting earnings capacity via higher investment income, despite mark-to-market volatility in short term. Additionally, an increase in interest rates generally results in an increase in the Group's Swiss Solvency Test ratio. Exposure to credit spreads primarily relates to market price and cash flow variability associated with changes in credit spreads. When credit spreads widen, the net unrealised loss position of the Group's investment portfolio can increase, as could the allowance for expected credit losses.

The Group is exposed to changes in the level and volatility of equity prices, as well as the value of securities or instruments that derive their value from a particular equity security, a basket of equity securities or a stock index. The Group is also subject to equity price risk to the extent that the values of life-related benefits under certain products and life contracts, most notably variable annuity contracts, are wholly or partially exposed, directly and/or indirectly, to market fluctuations, including equity prices. To the extent market values fall, the financial exposure on guarantees related to these contracts would increase to the extent this exposure is not hedged. While the Group has an extensive hedging programme covering its existing variable annuity business, certain risks cannot be hedged, including actuarial, basis and correlation risks. Exposure to real estate originates from changes in property values. Foreign exchange risk arises from changes in spot prices, forward prices and volatilities of currency exchange rates.

The Group seeks to manage the risks inherent in its investment portfolio by repositioning the portfolio from time to time, as needed, and to reduce risk and fluctuations through

the use of hedges and other risk management tools. These risks can have a significant effect on investment returns and market values of securities positions, which in turn may affect both the Group's results of operations and financial condition. The Group continues to focus on asset-liability management for its investment portfolio, but pursuing even this strategy has its risks, including a possible mismatch between investments and liability benchmarks.

Legal, regulatory and tax risks

In the ordinary course of business, the Group is involved in lawsuits, arbitrations and other formal and informal dispute resolution procedures, the outcomes of which determine the Group's rights and obligations under insurance, reinsurance or other contractual agreements. From time to time, the Group may institute, or be named as a defendant in, legal proceedings, and the Group may be a claimant or respondent in arbitration proceedings. These proceedings could involve coverage or other disputes with ceding companies, disputes with parties to which the Group transfers risk under reinsurance arrangements, disputes with other counterparties or other matters. While the Group believes it has measures in place to mitigate the exposure to such proceedings, it is inherently difficult to predict their frequency and the amounts in dispute, which could be material for the Group.

The Group may from time to time be involved in investigations and regulatory proceedings, which could result in adverse judgments, settlements, fines and other outcomes. These investigations and proceedings could relate to insurance or reinsurance matters, or could involve broader business conduct rules, including those in respect of market abuse, bribery, money laundering, sanctions, competition law, data protection and privacy or ESG, CSR or sustainability issues more generally as well as any other disclosure or accounting issues. The Group also is subject to audits and challenges from time to time by tax authorities, which could result in increases in tax costs, changes to internal structures and interest and penalties. Tax authorities may also actively pursue additional taxes based on retroactive changes to tax laws. The Group could be subject to risks arising from alleged, or actual, violations of any of the foregoing, and could also be subject to litigation or enforcement actions arising from potential employee misconduct, including non-compliance with internal policies and procedures, negligence and malfeasance, such as undertaking or facilitating cyber-attacks on internal systems. Substantial legal liability could materially adversely affect the Group's business, financial condition or results of operations or could cause significant reputational harm, which could seriously affect its business.

Changes in the legal, regulatory or tax environment

Swiss Re and its subsidiaries operate in a highly regulated environment, which has changed significantly in recent years and is expected to continue to evolve. While most regulation is national in scope, the global nature of the Group's business means that its operations are subject to a fragmented and complex regulatory environment with a patchwork of global, national and regional standards. On the one hand, Swiss Re and its subsidiaries are subject to group supervision, on the other, Swiss Re's subsidiaries are also subject to local supervision and applicable regulation in each of the jurisdictions in which they conduct business, particularly Switzerland, the United States, Luxembourg and Singapore. The Swiss Re Group, as well as its Swiss-regulated entities, is subject to the Swiss Solvency Test, and its legal entities and branches organised in the European Economic Area are subject to Solvency II.

In Switzerland, where, among other operating and non-operating legal entities, Swiss Re's holding SRL and ultimate operating legal entity Swiss Reinsurance Company Ltd are located, the revised Swiss Insurance Supervision Act and Swiss Insurance Supervision Ordinance entered into force on 1 January 2024. The revision includes various changes, some of which may lead to higher compliance and legal costs as well as the possibility of higher operational, capital and liquidity costs. As a result of the partial revision of the Swiss Insurance Supervision Act and Swiss Insurance Supervision Ordinance, FINMA revised the downstream regulation which entered into force on 1 September 2024.

While certain regulatory processes are designed in part to foster convergence and achieve recognition of group supervisory schemes, the Group continues to face risks of extraterritorial application of regulations, particularly in the area of sustainability but also with regards to group supervision and group capital requirements. Furthermore, evolving regulatory schemes and requirements may be inconsistent or may conflict with each other, thereby subjecting the Group, particularly in light of the increasing focus on legal entities in isolation and fragmented jurisdictional approaches to sustainability regulation for example, to higher compliance and legal costs and risks, as well as the possibility of higher operational, capital and liquidity costs.

In December 2022, the Financial Stability Board (FSB) endorsed the International Association of Insurance Supervisors' (IAIS) Holistic Framework (HF) for assessing and mitigating systemic risk and discontinued its identification of global systemically important insurers (G-SIIs). However, discussions on the identification of domestic systemically important insurers (D-SIIs) are still ongoing in certain jurisdictions. The IAIS HF embraces an enhanced set of policy measures targeted at the exposures and activities that can lead to systemic risks from the insurance sector. The Group cannot predict what additional regulatory changes will be implemented as the IAIS systemic risk process evolves and what any such changes may mean for how the Group is structured in any particular jurisdiction and how aspects of its business may be affected.

Large internationally active insurance groups (IAIGs), which are identified by group-wide supervisors based on IAIS defined criteria, are expected to become subject to a risk-based group-wide global insurance capital standard (ICS). The ICS was adopted at year-end 2024; it became applicable as international soft law as of 2025 and jurisdictional implementation assessments are expected to start in 2026. It is expected that the Group Swiss Solvency Test (SST) will be the Swiss implementation of ICS – at least for the next couple of years.

The Group can neither predict which legislative and/or regulatory initiatives will be enacted or promulgated, nor their scope and content, their date of enactment or their implications for the industry, in general, and for the Group, in particular. The Group may be subject to changes promulgated by its supervisors in respect of the models that the Group uses for capital and solvency purposes, and could be adversely affected if, for example, it is required to use standard models rather than internal models. Generally, legal and regulatory changes could have a material impact on the Group's business.

Regulatory changes also could occur in areas of broader application, such as competition policy and tax laws. For example, changes in tax laws, or the interpretation of the tax laws or tax regulations in jurisdictions in which the Group does business, or withdrawals of tax rulings in jurisdictions such as Switzerland that have issued such rulings to Swiss Re, could increase the level of taxes the Group pays, or impact the attractiveness of products offered by the Group, the Group's investment activities or the value of deferred tax assets or liabilities. These changes, or inconsistencies between the various regimes that apply to the Group, could increase the costs of doing business (including due to increased capital requirements), reduce access to liquidity, limit the scope of current or future business or affect the competitive balance, or could make reinsurance less attractive to primary insurers. In 2023, some countries, including Switzerland, introduced Base Erosion and Profit Shifting (BEPS), a minimum tax scheme related to the OECD initiative to get to a worldwide minimum taxation of 15% (and other countries are expected to follow in 2024). The rules will impact the overall tax payments of the Group and will significantly increase Swiss Re's tax compliance cost.

Risks relating to credit rating downgrades

Ratings are an important factor in establishing the competitive position of re/insurance companies. Third party rating agencies assess and rate the financial strength of re/insurers, such as Swiss Re. These ratings are intended to measure a company's ability to repay its obligations and are based upon criteria established by the rating agencies. Ratings may be solicited or unsolicited.

The Group's solicited ratings reflect the current opinion of the rating agencies with whom we maintain an interactive rating relationship for the purpose of solicited ratings. One or more of the Group's ratings could be downgraded or withdrawn in the future. In addition, unsolicited ratings may also be downgraded or withdrawn, such as the downgrade in April 2020 of unsolicited insurer financial strength and long-term issuer default ratings assigned to various entities within the Group. Rating agencies may, in their sole discretion, increase the frequency and scope of ratings reviews, revise their criteria or take other actions that may negatively impact the Group's ratings and/or the ratings of its legal entities. Any such action is inherently difficult to predict by the Group. In addition, changes to the process or methodology of issuing ratings, changes in regulation, or the occurrence of events or developments affecting the Group, could adversely affect the Group's existing ratings or make it more difficult for the Group to achieve improved ratings which it would otherwise have expected. In particular, it is possible that the Group's ratings could be negatively affected by a range of factors such as challenging market environment, the level of natural catastrophe losses, underwriting performance, adequacy of reserves, changes in senior management, economic trends and financial market performance on the Group. Any of the foregoing, or a combination of the foregoing, could have a negative impact on the Group's business.

As financial strength ratings are a key factor in establishing the competitive position of re/insurers, a decline in ratings of Swiss Re and/or the ratings of its key rated legal entities could make re/insurance provided by the Group less attractive to clients relative to re/insurance from competitors with similar or stronger ratings. A decline in ratings could also cause the loss of clients who are required by either policy or regulation to purchase re/insurance only from re/insurers with certain ratings, or whose confidence in the Group is otherwise diminished. Certain larger re/insurance and derivative contracts may contain terms that would allow the ceding companies or counterparties to terminate the contract if the Group's ratings or those of its subsidiaries are downgraded beyond a certain threshold. Furthermore, ratings directly impact the availability and terms of unsecured financing (potentially impacting both the Group's ability to rollover existing facilities and/or obtain new facilities) and declines in the Group's ratings or the ratings of legal entities within the Group could also obligate the Group to provide collateral or other guarantees in the course of its business or trigger early termination of funding and/or derivative arrangements. As a ratings decline could also have a material adverse impact on the Group's costs of borrowing or ability to access the capital markets, the adverse implications of a downgrade could be more severe.

Ability to attract and retain key personnel

Swiss Re relies upon the knowledge and talent of the employees across the Group to successfully conduct its operations. Swiss Re's success has depended, and will continue to depend, in substantial part upon its ability to attract and retain highly skilled and technically qualified employees and to train its employees. This is true at the senior management level as well as in key operational roles. There is significant competition for qualified managers and employees from within the industry as well as from businesses outside the industry. A loss of senior management or other key personnel to competitors or otherwise could have a material adverse effect on Swiss Re's results of operations, financial condition and cash flows in future periods.

Pandemic risk

The emergence of new diseases or infections or future outbreaks of pandemics (including new variants of the SARS-CoV-2 virus) and the actions that may be taken to slow the spread of such diseases could have an adverse impact on communities, social and business interactions, economic activity and economies across the globe. The global insurance industry remains exposed to adverse claims with regards to additional health care costs, possible lockdown measures and other long-term direct/indirect impact of pandemic. Many pandemic-related developments continue to impact with long-term trends on the insurance industry. It also remains to be seen how public-private partnership initiatives may evolve to address future pandemics. Underfinancing of healthcare systems can lead to staff shortages due to the exodus of healthcare workers to high-income countries, which strains the healthcare system in the event of a

pandemic. This in turn will adversely affect the insurance industry.

Use of models; accounting matters

The Group is subject to risks relating to the preparation of estimates and assumptions that its management uses, for example, as part of its risk models as well as those that affect the reported amounts of assets, liabilities, revenues and expenses in the Group's financial statements (such as assumptions related to the Group's capital requirements and anticipated liabilities), including assumed and ceded business. For example, the Group estimates premiums pending receipt of actual data from ceding companies, which actual data could deviate from the estimates (and could be adversely affected if premiums turn out to be lower, while claims stay the same). In addition, particularly with respect to catastrophic events, it may be difficult to estimate losses, and preliminary estimates may be subject to a high degree of uncertainty and change as new information becomes available. Deterioration in market conditions could have an adverse impact on assumptions used for financial reporting purposes, which could trigger a potential impairment of various assets and liabilities, including goodwill. Moreover, regulators could require the use of standard models instead of permitting the use of internal models. To the extent that management's estimates or assumptions prove to be incorrect, it could have a material impact on underwriting results (in the case of risk models) or on reported financial condition or results of operations (in the case of accounting judgments), and such impact could be material.

The Group's results may be impacted by changes in accounting standards, or changes in the interpretation of accounting standards. Changes in accounting standards could impact future reported results or require restatement of past reported results. The Group's results may also be impacted if regulatory authorities take issue with any conclusions the Group may reach in respect of accounting matters. In addition, the adoption of IFRS for the Group's consolidated accounts has led to additional complexity in the Group's financial reporting process including but not limited to the need to maintain and regularly update a larger number of estimates and assumptions and to apply a significant degree of judgment.

The Group uses alternative performance measures in its external financial reporting. These measures are not prepared in accordance with IFRS or any other comprehensive set of accounting rules or principles and should not be viewed as a substitute for measures prepared in accordance with IFRS. Moreover, these may be different from, or otherwise inconsistent with, non-IFRS financial measures used by other companies. These measures have inherent limitations, are not required to be uniformly applied and are not audited.

Credit risk

If the credit markets were to deteriorate, the Group could experience losses. Changes in the market value of the underlying securities and other factors impacting their price could give rise to market value losses. The Group could also face write-downs in other areas of its portfolio, including other structured instruments, and the Group and its counterparties could face difficulties in valuing credit-related instruments. Differences in opinion with respect to valuations of credit-related instruments could result in legal disputes among the Group and its counterparties as to their respective obligations, the outcomes of which are difficult to predict and could be material. The Group is also subject to credit and other risks in its credit & surety businesses, including reliance on banks that underwrite and monitor facilities in which the Group participates and potential default by borrowers under those facilities.

Liquidity risks

The Group's business requires, and its clients expect, that it has sufficient capital and sufficient liquidity to meet its re/insurance obligations, and that this would continue to be the case following the occurrence of any foreseeable event or series of events, including extreme catastrophes, that would trigger insurance or reinsurance coverage obligations. The Group's uses of funds include, among other things,

payment of its obligations arising in its insurance and reinsurance businesses (including claims and other payments as well as insurance provision repayments due to portfolio transfers, securitisations and commutations), which may include large and unpredictable claims (including catastrophe claims), short-term securities lending and repurchase agreements, funding of capital requirements and operating costs, payment of principal and interest on outstanding indebtedness and funding of acquisitions. The Group also has unfunded capital commitments in its private equity and hedge fund investments, which could result in funding obligations at a time when it is subject to liquidity constraints. In addition, the Group has potential collateral requirements in connection with a number of reinsurance and derivative arrangements, the amounts of which may be material and the meeting of which could require the Group to liquidate cash equivalents or other securities.

The Group manages liquidity and funding risks by focusing on the liquidity stress that is likely to result from extreme capital markets scenarios or from extreme loss events or combinations of the two. Generally, the ability to meet liquidity needs could be adversely impacted by factors that the Group cannot control, such as market dislocations or interruptions, adverse economic conditions, severe disruption in the financial and worldwide credit markets and the related increased constraints on the availability of credit; changes in interest rates, foreign exchange rates and credit spreads; or by perceptions among market participants of the extent of the Group's liquidity needs.

Unexpected liquidity needs (including to meet collateral calls) could require the Group to increase levels of indebtedness or to liquidate investments or other assets. Should the Group require liquidity at a time when access to bank funding and the capital markets is limited, it may be unable to secure new sources of funding. The Group's ability to meet liquidity needs through asset sales may be constrained by market conditions and the related stress on valuations. In addition, the Group's ability to meet liquidity needs through the incurrence of debt may be limited by constraints on the general availability of credit in the case of bank funding, and adverse market conditions, in the case of capital markets debt. Failure to meet covenants in lending arrangements could further constrain access to liquidity. The Group's ability to meet liquidity needs may also be constrained by regulatory requirements that require regulated entities to maintain or increase regulatory capital, or that restrict intragroup transactions, the timing of dividend payments from subsidiaries or the fact that certain assets may be encumbered or are otherwise not tradeable. Finally, any adverse ratings action against the Group could trigger a need for further liquidity (for example, by triggering termination provisions or margin calls/collateral delivery requirements in contracts to which Swiss Re is a party) at a time when the Group's ability to obtain liquidity from external sources is limited by such ratings action. See also "Risks relating to credit rating downgrades."

Counterparty risks

The Group is exposed to the risk of defaults, or concerns about defaults, by its counterparties. Issuers or borrowers whose securities or loans the Group 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 Group due to bankruptcy, insolvency, restructuring, regulatory intervention, lack of liquidity, adverse economic conditions, operations failure, fraud or other reasons, which could also have a material adverse effect on the Group. The Group has allocation to higher return-generating strategies, including high-quality corporate debt and some alternative assets, which tend to also be subject to potentially greater counterparty risk than government bonds.

The Group could also be adversely affected by the insolvency of, or other credit constraints affecting, counterparties in its insurance and reinsurance operations. Moreover, the Group could be adversely affected by liquidity issues at ceding companies or at third parties to whom the Group has retroceded risk, and such risk could be exacerbated to the extent any such exposures are concentrated.

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