

# Financial Condition Report

2025

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## About the Financial Condition Report

This Financial Condition Report presents qualitative and quantitative information on business activities, performance, governance, risk management and solvency of Swiss Re's Swiss regulated re/insurance entities.

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.

## About this report

### Scope and requirements

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), and
- Swiss Re International SE, Luxembourg, Zurich branch (SRI SE Zurich branch)

On 1 July 2025, the Group completed the sale of the iptiQ European P&C business to Allianz Direct, following receipt of all required regulatory approvals. Therefore, this Report does no longer include information on iptiQ EMEA P&C S.A., Luxembourg, 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](http://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 judgment 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).
- SST information uses Swiss Re's internal model which has been approved by FINMA. IFRS is the basis for preparing the SST balance sheet. SST financial statements are reported in US dollars.

The risk exposure basis for the SST 2026 numbers in this Report is a projection for the period from 1 January to 31 December 2026 and is based on the economic balance sheet as of 31 December 2025. Potential SST model or data limitations identified during the SST process are reported to FINMA as part of the SST Report 2026 with an impact assessment whenever possible. All comparative solvency information is based on the SST Report 2025 filed with FINMA in April 2025.

The reported solvency information as of 1 January 2026 (SST 2026) is consistent with the information provided in the SST Report 2026 for Group, SRZ and SRN. The SST Report 2026 is filed with FINMA in April 2026 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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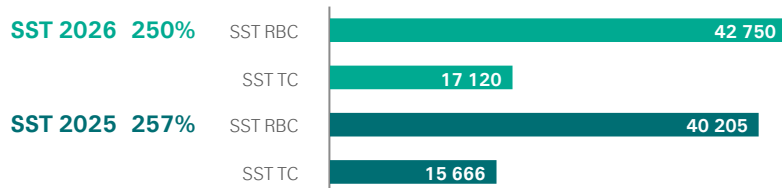
## Management summary

Swiss Re's capital position remained strong, with the Group SST 2026 ratio at 250%. Compared with SST 2025, the ratio decreased by 7 percentage points, mainly driven by projected capital repatriation and model updates, partially offset by positive underwriting and investment contributions.

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 [Annual Report 2025](https://www.swissre.com/investors/financial-information) available under [www.swissre.com/investors/financial-information](https://www.swissre.com/investors/financial-information).

### Solvency overview



**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 2025 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 activities

## Business information

For information on the Group strategy, see the [About Swiss Re](#) section in the Annual Report 2025, starting from page 8.

For information on the Group structure and shareholders, see the [Group structure and shareholders](#) section in the Annual Report 2025 on page 94.

For information on [Insurance revenue](#) by geography, see Note 2 to the financial statements included in the Annual Report 2025 on page 179.

For information on the [Fully consolidated subsidiaries and associates](#), see Note 24 to the financial statements included in the Annual Report 2025, starting from page 280.

For information on the Group's use of [Structured entities](#), see Note 26 to the financial statements included in the Annual Report 2025, starting from page 284.

## Significant events

For information on significant events and disposals, refer to the [Information policy](#) section on page 120 and [Note 14](#) (Assets held for sale) to the financial statements included in the Annual Report 2025 on page 261.

## Report of the statutory auditor

In 2025, 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 Annual Report 2025, starting from page 118. The [Statutory auditor's report](#) can be found in the Annual Report 2025, starting from page 289.

# Performance

The Group publicly discloses detailed financial results in the Annual Report 2025 (available under [www.swissre.com/investors/financial-information](http://www.swissre.com/investors/financial-information)). Refer to the following specific sections for more information:

- [Financial highlights](#) on page 6
- [Group results](#) on page 13 and 14
- [Income statement](#) on page 153
- [Statement of comprehensive income](#) on page 154
- [Balance Sheet](#) on page 155
- [Note 6 on Investments](#) starting from page 223

# Governance and risk management

## Board of Directors and Executive 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 Annual Report 2025 starting from page 97 and 109, 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 Annual Report 2025, starting from page 23.

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 Annual Report 2025, starting from page 32.
- [Key risk management principles](#); see Annual Report 2025, page 32.
- [Risk culture and behaviour](#); see Annual Report 2025, page 32.
- [Organisation of risk management](#); see Annual Report 2025, starting from page 33.
- [Risk control framework](#) and Internal Control System; see Annual Report 2025, page 34.
- Management of risk categories; see [Swiss Re risk landscape](#) in the Annual Report 2025, pages 27 and 29–31.
- [Risk appetite framework and limits](#); see Annual Report 2025, page 35.

Swiss Re's proprietary full internal risk model provides a meaningful assessment of the risks to which the Group is exposed and represents 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. The internal model and its parameters are continuously reviewed and updated to reflect changes in the risk environment and current best practice.

For more information about Swiss Re's internal risk model, see the section [Internal risk model](#) of the Annual Report 2025 on page 26.

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 Annual Report 2025, page 27.
- 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 Annual Report 2025, pages 28–29.
- 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 Annual Report 2025, pages 28–29.

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 Annual Report 2025, pages 30–31 and page 24, 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 Annual Report 2025. Please refer to the following specific sections for more information:

- Governance structure related to climate-related financial risks (FINMA Circular 2016/2 MN 13.3), Annual Report 2025 on pages 46–49.
- Climate-related financial risks (FINMA Circular 2016/2 MN 13.4), Annual Report 2025 on pages 55–59.
- Climate risk management (FINMA Circular 2016/2 MN 13.5), Annual Report 2025 on pages 60 and 43.
- Climate metrics and targets (FINMA Circular 2016/2 MN 13.6), Annual Report 2025 on pages 61–71.
- Criteria and valuation methods for determining materiality of climate-related risks (FINMA Circular 2016/2 MN 13.7), Annual Report 2025 on pages 41, 48, 55 and 58–59.

## Risk profile

Swiss Re is exposed to insurance and financial risks that are calculated in its internal risk model, and to other risks that are not explicitly included in 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](#), Annual Report 2025, starting from page 27.

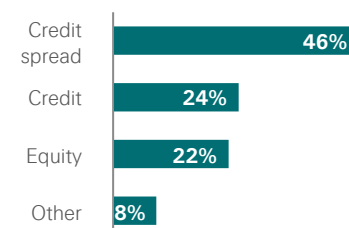
Property and casualty risk is mainly driven by natural catastrophe, non-life claims inflation, costing and reserving, and man-made risks. The main drivers of life and health risk are mortality trend and lethal pandemic risk.

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<sup>1</sup>



### Financial risk split<sup>2</sup>



<sup>1</sup> Contribution of property and casualty (P&C) and life and health (L&H) risk to total risk as a percentage of the contribution of insurance risk (P&C and L&H) to total risk.

<sup>2</sup> Contribution of credit spread, credit, equity and other financial risks to total risk as a percentage of the contribution of financial market and credit risk to total risk.

## 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 2026	SST 2025	Change
Property and casualty risk	13 016	12 282	734
Life and health risk	9 089	9 162	-73
Financial market risk	9 798	9 059	739
Credit risk <sup>1</sup>	3 544	3 295	249
Diversification	-15 691	-15 018	-673
<b>Total risk</b>	<b>19 757</b>	<b>18 780</b>	<b>977</b>

<sup>1</sup> 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 increased to USD 19.8 billion, driven by higher financial market and property and casualty risk, partially offset by lower life and health risk. These shifts led to an increase in diversification at risk category level.

- The increase in property and casualty risk was mainly driven by an increase in natural catastrophe risk due to lower hedging, further supported by the appreciation of major currencies against the US dollar. These effects were partly offset by lower claims inflation risk, reflecting an improved inflation outlook in the annual parameter update, claims payments and reserve releases.
- The slight decrease in life and health risk was mainly driven by reduced pandemic risk, as well as higher interest rates for the Chinese yuan and the Canadian dollar, offset by the appreciation of major currencies against the US dollar.

- Financial market risk increased due to a repositioning in the corporate bond portfolio, new loans, lower credit hedges, parameter updates and the appreciation of major currencies against the US dollar.
- The increase in credit risk was driven by the appreciation of major currencies against the US dollar and higher exposures.

Swiss Re's internal model takes into account 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.

### Operational risk

Swiss Re uses a Group-wide risk matrix methodology and a Global Risk Register to identify and manage operational risks. The methodology focuses on key operational risks that approach or exceed Swiss Re's internal operational risk tolerance. Any operational risk exposure that exceeds the tolerance is subject to a mitigation plan that is monitored by the Group Risk Committee. Adherence to risk tolerance is monitored and reported at least quarterly. The overall internal control environment within Swiss Re Ltd remains adequate.

The Group's operational risk management continues to prioritise key areas, including the enhancement of data and technology capabilities, the strengthening of digital and operational resilience, and the ongoing reinforcement of IFRS financial reporting stability. In addition, the Group is advancing initiatives to improve the robustness and efficiency of business processes and transactions throughout its operations.

### 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 Annual Report 2025 sections on [Swiss Re's risk landscape](#) on page 27, and [Other significant risks](#) starting on page 30.

### 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 and lethal pandemic 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 unexpected losses over the one-year SST time horizon from insurance peak scenarios with a return period of 200 years, as well as on the potential unexpected loss over the one-year SST time horizon from a credit default event. The financial risk sensitivities are shown in terms of their impact on the SST ratio.

In SST 2026, large natural catastrophe exposures for Swiss Re Group derive from the Atlantic hurricane, the Californian earthquake, the European windstorm and the Japanese earthquake scenarios. The increases compared with SST 2025 are mainly driven by lower hedging. For European windstorm, the appreciation of major currencies against the US dollar and business growth also contributed to the increase.

#### Insurance risk stress tests with 200-year return period

Unexpected loss over 1-year SST time horizon, 99.5% VaR in USD millions <sup>1</sup>	SST 2026	SST 2025	Change
Atlantic hurricane	7 568	6 138	1 430
Californian earthquake	4 853	4 078	775
Lethal pandemic	3 589	3 659	-69
European windstorm	3 329	2 495	834
Japanese earthquake	2 932	2 201	731

<sup>1</sup> Excluding earned premiums for business written and reinstatement premiums that could be triggered as a result of the event.

#### Credit risk stress test with a 200-year return period

Unexpected loss over 1-year SST time horizon, 99.5% VaR in USD millions <sup>1</sup>	SST 2026	SST 2025	Change
Credit default	2 744	2 550	194

<sup>1</sup> Excluding earned premiums for business written and 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 decrease in real estate values of 25%, which would result in an estimated decrease in the SST ratio of 8 percentage points.

#### Financial market SST ratio sensitivities

Impact on SST ratio	SST 2026	SST 2025	Change
Interest rate +50bp	4	7	-3
Interest rate -50bp	-5	-8	3
Credit spreads +50bp	-7	-6	-1
Credit spreads -50bp	7	6	0
Equity values +25%	2	1	1
Equity values -25%	-2	-2	-1
Real estate values +25%	8	7	0
Real estate values -25%	-8	-8	0

#### 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 and the transfer of risk to capital markets. For financial risks, Swiss Re uses financial market derivative instruments and securities to hedge financial market and credit risk.

# Valuation

## SST balance sheet

SST balance sheet reflects market conform valuation of assets and liabilities as required under SST valuation principles. IFRS is the basis for preparing the SST balance sheet.

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 2026	SST 2025	Change
Market conform value of investments	Real estate	1	6 125	5 349	777
	Participations				
	Fixed income securities	2	84 168	80 175	3 993
	Loans	3	5 246	4 220	1 026
	Mortgages		1 733	1 599	134
	Equities	4	2 288	282	2 005
	<b>Other investments</b>		<b>8 989</b>	<b>8 579</b>	<b>410</b>
	Collective investment schemes		19	11	8
	Alternative investments	5	4 654	5 024	-370
	Structured products				
	Other investments	6	4 316	3 544	772
<b>Total investments</b>		<b>108 549</b>	<b>100 204</b>	<b>8 345</b>	
Market conform value of other assets	Financial investments from unit-linked life insurance		590	623	-33
	Receivables from derivative financial instruments	7	416	1 282	-866
	Deposits made under assumed reinsurance contracts	8	20 785	18 197	2 587
	Cash and cash equivalents	9	2 748	4 160	-1 412
	<b>Share of technical provisions from reinsurance</b>		<b>2 433</b>	<b>2 004</b>	<b>429</b>
	Direct insurance: life insurance business (excluding unit-linked life insurance)		-1	-5	4
	Reinsurance: life insurance business (excluding unit-linked life insurance)		-414	-352	-63
	Direct insurance: non-life insurance business		2 215	2 019	196
	Reinsurance: non-life insurance business		634	342	291
	Direct insurance: health insurance business				
	Reinsurance: health insurance business				
	Direct insurance: other business				
	Reinsurance: other business				
	Direct insurance: unit-linked life insurance business				
	Reinsurance: unit-linked life insurance business				
	Fixed assets		1 104	992	112
	Deferred acquisition costs				
	Intangible assets				
	Receivables from insurance business	10	8 874	9 524	-650
	Other receivables		1 238	1 294	-56
	Other assets		3 968	3 850	118
	Unpaid share capital				
Accrued assets		964	877	87	
<b>Total other assets</b>		<b>43 119</b>	<b>42 803</b>	<b>316</b>	
<b>Total market conform value of assets</b>		<b>151 668</b>	<b>143 007</b>	<b>8 661</b>	

USD millions		Notes	SST 2026	SST 2025	Change
Market conform value of liabilities (including unit-linked life insurance)	<b>Best estimate of insurance liabilities</b>		<b>74 698</b>	<b>70 583</b>	<b>4 114</b>
	Direct insurance: life insurance business (excluding unit-linked life insurance)		156	-22	179
	Reinsurance: life insurance business (excluding unit-linked life insurance)	11	11 538	9 984	1 554
	Direct insurance: non-life insurance business	12	12 319	12 841	-522
	Reinsurance: non-life insurance business	13	50 684	47 780	2 904
	Direct insurance: health insurance business				
	Reinsurance: health insurance business				
	Direct insurance: other business				
	Reinsurance: other business				
	<b>Best estimate of unit-linked life insurance liabilities</b>		<b>2 413</b>	<b>2 358</b>	<b>55</b>
	Direct insurance: unit-linked life insurance business		317	361	-44
	Reinsurance: unit-linked life insurance business		2 097	1 997	99
	Market value margin	14	7 875	7 453	422
Market conform value of other liabilities	Non-technical provisions		2 926	2 542	383
	Interest-bearing liabilities	15	1 210	2 995	-1 785
	Liabilities from derivative financial instruments	16	626	1 267	-641
	Deposits retained on ceded reinsurance		1 053	1 016	36
	Liabilities from insurance business		9 013	9 533	-521
	Other liabilities		2 515	2 107	408
	Accrued liabilities		235	260	-26
	Subordinated debts	17	8 380	5 892	2 488
	<b>Total market conform value of liabilities</b>		<b>110 942</b>	<b>106 007</b>	<b>4 936</b>
	<b>Market conform value of assets minus market conform value of liabilities</b>		<b>40 726</b>	<b>37 001</b>	<b>3 725</b>

Notes

1. The increase in real estate was mainly driven by the strengthening of the Swiss Franc and Euro, as well as by a positive real estate value assessment.
2. The increase in fixed income securities was mainly driven by the appreciation of currencies against the US dollar, mark-to-market gains, interest income, and credit spread tightening.
3. The increase in loans was mainly driven by the addition of new loans, and by the appreciation of currencies against the US dollar.
4. The increase in equities mainly reflected an equity exchange-traded fund with a total return swap.
5. The decrease in alternative investments was mainly driven by sales proceeds from private equity investment funds.
6. The increase in other investments was mainly driven by additions in fixed income funds and by the appreciation of currencies against the US dollar.
7. The decrease in receivables from derivative financial instruments was mainly due to a change in foreign exchange derivatives (see offset in Note 16).
8. The increase in deposits made under assumed reinsurance contracts mainly reflected developments in Reinsurance Life & Health, notably in Canada and EMEA.
9. The decrease in cash and cash equivalents was due to net sales to finance purchases of listed equity funds.
10. The decrease of receivables from insurance business was mainly driven by the non-life accident business of Corporate Solutions.
11. The increase in the reinsurance life technical provision mainly reflected reserve strengthening following negative experience and assumption reviews across regions, partially offset by new business production.
12. The decrease of direct non-life insurance business was mainly caused by the sale of the iptiQ EMEA P&C business.
13. The increase in the reinsurance non-life technical provision was mainly driven by the appreciation of currencies against the US dollar and unwind of discounting, partially offset by new business generation.
14. The increase in market value margin was driven by model updates and the appreciation of major currencies against the US dollar, partially offset by a steepening of the yield curves in major currencies.
15. The decrease in interest-bearing liabilities was mainly driven by a reclassification of one debt instrument to the line subordinated debts (see Note 17).
16. The decrease in payables from derivative financial instruments was mainly due to change in foreign exchange derivatives (see Note 7).
17. The increase in subordinated debts was mainly due to a reclassification of one instrument from line interest-bearing liabilities to subordinated debts (see Note 15). The increase was further driven by the appreciation of currencies against the US dollar, mark-to-market movements and the replacement of three instruments.

## SST balance sheet comparison with IFRS

This section shows the balance sheet of Swiss Re Group for IFRS and SST valuation 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 2025. Following the agreement from 30 December 2025 with Wilton Re on the sale of the iptiQ American carrier business, IFRS recognises iptiQ America's assets and liabilities held for sale as separate line items in the balance sheet. In SST, iptiQ America'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	2 621	6 125	3 504
Participations			
Fixed income securities	84 301	84 168	-133
Loans	5 341	5 246	-95
Mortgages	1 776	1 733	-43
Equity securities	2 290	2 288	-3
Other investments	8 769	8 989	220
Investments for unit-linked and with-profit business	592	590	-2
Cash and cash equivalents	2 750	2 748	-2
Best estimate of insurance liabilities retro <sup>1</sup>	11 911	11 307	-604
Deposits made under assumed reinsurance	19 513	20 785	1 272
Other assets	14 551	7 689	-6 862
<b>Total assets</b>	<b>154 416</b>	<b>151 668</b>	<b>-2 748</b>

<sup>1</sup> 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 the 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 <sup>1</sup>	110 733	93 999	-16 735
Deposits retained on ceded reinsurance	1 053	1 053	0
Debt	8 537	9 590	1 053
Other liabilities	8 355	6 301	-2 054
<b>Total liabilities</b>	<b>128 678</b>	<b>110 942</b>	<b>-17 735</b>

<sup>1</sup> 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 the 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: SST capitalises all expenses, while IFRS capitalises only for certain types of expenses. In SST, non-directly attributable expenses that are allocated to insurance business functions, but which are non-directly attributable to the fulfilment of insurance contracts, are modelled and projected based on best estimates. Similarly, SST also capitalises for investment expense reserve reflecting the expected costs of managing the investment assets backing SST reserves (incl. MVM) and SST required capital over the entire run-off of the insurance portfolio.

Differences in valuation: Discount rates: while both, IFRS 17 and SST, use risk-free rates for discounting, different methods for extrapolation are applied. MVM: SST includes the market value margin, i.e. the cost of financing risk-bearing capital to fulfil the required level of policyholder protection as defined in SST. 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 parametrisation is market conform.

### Debt

Differences in recognition: SST shows all debt, including perpetual capital instruments, as a 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 capitalises all expenses, while IFRS capitalises only for certain types of expenses. SST includes the projection of maintenance and business overhead 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 [Risk and capital management](#) section in the Annual Report 2025 starting from page 23, the [Capital structure](#) section starting from page 95 and [Note 10](#) to the financial statements (Debt) starting from page 251.

For the Group [Statement of changes in shareholders' equity](#), see page 156 of the Annual Report 2025.

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 in the Annual Report 2025 section starting from page 23.

Swiss Re uses a full internal risk model to determine the economic capital required to support the risks on the Group's 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 risk model](#) section on page 26 of the Annual Report 2025.

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

Since SST 2025, the following major model changes and updates have been implemented and approved by FINMA for SST 2026:

- Market value margin: Update of the methodology following the revision of the SST regulation.
- Model updates related to the transition to IFRS and lethal pandemic.
- Expected change in risk-bearing capital: Revised approach for modelling tax as well as improved calibration of parameters.

## Supplementary capital outlook

In accordance with Art. 34 para. 3 letter a ISO, Swiss Re Group has no supplementary capital instruments with optional redemption dates within the next 12 months.

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

# Swiss Reinsurance Company Ltd

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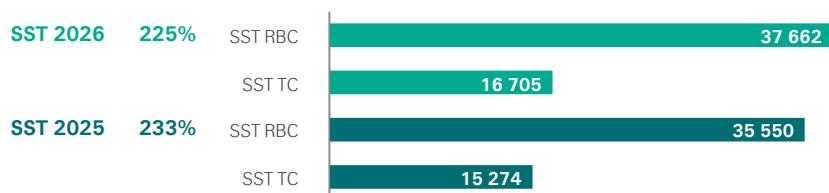
## Management summary

The capital position of Swiss Reinsurance Company Ltd (SRZ) remained strong, with the SST 2026 ratio at 225%. Compared with SST 2025, the ratio decreased by 7 percentage points, mainly driven by projected capital repatriation and model updates, partially offset by positive underwriting and investment contributions.

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 Annual Report 2025](#), available under [www.swissre.com/investors/financial-information](http://www.swissre.com/investors/financial-information).

### Solvency overview



**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 2025 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](#)

## Business activities

### Reinsurance strategy and priorities

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

Global P&C premium growth moderated in 2025 as the sector entered a more competitive phase following hard market conditions in 2023 and 2024. Primary market premium volumes grew by 2.5% in real terms.

Pricing in commercial lines moderated, with the trend most evident in property insurance, where global rates declined by 7.5% in 2025, according to Marsh's Global Insurance Market Index. Personal lines pricing also eased, particularly in Europe and the UK. In contrast, rates in US casualty continued to rise amid persistently elevated liability claims costs.

In 2025, global industry losses from natural catastrophes totalled an estimated USD 107 billion, lower than in the previous year and slightly below the average of the prior ten years. The loss burden was driven primarily by historically large wildfire losses in California at the start of the year, as well as severe thunderstorms in the US during the first half of 2025. Although no major hurricanes made landfall in the US, Hurricane Melissa struck the Caribbean, resulting in substantial humanitarian and economic losses.

Meanwhile, sector profitability remained robust with return on equity peaking at 12% in 2025, up from 11% in 2024<sup>1</sup>, supported by solid underwriting results and strong investment returns. In the reinsurance segment, pricing stayed broadly firm, although competition intensified as capital levels remained strong. Terms and conditions remained tight. High retentions by insurers especially for catastrophe covers, disciplined underwriting and lower natural catastrophe losses contributed to the solid underwriting results.

<sup>1</sup> Estimate based on a sample of seven large, advanced economies (Australia, France, Germany, Italy, Japan, the UK and the US).

## Life and health business

### Market environment

For the L&H insurance sector, 2025 was a year of consolidation following two years of exceptional, interest rate-driven expansion. Global life insurance premiums saw a mild slowdown, growing 3.8% in real terms, as the initial surge in savings demand eased and markets adjusted to a new, higher post-pandemic growth trend. Elevated bond yields continued to support savings products, while protection-related business volume remained largely stable. In advanced markets, premium growth was muted due to base effects from strong 2024 growth. However, savings and annuity sales remained resilient as consumers continued to take advantage of attractive guaranteed rates. Activity in China, the largest emerging market, moderated after a surge in 2024.

The life reinsurance segment benefited from steady primary market flows and sustained demand for capital and risk management solutions. Advanced markets, in particular North America, continued to drive global demand for life reinsurance.

Profitability in the life re/insurance sector improved, reflecting higher reinvestment yields and the normalisation of excess mortality towards pre-pandemic levels.

## Outlook for both property and casualty and life and health business

### Outlook for both property and casualty and life and health business

The global re/insurance industry is expected to continue benefiting from a broadly favourable external operating environment in 2026. Key drivers include continued solid global economic growth of around 2.8%, broadly in line with 2025, as well as further moderating inflation despite short-term volatility. Meanwhile, long-term government bond yields are expected to remain structurally elevated. However, significant uncertainty surrounds this outlook, with risks firmly skewed to adverse outcomes.

Total global insurance premium growth is projected to slow to around 2.0% in real terms on average over 2026–2027, reflecting a return to more sustainable expansion after the strong growth experienced in the last two years. Firm long-dated bond yields are expected to provide a reinvestment tailwind for insurers' fixed-income portfolios, supporting profitability in the P&C and L&H sectors.

The P&C sector is expected to hit a cyclical low in 2026–2027, with average global P&C insurance premium growth of 1.1% in real terms as competition intensifies further. Structural drivers such as rising natural catastrophe exposures due to urbanisation and asset concentration in exposed areas, escalating liability costs and AI-related investment (eg in data centres, new hardware and energy infrastructure) should support demand in the medium term. Underwriting discipline and robust investment income are expected to continue to underpin overall profitability.

In L&H, sector growth is forecast to remain robust, with life premiums rising at an annual rate of 2.8% in real terms on average in 2026–2027. Protection business is expected to grow at a similar pace and above the historical average on the back of rising consumer risk awareness. Firm long-term bond yields as well as the partial normalisation of excess mortality trends towards pre-pandemic levels should continue to support profitability over the next two years.

## Investments

### Strategy and priorities

Financial investments are managed in accordance with the SRZ's Asset Management Framework and the SRZ's Investment Guidelines, which are intended to ensure compliance with regulatory requirements. The general principle governing the 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

The global re/insurance industry is expected to continue benefiting from a broadly favourable external operating environment in 2026. Key drivers include continued solid global economic growth of around 2.8%, broadly in line with 2025, as well as further

moderating inflation despite short-term volatility. Meanwhile, long-term government bond yields are expected to remain structurally elevated. However, significant uncertainty surrounds this outlook, with risks firmly skewed to adverse outcomes.

While financial markets should benefit from the continued economic expansion in 2026, elevated asset valuations and ongoing policy and geopolitical uncertainty may drive periodic market volatility and pose a risk to the overall macro outlook. Equities are expected to deliver positive returns in 2026, while high-quality investment grade credit spreads are expected to remain tight.

SRZ's investment portfolio is well positioned and highly diversified across asset classes, risk factors and regions. SRZ 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 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, also domiciled in Zurich, Switzerland. In 2025, SRZ employed an average of 1 599 full time equivalents worldwide.

### Claims on and obligations towards affiliated companies – Swiss statutory

CHF millions	2025	2024
Loans	9 989	7 642
Funds held by ceding companies	10 197	11 180
Premiums and other receivables from reinsurance	11 982	12 575
Other receivables	171	131
Other assets <sup>1</sup>	1 660	299
Debt <sup>2</sup>	1 979	5 429
Funds held under reinsurance treaties	5 852	5 482
Reinsurance balances payable	7 942	7 952
Other liabilities <sup>3</sup>	3 771	5 459
Subordinated liabilities <sup>4</sup>	4 667	4 242

<sup>1</sup> As of the 2025 balance sheet date, CHF 61 million (2024: CHF 15 million) was due to the parent company, Swiss Re Ltd.

<sup>2</sup> As of the 2025 balance sheet date, CHF 1 353 million (2024: CHF 1 947 million) was due to the parent company, Swiss Re Ltd.

<sup>3</sup> As of the 2025 balance sheet date, CHF 185 million (2024: CHF 1 359 million) was due to the parent company, Swiss Re Ltd.

<sup>4</sup> As of the 2025 balance sheet date, CHF 652 million (2024: CHF 1 380 million) was due to 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 are fully paid in and are directly held by Swiss Re Ltd. As of 31 December 2025 and 2024, SRZ was a wholly owned subsidiary of Swiss Re Ltd.

Conditional capital: the share capital of SRZ shall be increased by an amount not exceeding CHF 12 000 000 through the issue of a maximum of 120 000 000 registered shares, payable in full, each with a nominal value of CHF 0.10 through the voluntary or mandatory exercise of conversion and/or option rights to acquire registered shares, or through the performance of obligations to acquire registered shares, granted or assumed alone or in connection with bonds or similar instruments including loans or other financial instruments of SRZ or Swiss Re Group companies.

### Outlook – Change in accounting and reporting currency

SRZ's Board of Directors approved the change of the statutory accounting and reporting currency from Swiss francs to US dollars, effective 1 January 2026. In addition, SRZ's Board of Directors proposed to the Extraordinary General Meeting, to be held in April 2026, a change of the share capital currency from Swiss francs to US dollars, SRZ's main operating currency.

#### 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 Annual Report 2025, starting from page 133.

#### Significant events

For the financial year 2025, SRZ recorded a net income of CHF 7 687 million, driven by cash dividends received from subsidiaries in the amount of CHF 9 677 million, partly offset by a significant write-off of CHF 5 399 million relating to the book value of SRZ's participation portfolio.

The reinsurance result was driven by the resilient underlying performance in property and casualty, supported by a benign natural catastrophe experience, as well as by the life and health reinsurance result, which benefited from a change of the valuation interest rate methodology and an update of safety margins, partly offset by demographic assumption updates.

The financial year was further characterised by the weakening of all major currencies against the Swiss franc, resulting in significant foreign exchange remeasurement impacts on SRZ's balance sheet. The income statement was also affected by foreign exchange movements between the Swiss franc and the major currencies in a year-on-year comparison, resulting in generally lower income and expenses expressed in Swiss francs.

Total shareholder's equity of SRZ increased by CHF 6 100 million to CHF 18 316 million as of 31 December 2025. The increase was driven by the net income for the financial year 2025 of CHF 7 687 million, partly offset by a cash dividend payment for the financial year 2024 of CHF 1 587 million.

#### Report of the statutory auditor

In 2025, KPMG AG was the auditor of SRZ. For more information, see the [Report of the statutory auditor](#) in SRZ's Annual Report 2025, starting from page 170.

# Performance

## Income statement – Swiss statutory

CHF millions	Total		Life		Accident & Health		Motor		Marine, aviation, transport		Property		Casualty		Miscellaneous	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Reinsurance</b>																
Premiums written gross	33 422	35 634	8 543	8 303	2 873	3 191	3 194	3 831	1 006	1 162	11 842	12 108	2 934	3 293	3 030	3 746
Premiums written retroceded	-6 198	-5 988	-1 857	-1 724	-839	-904	-253	-184	-145	-129	-2 624	-2 683	-318	-243	-161	-122
Premiums written net	27 224	29 646	6 686	6 580	2 035	2 288	2 941	3 648	861	1 032	9 218	9 425	2 615	3 050	2 869	3 623
Change in unearned premiums gross	32	-1 462	102	-52	10	-4	176	-605	55	15	-534	-721	133	201	91	-295
Change in unearned premiums retroceded	239	219	-7	-8	-2	2	27	63	7	1	147	110	47	59	20	-9
<b>Premiums earned</b>	<b>27 495</b>	<b>28 403</b>	<b>6 781</b>	<b>6 519</b>	<b>2 042</b>	<b>2 285</b>	<b>3 143</b>	<b>3 105</b>	<b>924</b>	<b>1 049</b>	<b>8 831</b>	<b>8 815</b>	<b>2 795</b>	<b>3 310</b>	<b>2 980</b>	<b>3 320</b>
Other reinsurance revenues	2 105	1 285	874	752	197	137	333	72	17	4	168	114	368	133	148	73
<b>Total revenues from reinsurance business</b>	<b>29 600</b>	<b>29 688</b>	<b>7 655</b>	<b>7 272</b>	<b>2 239</b>	<b>2 422</b>	<b>3 476</b>	<b>3 177</b>	<b>941</b>	<b>1 053</b>	<b>8 999</b>	<b>8 929</b>	<b>3 163</b>	<b>3 443</b>	<b>3 129</b>	<b>3 392</b>
Claims paid and claim adjustment expenses gross	-21 947	-22 006	-6 406	-6 506	-2 735	-2 938	-2 170	-2 255	-844	-904	-4 939	-4 531	-3 208	-3 269	-1 645	-1 605
Claims paid and claim adjustment expenses retroceded	1 761	4 981	1 769	2 986	941	889	-821	74	-73	66	384	883	-438	49	-1	35
Change in unpaid claims and life and health benefits gross	565	-4 267	559	-377	1 032	-448	-280	-280	30	-134	-225	-902	-205	-1 732	-345	-393
Change in unpaid claims and life and health benefits retroceded	1 747	-839	136	-1 318	-638	19	983	24	170	-29	388	349	660	73	49	41
Change in unpaid claims for unit-linked life insurance																
<b>Claims incurred</b>	<b>-17 874</b>	<b>-22 131</b>	<b>-3 941</b>	<b>-5 215</b>	<b>-1 400</b>	<b>-2 477</b>	<b>-2 289</b>	<b>-2 437</b>	<b>-717</b>	<b>-1 000</b>	<b>-4 393</b>	<b>-4 200</b>	<b>-3 192</b>	<b>-4 879</b>	<b>-1 943</b>	<b>-1 922</b>
Acquisition and operating costs gross	-9 015	-9 404	-2 166	-2 435	-681	-845	-995	-937	-271	-284	-2 859	-2 643	-1 062	-1 173	-981	-1 086
Acquisition and operating costs retroceded	978	1 077	159	246	198	257	60	29	28	27	421	434	73	56	40	29
Acquisition and operating costs net	-8 037	-8 327	-2 008	-2 189	-482	-588	-935	-908	-244	-258	-2 438	-2 210	-989	-1 117	-941	-1 058
Other reinsurance expenses	-667	-1 089	-336	-969	-74	-33	-10	-5	0	-144	-144	-76	56	-158	-158	-5
<b>Total expenses from reinsurance business</b>	<b>-26 578</b>	<b>-31 547</b>	<b>-6 285</b>	<b>-8 372</b>	<b>-1 956</b>	<b>-3 099</b>	<b>-3 234</b>	<b>-3 350</b>	<b>-962</b>	<b>-1 259</b>	<b>-6 975</b>	<b>-6 486</b>	<b>-4 125</b>	<b>-5 996</b>	<b>-3 042</b>	<b>-2 985</b>
Investment income	11 882	2 406														
Investment expenses	-5 808	-293														
<b>Investment result</b>	<b>6 074</b>	<b>2 113</b>														
Investment result from unit-linked life insurance																
Other financial income	2 986	2 632														
Other financial expenses	-3 370	-3 022														
<b>Operating result</b>	<b>8 712</b>	<b>-136</b>														
Interest expenses on debt and subordinated liabilities	-495	-503														
Other income	101	790														
Other expenses	-355	-750														
Extraordinary income and expenses	-1	-554														
<b>Income before income tax expense</b>	<b>7 962</b>	<b>-1 153</b>														
Income tax expense	-275	-91														
<b>Net income/loss</b>	<b>7 687</b>	<b>-1 244</b>														

## Reinsurance result

Reinsurance result increased from a loss of CHF 1 859 million in 2024 to a gain of CHF 3 022 million in 2025.

Property & casualty revenues and expenses result increased from a loss of CHF 81 million in 2024 to a gain of CHF 1 368 million in 2025, reflecting the resilient underlying performance and a benign natural catastrophe experience, despite several large events in 2025, including the US wildfires, and the completion of the US casualty portfolio repositioning.

Life & health revenues and expenses increased from a loss of CHF 1 778 million in 2024 to a gain of CHF 1 654 million in 2025, mainly driven by a change in the valuation interest rate methodology, an update of safety margins and a one-off gain from the transfer of funds withheld to Swiss Re Nexus Reinsurance Company Ltd. The 2024 result was adversely affected by one-off losses from the restructuring of the US yearly renewable term business, as well as by higher assumption updates across multiple regions, partly offset by an update of safety margins.

Premiums earned decreased from CHF 28 403 million in 2024 to CHF 27 495 million in 2025, primarily in the property and casualty business, largely due to reduced volume in US casualty business. Life and health premiums earned remained stable.

Claims incurred decreased from CHF 22 131 million in 2024 to CHF 17 874 million in 2025. The comparison of individual claims line items was affected by the restructuring of several intragroup retrocessions (IGR) and by various large life and health transactions, which resulted in substantial year-on-year changes that, in aggregate, fully offset each other.

Property and casualty claims paid and claim adjustment expenses net increased from CHF 11 457 million in 2024 to CHF 13 756 million in 2025, mainly due to a new retrocession for UK property and casualty business with Swiss Re Nexus Reinsurance Company Ltd.

Property and casualty change in unpaid claims net decreased from CHF 2 981 million in 2024 to CHF 1 223 million in 2025, reflecting higher reserving actions taken on the US casualty business in the prior year and a more favourable natural catastrophe experience in 2025.

Life and health claims paid and claim adjustment expenses net increased from CHF 5 568 million in 2024 to CHF 6 430 million in 2025. This was primarily driven by the recapture of the US yearly renewable term business in 2024, partly offset by the inception of a large inforce transaction in Canada.

Change in unpaid claims and life and health benefits net decreased from a net loss of CHF 2 124 million in 2024 to a net gain of CHF 1 089 million in 2025, driven by the recapture of the US yearly renewable term business in 2024, by the change in the valuation interest rate methodology as well as by an update of safety margins.

Acquisition and operating costs net decreased from CHF 8 327 million in 2024 to CHF 8 037 million in 2025, mostly due to the restructuring of the life and health IGR in EMEA and the change in the accounting methodology in 2024 to gross-up remote life and health risk transactions.

## Investment result

Investment result increased from CHF 2 113 million in 2024 to CHF 6 074 million in 2025. The increase was driven by cash dividends received from subsidiaries of CHF 9 677 million, which was partly offset by a significant write-off of the book value of SRZ's participation portfolio of CHF 5 399 million. Current income from investments remained stable.

Investment result – Swiss statutory

CHF millions	Income	Value readjustments	Realised gains	2025 Total
<b>Investment income</b>				
Investments in subsidiaries and affiliated companies <sup>1</sup>	9 677			9 677
Fixed income securities	901		63	964
Loans	394		32	426
Equity securities	1	19	3	23
Shares in investment funds	177	300	17	494
Short-term investments	105		1	106
Alternative investments	140	7	0	147
Other investments	422	307	18	747
Income from investment services	45			45
<b>Investment income</b>	<b>11 440</b>	<b>326</b>	<b>116</b>	<b>11 882</b>

CHF millions	Expenses	Value adjustments	Realised losses	
<b>Investment expenses</b>				
Investments in subsidiaries and affiliated companies <sup>1</sup>		-5 399		-5 399
Fixed income securities		-2	-106	-108
Loans			-1	-1
Equity securities		-3	-1	-4
Shares in investment funds		-155	0	-155
Short-term investments			-2	-2
Alternative investments		-41		-41
Other investments		-196	-2	-198
Investment management expenses	-98			-98
<b>Investment expenses</b>	<b>-98</b>	<b>-5 600</b>	<b>-110</b>	<b>-5 808</b>
<b>Investment result</b>				<b>6 074</b>

<sup>1</sup> In December 2025, SRZ received cash dividends from subsidiaries in the amount of CHF 9 614 million, partly offset by a significant write-off of CHF 5 395 million relating to the book value of the SRZ's participation portfolio.

CHF millions	Income	Value readjustments	Realised gains	2024 Total
<b>Investment income</b>				
Investments in subsidiaries and affiliated companies	0			0
Fixed income securities	920	0	44	964
Loans	522		1	523
Equity securities	2	0	0	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
<b>Investment income</b>	<b>1 874</b>	<b>218</b>	<b>314</b>	<b>2 406</b>

CHF millions	Expenses	Value adjustments	Realised losses	
<b>Investment expenses</b>				
Investments in subsidiaries and affiliated companies		0		0
Fixed income securities		0	-46	-46
Loans			-1	-1
Equity securities		-14	0	-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
<b>Investment expenses</b>	<b>-105</b>	<b>-120</b>	<b>-68</b>	<b>-293</b>
<b>Investment result</b>				<b>2 113</b>

# Governance and risk management

## Board of Directors and Executive Management

### Board of Directors

Name	Initial election
Jacques de Vaucleroy, Chairman (since 2024)	2017
Joerg Reinhardt, Vice Chairman (since 2024) and Lead Independent Director (since 2023)	2017
Karen Gavan	2018
Morten Hübbe	2025
Vanessa Lau	2023
Geraldine Matchett	2024
Joachim Oechslin	2020
Deanna Ong	2020
George Quinn	2025
Jay Ralph	2017
Pia Tischhauser	2023
Larry Zimpleman	2018

### Changes in 2025

Philip K. Ryan and Sir Paul Tucker did not stand for re-election at the AGM held on 11 April 2025. The shareholders re-elected all other Board members. Morten Hübbe and George Quinn were elected as new members of the Board.

### Executive Management

Name	Function	Appointed to current role	Member of the Group EC since (if different from appointment to current role)
Andreas Berger	Group Chief Executive Officer	July 2024	March 2019
Urs Baertschi	CEO P&C Reinsurance	April 2023	September 2019
Cathy Desquesses <sup>1</sup>	Group Chief Human Resources Officer & Head Corporate Services <sup>1</sup>	July 2021	
Hermann Geiger	Group Chief Legal Officer	January 2009	July 2019
Ivan Gonzalez	CEO Corporate Solutions	July 2024	
Bernhard Kaufmann	Group Chief Risk Officer	October 2025	
Pravina Ladva	Group Chief Digital & Technology Officer	January 2022	
Anders Malmström	Group Chief Financial Officer	April 2025	
Kera McDonald	Group Chief Underwriting Officer	June 2025	
Paul Murray	CEO L&H Reinsurance	April 2023	April 2022
Velina Peneva	Group Chief Investment Officer	April 2023	

<sup>1</sup> Cathy Desquesses stepped down on 31 December 2025. From January 2026, the role was revised to Group Chief People Officer, with Nicole Pieterse appointed as her successor.

### Changes in 2025

Effective 1 April 2025, Anders Malmström was appointed to succeed John R. Dacey as Group Chief Financial Officer (CFO) and a member of the Group EC. Effective 1 June 2025, Kera McDonald was appointed Group Chief Underwriting Officer (CUO), a newly established role, and she became a member of the Group EC. Bernhard Kaufmann was appointed to succeed Patrick Raaflaub as Group Chief Risk Officer (CRO), and a member of the Group EC effective 1 October 2025. Cathy Desquesses stepped down as Group Chief Human Resources Officer & Head Corporate Services, effective 31 December 2025. The role and mandate of Group Chief Human Resources & Head Corporate Services was revised, and Nicole Pieterse assumed the role of Group Chief People Officer and became a member of the Group EC, effective 1 January 2026. Swiss Re announced on 27 February 2026 that Henock Teklu was appointed to the newly established role of Group Chief Transformation Officer & Chief of Staff and member of the Group EC, effective 1 April 2026.

### 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.

The Group's Annual Report 2025 describes the governance and risk management framework for the Group and its legal entities. For more information, refer to the [Risk management framework](#) section in the Annual Report 2025, starting from page 32.

### 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 Annual Report 2025. Please refer to the following specific sections for more information:

- Governance structure related to climate-related financial risks (FINMA Circular 2016/2 MN 13.3), Annual Report 2025 on pages 46–49.
- Climate-related financial risks (FINMA Circular 2016/2 MN 13.4), Annual Report 2025 on pages 55–59.
- Climate risk management (FINMA Circular 2016/2 MN 13.5), Annual Report 2025 on pages 60 and 43.
- Climate metrics and targets (FINMA Circular 2016/2 MN 13.6), Annual Report 2025 on pages 61–71.
- Criteria and valuation methods for determining materiality of climate-related risks (FINMA Circular 2016/2 MN 13.7), Annual Report 2025 on pages 41, 48, 55 and 58–59.

## Risk profile

SRZ is exposed to insurance and financial risks that are calculated in its internal risk model, and to other risks that are not explicitly included in 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](#), Annual Report 2025, starting from page 27.

Property and casualty risk is mainly driven by natural catastrophe, non-life claims inflation, costing and reserving and man-made risks. The main drivers of life and health insurance risk are mortality trend and lethal pandemic 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 2026	SST 2025	Change
Property and casualty risk	13 016	12 282	734
Life and health risk	9 089	9 162	-73
Financial market risk	9 600	8 955	645
Credit risk <sup>1</sup>	3 543	3 294	249
Diversification	-15 618	-15 024	-594
<b>Total risk</b>	<b>19 631</b>	<b>18 669</b>	<b>962</b>

<sup>1</sup> 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 increased to USD 19.6 billion, driven by higher property and casualty and financial market risk, partially offset by lower life and health risk. These shifts led to an increase in diversification at risk category level.

- The increase in property and casualty risk was mainly driven by an increase in natural catastrophe risk due to lower hedging, further supported by the appreciation of major currencies against the US dollar. These effects were partly offset by lower claims inflation risk, reflecting an improved inflation outlook in the annual parameter update, claims payments and reserve releases.
- The slight decrease in life and health risk was mainly driven by reduced pandemic risk, as well as higher interest rates for the Chinese yuan and the Canadian dollar, offset by the impact of appreciation of major currencies against the US dollar.
- Financial market risk increased due to a repositioning in the corporate bond portfolio, new loans, lower credit hedges, parameter updates and the appreciation of major currencies against the US dollar.
- The increase in credit risk was driven by the appreciation of major currencies against the US dollar and higher exposures.

Swiss Re's internal model takes into account 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 Company's 99% tail VaR) and the sum of standalone tail VaR amounts for the individual risk categories.

### Operational risk

SRZ uses a Group-wide risk matrix methodology and a Global Risk Register to identify and manage operational risks. The methodology focuses on key operational risks that approach or exceed the Company's internal operational risk tolerance. Any operational risk exposure that exceeds the tolerance is subject to a mitigation plan that is monitored by the Company's Risk Committee. Adherence to risk tolerance is monitored and reported at least quarterly. The overall internal control environment within SRZ remains adequate.

SRZ's operational risk management continues to prioritise key areas, including the enhancement of data and technology capabilities, the strengthening of digital and operational resilience, and the ongoing reinforcement of IFRS financial reporting stability. In addition, SRZ is advancing initiatives to improve the robustness and efficiency of business processes and transactions throughout its operations.

#### **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 Annual Report 2025 sections on [Swiss Re's risk landscape](#) on page 27, and [Other significant risks](#) starting on page 30.

#### **Risk concentration**

Among tested financial market sensitivities, SRZ's SST ratio is most sensitive to a decrease in real estate values of 25%.

#### **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 and the transfer of risk to capital markets. For financial risks, Swiss Re uses financial market derivative instruments and securities to hedge financial market and credit risk.

# Valuation

## SST balance sheet

SST balance sheet reflects market conform valuation of assets and liabilities as required under SST valuation principles. IFRS is the basis for preparing the SST balance sheet.

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 2026	SST 2025	Change
Market conform value of investments	Real estate				
	Participations	1	24 361	31 428	-7 067
	Fixed income securities	2	26 387	26 259	128
	Loans	3	16 417	11 870	4 548
	Mortgages		339	332	7
	Equities		222	133	89
	<b>Other investments</b>		<b>22 995</b>	<b>19 497</b>	<b>3 499</b>
	Collective investment schemes	4	17 707	17 351	356
	Alternative investments	5	2 953	485	2 468
	Structured products				
	Other investments	6	2 335	1 660	675
	<b>Total investments</b>		<b>90 722</b>	<b>89 518</b>	<b>1 204</b>
Market conform value of other assets	Financial investments from unit-linked life insurance				
	Receivables from derivative financial instruments	7	426	1 922	-1 496
	Deposits made under assumed reinsurance contracts	8	25 660	23 732	1 928
	Cash and cash equivalents		834	1 156	-322
	<b>Share of technical provisions from reinsurance</b>		<b>9 471</b>	<b>7 475</b>	<b>1 996</b>
	Direct insurance: life insurance business (excluding unit-linked life insurance)				
	Reinsurance: life insurance business (excluding unit-linked life insurance)	9	4 248	4 464	-217
	Direct insurance: non-life insurance business				
	Reinsurance: non-life insurance business	10	5 223	3 011	2 212
	Direct insurance: health insurance business				
	Reinsurance: health insurance business				
	Direct insurance: other business				
	Reinsurance: other business				
	Direct insurance: unit-linked life insurance business				
	Reinsurance: unit-linked life insurance business				
	Fixed assets		3	4	-2
	Deferred acquisition costs				
	Intangible assets				
	Receivables from insurance business		10 506	9 424	1 082
	Other receivables		816	483	333
	Other assets	11	5 289	3 680	1 610
Unpaid share capital					
Accrued assets		315	278	37	
	<b>Total other assets</b>		<b>53 319</b>	<b>48 153</b>	<b>5 166</b>
<b>Total market conform value of assets</b>			<b>144 041</b>	<b>137 672</b>	<b>6 370</b>

USD millions		Notes	SST 2026	SST 2025	Change
Market conform value of liabilities (including unit-linked life insurance)	<b>Best estimate of insurance liabilities</b>		<b>65 704</b>	<b>61 475</b>	<b>4 229</b>
	Direct insurance: life insurance business (excluding unit-linked life insurance)				
	Reinsurance: life insurance business (excluding unit-linked life insurance)	12	15 925	14 505	1 421
	Direct insurance: non-life insurance business				
	Reinsurance: non-life insurance business	13	49 778	46 970	2 808
	Direct insurance: health insurance business				
	Reinsurance: health insurance business				
	Direct insurance: other business				
	Reinsurance: other business				
	<b>Best estimate of unit-linked life insurance liabilities</b>				
	Direct insurance: unit-linked life insurance business				
	Reinsurance: unit-linked life insurance business				
	Market value margin	14	4 569	4 248	321
Market conform value of other liabilities	Non-technical provisions	15	1 338	1 165	173
	Interest-bearing liabilities	16	2 826	6 328	-3 502
	Liabilities from derivative financial instruments	17	635	2 044	-1 409
	Deposits retained on ceded reinsurance	18	9 940	8 254	1 686
	Liabilities from insurance business		10 231	9 756	475
	Other liabilities	19	5 309	6 496	-1 187
	Accrued liabilities		37	28	9
	Subordinated debts	20	6 007	5 432	575
<b>Total market conform value of liabilities</b>			<b>106 595</b>	<b>105 227</b>	<b>1 368</b>
<b>Market conform value of assets minus market conform value of liabilities</b>			<b>37 447</b>	<b>32 445</b>	<b>5 002</b>

Notes

1. The decrease in participations mainly reflected dividends paid by subsidiaries to SRZ, partially offset by the positive investment contribution, the appreciation of currencies against the US dollar and the decrease in the market value margin of subsidiaries.
2. The increase in fixed income securities was mainly driven by the appreciation of currencies against the US dollar, partially offset by net sales.
3. The increase in loans was mainly driven by the setup and transfer of new intragroup loans with affiliated entities and the appreciation of currencies against the US dollar, partially offset by mark-to-market movements.
4. The increase in collective investment schemes was mainly driven by the appreciation of currencies against the US dollar and underlying investment performance, partially offset by the reclassification of private equity funds to alternative investments.
5. The increase in alternative investments mainly reflected transfers of private equity funds from affiliated entities, net purchases, and the reclassification of private equity funds from collective investment schemes.
6. The increase in other investments was mainly due to net purchases of mortgage backed securities and securitised investments.
7. The decrease in receivables from derivative financial instruments was driven by lower interest rate derivatives (see Note 17).
8. The increase in deposits made under assumed reinsurance contracts mainly reflected developments in Reinsurance Life & Health, notably in Canada and EMEA as well as the appreciation of currencies against the US dollar.
9. The decrease in the reinsurance life technical provision was mainly driven by retrocession of new business to affiliated entities.
10. The increase in the reinsurance non-life technical provision was mainly due to the inception of a new Reinsurance Property and Casualty intragroup retrocession to an affiliated entity.
11. The increase in other assets was driven by additional securities lending and repurchase agreements.
12. The increase in the reinsurance life technical provision mainly reflected reserve strengthening following negative experience and assumption reviews across regions as well as the unwind of discounting, partially offset by the positive new business contribution.
13. The increase in the reinsurance non-life technical provision was mainly driven by the unwind of discounting and the appreciation of currencies against the US dollar, partially offset by new business generation.
14. The increase in market value margin reflected model updates and the appreciation of currencies against the US dollar, partially offset by a steepening of the yield curves in major currencies.
15. The increase in the non-technical provision was mainly driven by an increase in current income tax liabilities.
16. The decrease in interest-bearing liabilities was driven by the repayment of intragroup debts with affiliated entities, partially offset by the appreciation of currencies against the US dollar.
17. The decrease in payables from derivative financial instruments was driven by lower interest rate derivatives (see offset Note 7).
18. The increase in deposits retained on ceded reinsurance was due to the inception of a new Reinsurance Property and Casualty intragroup retrocession on a funds withheld basis to an affiliated entity, partially offset by the unwind of a funds withheld with the same entity.
19. The decrease in other liabilities mainly reflected lower payables related to cash pooling arrangements.
20. The increase in subordinated debts was driven by the appreciation of currencies against the US dollar, mark-to-market movements and the replacement of three instruments.

## 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			
Investments in subsidiaries and affiliated companies	25 092	24 361	-731
Fixed income securities	26 875	26 387	-488
Loans	15 331	16 417	1 086
Mortgages		339	339
Equity securities	159	222	63
Other investments	24 474	22 995	-1 479
Investments for unit-linked and with-profit business			
Cash and cash equivalents	194	834	640
Funds held by ceding companies and other receivables from reinsurance	48 755	36 165	-12 590
Reinsurance recoverable from retrocessions	19 436	9 471	-9 965
Other assets	9 577	6 850	-2 727
<b>Total assets</b>	<b>169 893</b>	<b>144 041</b>	<b>-25 852</b>

### Investments in subsidiaries and affiliated companies

Differences in valuation: SST reports investments in subsidiaries and affiliated companies at market-consistent value, including a market value margin of subsidiaries. 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, intragroup 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 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.

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; however, derivative financial instruments which have an observable market price and are traded in an active and liquid market are recorded at market value. 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	107 578	70 272	-37 305
Unit-linked and with-profit liabilities			
Debt	8 704	8 833	129
Funds held under reinsurance treaties	8 161	9 940	1 778
Other liabilities	22 331	17 550	-4 781
<b>Total liabilities</b>	<b>146 773</b>	<b>106 595</b>	<b>-40 179</b>

### 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 any, 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, derivatives which have an observable market price and are traded in an active and liquid market are recorded at market value.

## 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/Loss brought forward	Net income/loss for the financial year	Total shareholder's equity
Shareholder's equity 1.1.2024	34	4 227	650	5 757		4 206	14 874
Allocations		-1 449		2 449	3 206	-4 206	0
Loss offsetting							
Dividend for the financial year 2023				-1 449			-1 449
Contribution in-kind from Swiss Re Ltd <sup>1</sup>		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
<b>Shareholder's equity 1.1.2025</b>	<b>34</b>	<b>2 813</b>	<b>650</b>	<b>6 757</b>	<b>3 206</b>	<b>-1 244</b>	<b>12 216</b>
Allocations		-1 587		1 587	-1 244	1 244	0
Loss offsetting							
Dividend for the financial year 2024				-1 587			-1 587
Net income for the financial year						7 687	7 687
<b>Shareholder's equity 31.12.2025</b>	<b>34</b>	<b>1 226</b>	<b>650</b>	<b>6 757</b>	<b>1 962</b>	<b>7 687</b>	<b>18 316</b>

<sup>1</sup> 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 increased from CHF 12 216 million as of 31 December 2024 to CHF 18 316 million as of 31 December 2025. The increase was driven by the net income for the financial year 2025 of CHF 7 687 million, partly offset by a cash dividend payment for the financial year 2024 of CHF 1 587 million.

# 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 about Swiss Re’s internal risk model, see the [Internal risk model](#) section on page 26 of the Annual Report 2025.

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

Since SST 2025, the following major model changes and updates have been implemented and approved by FINMA for SST 2026:

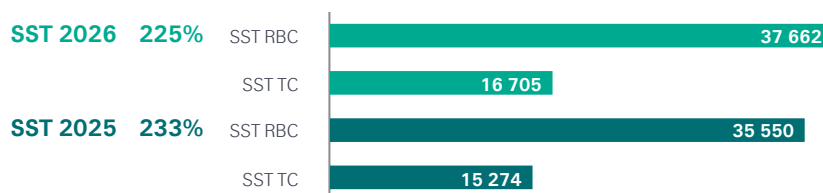
- Market value margin: Update of the methodology following the revision of the SST regulation.
- Model updates related to the transition to IFRS and lethal pandemic.
- Expected change in risk-bearing capital: Revised approach for modelling tax as well as improved calibration of parameters.

## Solvency

The capital position of SRZ remained strong, with the SST 2026 ratio at 225%. Compared with SST 2025, the ratio decreased by 7 percentage points, mainly driven by projected capital repatriation and model updates, partially offset by positive underwriting and investment contributions.

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

## Solvency overview



## 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 2026	SST 2025	Change
Market conform value of assets minus market conform value of liabilities before MVM	47 406	42 848	4 558
Market value margin	4 569	4 248	321
Market value margin of subsidiaries	5 391	6 155	-764
Market conform value of assets minus market conform value of liabilities	37 447	32 445	5 002
Deductions	5 791	2 327	3 464
<b>SST net asset value</b>	<b>31 655</b>	<b>30 118</b>	<b>1 537</b>
Tier 1 risk-absorbing capital instruments			
<b>SST core capital</b>	<b>31 655</b>	<b>30 118</b>	<b>1 537</b>
Supplementary capital	6 007	5 432	575
<b>SST risk-bearing capital</b>	<b>37 662</b>	<b>35 550</b>	<b>2 112</b>

The increase in SST net asset value (SST NAV) to USD 31.7 billion was mainly driven by positive investment and underwriting contributions, a favourable foreign exchange rate impact and a lower market value margin of subsidiaries, partially offset by a higher projected dividend and a higher market value margin.

The overall contribution from underwriting activities was positive, mainly reflecting positive results from Property & Casualty Reinsurance and Corporate Solutions with a partial offset from Life & Health Reinsurance:

- The Property & Casualty Reinsurance positive underwriting contribution was driven by new business, mainly from the property and specialty lines of business, coupled with lower-than-expected large natural catastrophe losses. Large natural catastrophe events in 2025 included the Los Angeles wildfires and Hurricane Melissa.
- The Life & Health Reinsurance negative underwriting contribution was due to unfavourable assumption updates and experience largely related to underperforming portfolios in Australia, Israel and South Korea. This was partially offset by new business contributions, mainly from the mortality business, primarily in the US.
- The Corporate Solutions positive underwriting contribution was driven by profitable new business, in particular for the property and specialty as well as credit and surety lines of business. This was further supported by lower-than-expected large natural catastrophe losses.

The positive investment contribution was driven by current investment income, credit spread tightening as well as positive private equity and real estate performance.

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

SST NAV was also affected by other contributions, mainly driven by incurred operating expenses, taxes, cost of debt and trademark license fees.

The increase in market value margin was driven by model updates and the appreciation of major currencies against the US dollar, partially offset by a steepening of the yield curves in major currencies. The decrease in market value margin of subsidiaries was driven by MVM model updates and a steepening of the yield curves in major currencies, partially offset by the appreciation of major currencies against the US dollar.

Deductions mainly reflect the projected dividend (to be paid in 2026, subject to AGM 2026 approval) as well as deferred and transactional real estate specific taxes.

The increase in supplementary capital was mainly driven by the impact of foreign exchange rates, changes in market value and the replacement of three supplementary capital instruments.

### SST target capital

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

USD millions	SST 2026	SST 2025	Change
Total risk	19 631	18 669	962
Other impacts	-2 926	-3 395	469
<b>SST target capital</b>	<b>16 705</b>	<b>15 274</b>	<b>1 431</b>

SST target capital increased to USD 16.7 billion, driven by the increases in total risk and in Other impacts. The increase in total risk is due to higher property and casualty and financial market risk, partially offset by lower life and health risk. The change in Other impacts reflects mainly the impact of model updates.

### Supplementary capital outlook

In accordance with Art. 34 para. 3 letter a ISO, SRZ has no supplementary capital instruments with optional redemption dates within the next 12 months.

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

# Swiss Re Nexus Reinsurance Company Ltd

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## Management summary

In SST 2026, the capital position of Swiss Re Nexus Reinsurance Company Ltd (SRN) remained very strong, with an SST ratio of 426%, 38 percentage points higher than in SST 2025. The increase was mainly due to higher SST risk-bearing capital, mainly driven by positive underwriting contribution and favourable foreign exchange impacts.

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.

### Solvency overview



**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 2025 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](#)

## Business activities

### Life and health and property and casualty business

#### Market environment

The life reinsurance segment benefitted from steady primary-market flows and sustained demand for capital- and risk-management solutions. Advanced markets, in particular North America, continue to drive the global demand for life reinsurance. Profitability of the life sector improved, reflecting higher reinvestment yields and the normalisation of excess-mortality toward pre-pandemic levels.

In the property and casualty reinsurance segment, pricing stayed broadly firm, although competition intensified as capital levels remained strong. Terms and conditions remained tight. High retentions by insurers especially for catastrophe covers, disciplined underwriting and below-trend natural catastrophe losses contributed to the solid underwriting results.

#### Outlook

The global reinsurance industry is expected to continue benefitting from a broadly favourable operating environment in 2026. Key drivers include continued solid global economic growth of around 2.8%, broadly in line with 2025, as well as further moderating inflation despite short-term volatility. Meanwhile, long-term government bond yields are expected to remain structurally elevated. However, significant uncertainty surrounds this outlook, with risks firmly skewed to adverse outcomes.

### 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 and financial market conditions in 2025 were resilient amid heightened trade, policy and geopolitical uncertainty. Solid global economic growth, robust labour markets and elevated long-term government bond yields supported financial markets. Fixed income assets delivered positive returns despite intermittent periods of market volatility. Credit markets remained robust, with US investment grade corporate spreads tightening to multi-decade lows.

Looking ahead to 2026, the investment environment is expected to remain broadly supportive, with continued solid economic growth and further moderating inflation. Long-term sovereign bond yields are expected to remain structurally higher than during the past decade, supporting reinvestment opportunities, while high-quality investment grade credit markets are expected to remain tight. At the same time, policy and geopolitical uncertainty may result in periodic market volatility and pose risks to the macroeconomic outlook. SRN will continue to follow a prudent investment approach, focused on capital preservation and returns aligned with its liability profile.

## Reinsurance company

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's purpose is to act as a dedicated intragroup retrocession carrier, enabling a sustainable intragroup retrocession structure for Swiss Reinsurance Company Ltd (SRZ) and its branches and to improve operational efficiency.

### Claims on and obligations towards affiliated companies – Swiss statutory

CHF millions	2025	2024
Loans	388	
Funds held by ceding companies	5 634	5 265
Premiums and other receivables from reinsurance	1 643	1 476
Other receivables	200	821
Reinsurance balances payable	865	652
Other liabilities	9	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 are fully paid-in and held directly by Swiss Re Reinsurance Holding Company Ltd. As of 31 December 2025 and 2024, SRN was a wholly owned subsidiary of Swiss Re Reinsurance Holding Company Ltd.

### Outlook – Change in accounting and reporting currency

Subject to approval by SRN's Board of Directors, SRN intends to change its statutory accounting and reporting currency from Swiss francs to US dollars, retroactively effective as per 1 January 2026. Subject to approval by FINMA, the Board further plans to propose to the Extraordinary General Meeting in June 2026 a change of the share capital to US dollars, SRN's main operating currency.

### Structured entities

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

## Significant events

For the financial year 2025, SRN recorded a net loss of CHF 87 million, compared with a net income of CHF 653 million in the prior year. The result was largely driven by the loss of CHF 411 million arising from the inception of a new property and casualty intragroup retrocession for UK business with SRZ.

The financial year was further characterised by significant foreign exchange movements, resulting in material remeasurement effects on SRN's balance sheet. The weakening of all major currencies against the Swiss franc led to a loss of CHF 154 million, net of the full release of the provision for currency fluctuation. The income statement was also affected by foreign exchange movements between the Swiss franc and the major currencies in a year-on-year comparison, resulting in generally lower income and expenses expressed in Swiss francs.

These losses were partly offset by gains from life and health business, mainly due to the change from a funds withheld to an asset transferred structure, including the subsequent valuation interest rate update for EMEA and Asia business, and positive contributions from the US and Canada as well as from the Canadian property and casualty business. These developments were supported by a stable contribution from investments.

Despite these developments, SRN's capital position remained strong with a total shareholder's equity of CHF 2 378 million, as of 31 December 2025.

## Report of the statutory auditor

In 2025, 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		Marine, aviation, transport		Property		Casualty		Miscellaneous	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Reinsurance</b>																
Premiums written gross	2 321	2 245	1 586	1 488	334	346	20	6	4		320	365	43	29	13	10
Premiums written retroceded	-240	-284	-167	-172	0						-74	-112	0			
Premiums written net	2 080	1 961	1 419	1 316	334	346	20	6	4		246	254	43	29	13	10
Change in unearned premiums gross	-41	13	7	8	2	-2	-6				-32	7	-12	1	0	
Change in unearned premiums retroceded	5	-1									5	-1				
<b>Premiums earned</b>	<b>2 043</b>	<b>1 973</b>	<b>1 426</b>	<b>1 324</b>	<b>336</b>	<b>344</b>	<b>15</b>	<b>6</b>	<b>4</b>		<b>219</b>	<b>259</b>	<b>31</b>	<b>30</b>	<b>12</b>	<b>9</b>
Other reinsurance revenues	345	1 068	325	1 035	19	33							1			
<b>Total revenues from reinsurance business</b>	<b>2 388</b>	<b>3 041</b>	<b>1 751</b>	<b>2 358</b>	<b>355</b>	<b>377</b>	<b>15</b>	<b>6</b>	<b>4</b>		<b>219</b>	<b>259</b>	<b>32</b>	<b>30</b>	<b>12</b>	<b>9</b>
Claims paid and claim adjustment expenses gross	-415	-3 604	-1 651	-3 178	-456	-356	923	-4	164		93	-64	484	-1	27	-1
Claims paid and claim adjustment expenses retroceded	112	112	112	112	0											
Change in unpaid claims and life and health benefits gross	-1 172	1 323	312	1 556	308	85	-934		-177		-112	-284	-522	-17	-47	-16
Change in unpaid claims and life and health benefits retroceded	-26	-6	-26	-6	0						0					
Change in unpaid claims for unit-linked life insurance																
<b>Claims incurred</b>	<b>-1 501</b>	<b>-2 174</b>	<b>-1 252</b>	<b>-1 515</b>	<b>-149</b>	<b>-272</b>	<b>-11</b>	<b>-4</b>	<b>-13</b>		<b>-18</b>	<b>-347</b>	<b>-39</b>	<b>-18</b>	<b>-20</b>	<b>-17</b>
Acquisition and operating costs gross	-282	-381	-136	-216	-69	-79	-3	-1	0		-60	-72	-10	-10	-4	-3
Acquisition and operating costs retroceded	44	47	44	47	0											
Acquisition and operating costs net	-239	-334	-92	-169	-69	-79	-3	-1	0		-60	-72	-10	-10	-4	-3
Other reinsurance expenses	-680	-12	-209	-3	-59	-8	-266		-10		-38		-91		-5	
<b>Total expenses from reinsurance business</b>	<b>-2 419</b>	<b>-2 520</b>	<b>-1 553</b>	<b>-1 688</b>	<b>-277</b>	<b>-359</b>	<b>-281</b>	<b>-5</b>	<b>-23</b>		<b>-116</b>	<b>-419</b>	<b>-139</b>	<b>-28</b>	<b>-30</b>	<b>-20</b>
Investment income	130	134														
Investment expenses	-15	-19														
<b>Investment result</b>	<b>115</b>	<b>115</b>														
Investment result from unit-linked life insurance																
Other financial income	15	42														
Other financial expenses	-22	-22														
<b>Operating result</b>	<b>78</b>	<b>656</b>														
Interest expenses on debt and subordinated liabilities																
Other income	0	1														
Other expenses	-164	-4														
Extraordinary income and expenses	-1															
<b>Income before income tax expense</b>	<b>-87</b>	<b>653</b>														
Income tax expense																
<b>Net income/loss</b>	<b>-87</b>	<b>653</b>														

## Reinsurance result

Total revenues and expenses amounted to a loss of CHF 30 million in 2025, compared to a gain of CHF 521 million in 2024.

Life and health total revenues and expenses decreased from a gain of CHF 689 million in 2024 to a gain of CHF 277 million in 2025. The prior year benefitted from the one-off gain from the recapture of the US yearly renewable term life and health business (YRT) by SRZ. The result in 2025 primarily reflected the one-off gain from the change from a funds withheld to an asset transferred structure for EMEA and Asia business, including the subsequent valuation interest rate update, as well as positive contributions from Canadian and US closed book business.

Property and casualty total revenues and expenses decreased from a loss of CHF 168 million in 2024 to a loss of CHF 307 million in 2025, driven mainly by the loss at inception of the new property and casualty intragroup retrocession for UK business, partly offset by current year's benign natural catastrophe experience in Canada.

Premiums earned increased from CHF 1 973 million in 2024 to CHF 2 043 million in 2025 mainly driven by EMEA life and health business.

Other reinsurance revenues decreased from CHF 1 068 million in 2024 to CHF 345 million in 2025. The prior year was impacted by the gain from the recapture of the US YRT business.

Claims incurred decreased from CHF 2 174 million in 2024 to CHF 1 501 million in 2025. The financial year 2024 was impacted by material natural catastrophe losses in Canada, whereas the natural catastrophe experience in 2025 was benign.

Property and casualty claims paid and claim adjustment expenses net changed from an expense of CHF 70 million in 2024 to an income of CHF 1 691 million in 2025. The financial year 2025 was positively impacted by the inception of a new property and casualty intragroup retrocession for UK business, which was fully offset in change in unpaid claims.

Property and casualty change in unpaid claims net changed from an expense of CHF 318 million in 2024 to an expense of CHF 1792 million in 2025, mainly due to the inception of a new property and casualty intragroup retrocession for UK business in 2025, which was fully offset in claims paid and claim adjustment expenses. Further, the financial year 2024 was impacted by material natural catastrophe losses in Canada, whereas the natural catastrophe experience in 2025 was benign.

Life and health claims paid and claim adjustment expenses net changed from an expense of CHF 3 422 million in 2024 to an expense of CHF 1 994 million in 2025. The comparative period was impacted by the recapture of the US YRT business, which was fully offset in change in unpaid claims and life and health benefits. The financial year 2025 was impacted by the recapture of two life and health treaties in EMEA, fully offset in change in unpaid claims and life and health benefits.

Change in unpaid claims and life and health benefits changed from an income of CHF 1 635 million in 2024 to an income of CHF 594 million in 2025, mainly driven by the US YRT recapture in 2024, which was fully offset in claims paid and claim adjustment expenses. The financial year 2025 was positively impacted by the valuation interest rate update following the change from a funds withheld to an asset transferred structure for EMEA and Asia business, as well as by the recapture of two life and health treaties in EMEA, fully offset in claims paid and claim adjustment expenses.

Acquisition and operating costs net decreased from CHF 334 million in 2024 to CHF 239 million in 2025. The prior year was impacted by the restructuring of the EMEA life and health intragroup retrocession.

Other reinsurance expenses increased from CHF 12 million in 2024 to CHF 680 million in 2025, driven by the loss at inception of the new property and casualty intragroup retrocession for UK business and by a negative impact from the change from a funds withheld to an asset transferred structure for EMEA and Asia life and health business.

## Investment result

Investment result remained stable at CHF 115 million in both years, supported by regular income from fixed income securities and short-term investments, benefitting from a stable market yield environment.

## Other expenses

Other expenses increased from CHF 4 million in 2024 to CHF 164 million in 2025, primarily reflecting negative foreign exchange remeasurement impacts.

### Investment result – Swiss statutory

CHF millions	Income	Value readjustments	Realised gains	2025 Total
<b>Investment income</b>				
Fixed income securities	88		2	90
Loans	5			5
Other investments	35		0	35
Income from investment services	1			1
<b>Investment income</b>	<b>128</b>		<b>2</b>	<b>130</b>
<b>Investment expenses</b>				
Fixed income securities			-5	-5
Other investments		0	0	0
Investment management expenses	-10			-10
<b>Investment expenses</b>	<b>-10</b>	<b>0</b>	<b>-5</b>	<b>-15</b>
<b>Investment result</b>				<b>115</b>

CHF millions	Income	Value readjustments	Realised gains	2024 Total
<b>Investment income</b>				
Fixed income securities	97		3	100
Other investments	34			34
Income from investment services				
<b>Investment income</b>	<b>131</b>	<b>0</b>	<b>3</b>	<b>134</b>

CHF millions	Expenses	Value readjustments	Realised losses	
<b>Investment expenses</b>				
Fixed income securities		-1	-5	-6
Other investments		-1		-1
Investment management expenses	-12			-12
<b>Investment expenses</b>	<b>-12</b>	<b>-2</b>	<b>-5</b>	<b>-19</b>
<b>Investment result</b>				<b>115</b>

# Governance and risk management

## Board of Directors and Executive Management

### Board of Directors

- Sebastian Strasser, Chairman
- Natalie Kelly, Member of the Board of Directors
- Jennifer Mo Parets, Member of the Board of Directors
- Christian Alexander 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 2025

Sebastian Strasser has been elected as Chairman as of 1 July 2025. Giovanni Gentile stepped down as Chairman as of 1 July 2025. Christian Alexander Herzog has been elected as Member of the Board of Directors as of 14 April 2025. Christian Herzog stepped down as Member of the Board of Directors as of 14 April 2025.

### Executive Management

- Pierre-Albert Bouard, 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 2025

Sebastian Strasser stepped down as Chief Executive Officer and was succeeded by Pierre-Albert Bouard as of 1 July 2025.

## 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 (covered by SRN's Audit and Risk 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 Annual Report 2025 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 that are calculated in its internal risk model, and to other risks that are not explicitly included in 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](#), Annual Report 2025, starting from page 27.

Life and health risk is mainly driven by mortality trend, lethal pandemic and longevity risks. Property and casualty risk mainly arises from natural catastrophe and reserving risks.

The financial risk of SRN derives from both financial market risk and credit risks. Key drivers of financial market risk are foreign exchange rate, credit spread and interest rate risks. Credit risk is mainly driven by the default risk on 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 2026	SST 2025	Change
Life and health risk	1 015	1 078	-64
Property and casualty risk	634	595	40
Financial market risk	624	562	62
Credit risk <sup>1</sup>	114	105	9
Diversification	-1 065	-999	-66
<b>Total risk</b>	<b>1 322</b>	<b>1 342</b>	<b>-20</b>

<sup>1</sup> 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 remained stable at USD 1.3 billion, driven by offsetting movements in each of the risk categories.

- The decrease in life and health risk was mainly driven by the impact of higher interest rates, partially offset by the appreciation of major currencies against the US dollar.
- The increase in property and casualty risk was mostly driven by the appreciation of the Canadian dollar against the US dollar and increased underwriting exposure due to a new incoming property and casualty intragroup retrocession for UK business.
- Financial market risk increased primarily due to higher foreign exchange rate risk, mainly driven by increased British pound exposure due to a new incoming property and casualty intragroup retrocession for UK business.
- Credit risk has slightly increased, mainly driven by a slight increase in credit exposure.

Swiss Re's internal model takes into account 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 (the Company's 99% tail VaR) and the sum of standalone tail VaR amounts for the individual risk categories.

### Operational risk

SRN uses a Group-wide risk matrix methodology and a Global Risk Register to identify and manage operational risks. The methodology focuses on key operational risks that approach or exceed the Company's internal operational risk tolerance. Adherence to risk tolerance is monitored and reported at least quarterly. The overall internal control environment within SRN remains adequate.

### 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 Annual Report 2025 sections on [Swiss Re's risk landscape](#) on page 27, and [Other significant risks](#) starting on page 30.

**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

SST balance sheet reflects market conform valuation of assets and liabilities as required under SST valuation principles. IFRS is the basis for preparing the SST balance sheet.

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 2026	SST 2025	Change
Market conform value of investments	Real estate				
	Participations				
	Fixed income securities	1	3 817	3 419	399
	Loans	2	553		553
	Mortgages				
	Equities				
	<b>Other investments</b>		<b>1</b>	<b>41</b>	<b>-40</b>
	Collective investment schemes				
	Alternative investments				
	Structured products				
Other investments	3	1	41	-40	
	<b>Total investments</b>		<b>4 371</b>	<b>3 460</b>	<b>911</b>
Market conform value of other assets	Financial investments from unit-linked life insurance				
	Receivables from derivative financial instruments			0	0
	Deposits made under assumed reinsurance contracts	4	8 995	7 388	1 608
	Cash and cash equivalents		41	178	-137
	<b>Share of technical provisions from reinsurance</b>		<b>-201</b>	<b>-217</b>	<b>16</b>
	Direct insurance: life insurance business (excluding unit-linked life insurance)				
	Reinsurance: life insurance business (excluding unit-linked life insurance)		-201	-217	16
	Direct insurance: non-life insurance business				
	Reinsurance: non-life insurance business		0	0	0
	Direct insurance: health insurance business				
	Reinsurance: health insurance business				
	Direct insurance: other business				
	Reinsurance: other business				
	Direct insurance: unit-linked life insurance business				
	Reinsurance: unit-linked life insurance business				
	Fixed assets				
	Deferred acquisition costs				
	Intangible assets				
	Receivables from insurance business	5	983	526	457
	Other receivables	6	255	910	-654
Other assets		1	1	0	
Unpaid share capital					
Accrued assets		22	19	2	
	<b>Total other assets</b>		<b>10 096</b>	<b>8 805</b>	<b>1 291</b>
	<b>Total market conform value of assets</b>		<b>14 467</b>	<b>12 265</b>	<b>2 203</b>

USD millions		Notes	SST 2026	SST 2025	Change
Market conform value of liabilities (including unit-linked life insurance)	<b>Best estimate of insurance liabilities</b>		<b>6 878</b>	<b>5 366</b>	<b>1 511</b>
	Direct insurance: life insurance business (excluding unit-linked life insurance)				
	Reinsurance: life insurance business (excluding unit-linked life insurance)		4 944	4 950	-6
	Direct insurance: non-life insurance business				
	Reinsurance: non-life insurance business	7	1 934	416	1 517
	Direct insurance: health insurance business				
	Reinsurance: health insurance business				
	Direct insurance: other business				
	Reinsurance: other business				
	<b>Best estimate of unit-linked life insurance liabilities</b>				
	Direct insurance: unit-linked life insurance business				
	Reinsurance: unit-linked life insurance business				
	Market value margin	8	938	1 026	-88
Market conform value of other liabilities	Non-technical provisions		0	0	0
	Interest-bearing liabilities				
	Liabilities from derivative financial instruments		0	0	0
	Deposits retained on ceded reinsurance				
	Liabilities from insurance business	9	1 089	677	412
	Other liabilities		11	9	2
	Accrued liabilities		1	1	0
	Subordinated debts				
<b>Total market conform value of liabilities</b>			<b>8 917</b>	<b>7 079</b>	<b>1 838</b>
<b>Market conform value of assets minus market conform value of liabilities</b>			<b>5 550</b>	<b>5 185</b>	<b>364</b>

Notes

1. The increase in fixed income securities was driven by the net purchase as well as favourable foreign exchange impacts on Canadian dollar denominated securities.
2. The increase in loans was driven by the intragroup loan transfer in 2025 following the change from a funds withheld to an asset transferred structure for EMEA and Asia life and health business.
3. The decrease in other investments was driven by redemption of mortgage backed securities.
4. The increase in deposits made under assumed reinsurance contracts was driven by the inception of a new intragroup retrocession for property and casualty UK business, partly offset by the change from a funds withheld to an asset transferred structure for EMEA and Asia life and health business.
5. The increase in receivables from insurance business was mainly driven by EMEA life and health business.
6. The decrease in other receivables reflected the dividend funding and the settlement related to the new property and casualty intragroup retrocession for UK business. This was partially offset by the settlement related to the change from a funds withheld to an asset transferred structure for EMEA and Asia life and health business.
7. The increase in best estimate liabilities for non-life reinsurance business was driven by the inception of a new intragroup retrocession for property and casualty UK business.
8. The decrease in the market value margin was mainly driven by interest rate movements, partially offset by the appreciation of major currencies against the US dollar.
9. The increase in liabilities from insurance business was mainly driven by EMEA life and health business as well as UK property and casualty business.

## 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			
Investments in subsidiaries and affiliated companies			
Fixed income securities	2 442	3 817	1 376
Loans	490	553	63
Mortgages			
Equity securities			
Other investments	1 461	1	-1 460
Investments for unit-linked and with-profit business			
Cash and cash equivalents	2	41	40
Funds held by ceding companies and other receivables from reinsurance	9 220	9 978	758
Reinsurance recoverable from retrocessions	168	-201	-368
Other assets	319	278	-41
<b>Total assets</b>	<b>14 100</b>	<b>14 467</b>	<b>367</b>

#### 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.

#### Loans

Differences in valuation: In SST, intragroup 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.

#### 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	9 952	7 816	-2 136
Unit-linked and with-profit liabilities			
Debt			
Funds held under reinsurance treaties			
Other liabilities	1 148	1 102	-46
<b>Total liabilities</b>	<b>11 099</b>	<b>8 917</b>	<b>-2 182</b>

### 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 (PADs). 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	Profit brought forward	Net income/loss for the financial year	Total shareholder's equity
Shareholder's equity 1.1.2024	10	5	2 838		-381	2 472
Allocations			-381		381	0
Net income for the financial year					653	653
Shareholder's equity 31.12.2024	10	5	2 457		653	3 125
<b>Shareholder's equity 1.1.2025</b>	<b>10</b>	<b>5</b>	<b>2 457</b>		<b>653</b>	<b>3 125</b>
Allocations			653		-653	0
Loss offsetting			-87	87		0
Dividend for the financial year 2024			-661			-661
Net loss for the financial year					-87	-87
<b>Shareholder's equity 31.12.2025</b>	<b>10</b>	<b>5</b>	<b>2 363</b>	<b>87</b>	<b>-87</b>	<b>2 378</b>

Shareholder's equity decreased from CHF 3 125 million as of 31 December 2024 to CHF 2 378 million as of 31 December 2025. The decrease was driven by the dividend payment of CHF 661 million and the net loss for the financial year 2025 of CHF 87 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 about Swiss Re's internal risk model, see the [Internal risk model](#) section on page 26 of the Annual Report 2025.

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

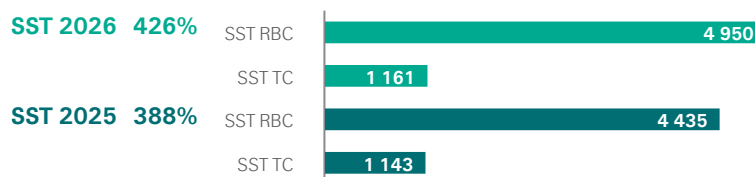
Since SST 2025, the following major model changes and updates have been implemented and approved by FINMA for SST 2026:

- Market value margin: Update of the methodology following the revision of the SST regulation.
- Model updates related to the transition to IFRS and lethal pandemic.
- Expected change in risk-bearing capital: Revised approach for modelling tax as well as improved calibration of parameters.

### Solvency

In SST 2026, the capital position of Swiss Re Nexus Reinsurance Company Ltd (SRN) remained very strong, with an SST ratio of 426%, 38 percentage points higher than in SST 2025. The increase was mainly due to higher SST risk-bearing capital, mainly driven by positive underwriting contribution and favourable foreign exchange impacts.

### Solvency overview



### 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 2026	SST 2025	Change
Market conform value of assets minus market conform value of liabilities before MVM	6 488	6 211	277
Market value margin	938	1 026	-88
Market conform value of assets minus market conform value of liabilities	5 550	5 185	364
Deductions	600	750	-150
<b>SST net asset value</b>	<b>4 950</b>	<b>4 435</b>	<b>514</b>
Tier 1 risk-absorbing capital instruments counted towards core capital			
<b>SST core capital</b>	<b>4 950</b>	<b>4 435</b>	<b>514</b>
Supplementary capital			
<b>SST risk-bearing capital</b>	<b>4 950</b>	<b>4 435</b>	<b>514</b>

The increase of SST net asset value (SST NAV) to USD 4.9 billion was mainly driven by a positive underwriting contribution from property and casualty business in the UK and Canada as well as life and health business for US closed book and Canada, favourable foreign exchange impacts and a lower projected dividend payment. Further, the SST NAV was positively impacted by a favourable investment contribution and a lower market value margin.

The decrease in market value margin was mainly driven by interest rate movements, partially offset by the appreciation of major currencies against the US dollar.

Deductions reflect the projected dividend (to be paid in 2026, subject to AGM 2026 approval).

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 2026	SST 2025	Change
Total risk	1 322	1 342	-20
Other impacts	-161	-198	37
<b>SST target capital</b>	<b>1 161</b>	<b>1 143</b>	<b>18</b>

SST TC increased marginally to USD 1.2 billion.

# 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, subject to limitations as per the FINMA approved business plan.

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

In this section, we present the performance of the year under review based on the Swiss statutory income statement. [> Read more](#)

## Business activities

### Re/insurance strategy and priorities

#### 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, 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

In property and specialty, increased market capacity led to softer pricing in 2025. Early 2026 renewals are broadly in line with expectations, and although competitive pressure is likely to persist, the portfolios remain well-positioned due to disciplined risk selection. Casualty trends continue to diverge across segments. These dynamics are expected to carry into 2026, with SRI SE Zurich branch continuing to selectively grow in areas with more attractive conditions. While credit & surety typically operate against a backdrop of macroeconomic uncertainty and evolving global trade patterns, competitive conditions in the market are expected to remain elevated.

#### Change of accounting and reporting currency of SRI SE Zurich branch

Following the revision of the Swiss company law, which came into force on 1 January 2023, the SRI SE Zurich branch Management Team approved to change the statutory accounting and reporting currency from Swiss franc to US dollar, the main operating currency of SRI SE Zurich branch, effective as of 1 January 2026.

### Investments

#### Strategy and priorities

Financial investments are managed in accordance with Swiss Re's Asset Management Framework, Swiss Re International SE, Luxembourg investment guidelines, which ensure compliance with regulatory requirements, in particular Swiss guidelines on Tied Assets, and the Strategic Asset Allocation approved by the Board of Directors of Swiss Re International SE, Luxembourg. The management of investments in Swiss Re International SE, Luxembourg, is guided by the objective of creating economic value through 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 derived from projected liability cash flows. Strategic Asset Allocation (SAA) planning is aligned with the liability profile and takes into consideration the Swiss Re Group's long-term asset allocation framework, as well as macroeconomic and financial market projections – including GDP growth, policy rates, yield levels and credit spreads.

#### Outlook

Global economic conditions in 2026 are expected to remain broadly supportive, with continued solid economic growth of around 2.8%, broadly in line with 2025, alongside further moderating inflation. Swiss Re expects long-term sovereign bond yields to remain structurally higher than during the past decade, supporting reinvestment opportunities, while high-quality investment grade credit markets are expected to remain resilient. At the same time, policy and geopolitical uncertainty may continue to drive periodic market volatility.

## Re/insurance branch

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 2025	Affiliated companies 2024
Premiums and other receivables from re/insurance	14 722	37 245
Other receivables	30 647	25 702
Funds held under re/insurance treaties	792	906
Re/insurance balances payable	100 294	119 147
Other liabilities	39 687	49 492

In 2025, 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	2025	2024
Premiums written gross	154	184
Premiums written retroceded	-143	-169
Premiums written net	11	15
Change in unearned premiums gross	-1	-14
Change in unearned premiums retroceded	2	13
<b>Premiums earned</b>	<b>12</b>	<b>14</b>
Other re/insurance revenues	-1	
<b>Total revenues from re/insurance business</b>	<b>11</b>	<b>14</b>
Claims paid and claim adjustment expenses gross	-94	-111
Claims paid and claim adjustment expenses retroceded	87	103
Change in unpaid claims gross	4	-64
Change in unpaid claims retroceded	-3	60
Change in unpaid claims for unit-linked life insurance		
Change in equalisation provision	-1	
<b>Claims incurred</b>	<b>-8</b>	<b>-13</b>
Acquisition and operating costs gross	-46	-41
Acquisition and operating costs retroceded	51	39
Acquisition and operating costs net	5	-1
Other re/insurance expenses	1	-1
<b>Total expenses from re/insurance business</b>	<b>-2</b>	<b>-15</b>
Investment income	4	6
Investment expenses	-1	-1
<b>Investment result</b>	<b>4</b>	<b>5</b>
Investment result from unit-linked life insurance		
Other financial income		
Other financial expenses	-2	-2
<b>Operating result</b>	<b>11</b>	<b>2</b>
Interest expenses on debt and subordinated liabilities		
Other income		2
Other expenses	-1	-1
Extraordinary income and expenses		
<b>Income before income tax expense</b>	<b>11</b>	<b>4</b>
Income tax expense	-1	
<b>Net income</b>	<b>10</b>	<b>3</b>

Income statement – Swiss statutory

CHF millions	Direct inland business																Direct foreign business	
	2025	Total	Personal accident		Health		Motor	Transport	Fire, natural catastrophe, property		General liability		Miscellaneous		2025	2024		
		2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024				
Premiums written gross	108	150						0	2	35	29	15	12	7	10	51	98	
Premiums written retroceded	-100	-145						0	-2	-33	-28	-14	-11	-6	-10	-47	-94	
Premiums written net	8	5	0	0	0	0	0	0	0	2	1	1	0	0	0	4	3	
Change in unearned premiums gross	14	-9						1	0	-4	-1	-4	-2	-2	-2	23	-5	
Change in unearned premiums retroceded	-11	9						-1	0	4	1	3	2	2	2	-19	5	
<b>Premiums earned</b>	<b>11</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>3</b>	
Other re/insurance revenues	-1	0												-1	0			
<b>Total revenues from re/insurance business</b>	<b>10</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>3</b>	
Claims paid and claim adjustment expenses gross	-91	-104						0	0	-14	-5	1	-5	1	5	-79	-98	
Claims paid and claim adjustment expenses retroceded	84	98						0	0	13	5	-1	5	-1	-5	73	93	
Change in unpaid claims gross	6	-67	0	0				0	0	10	-17	-7	-4	-4	-8	7	-38	
Change in unpaid claims retroceded	-5	63	0	0				0	0	-8	16	5	4	3	8	-5	35	
Change in unpaid claims for unit-linked life insurance																		
Change in equalisation provision	-1																-1	
<b>Claims incurred</b>	<b>-7</b>	<b>-10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>-1</b>	<b>-2</b>	<b>-1</b>	<b>-1</b>	<b>0</b>	<b>-6</b>	<b>-8</b>	
Acquisition and operating costs gross	-42	-38						0	-3	-21	-15	-14	-13	-1	1	-7	-7	
Acquisition and operating costs retroceded	47	33						0	3	23	13	16	12	1	-1	7	6	
Acquisition and operating costs net	4	-5	0	0	0	0	0	0	0	2	-2	2	-2	0	0	1	-1	
Other re/insurance expenses	1	-1												1	-1			
<b>Total expenses from re/insurance business</b>	<b>-2</b>	<b>-15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>-3</b>	<b>0</b>	<b>-2</b>	<b>0</b>	<b>-1</b>	<b>-5</b>	<b>-9</b>	

CHF millions	Indirect business													
	2025	Total	Personal accident		Health		Motor	Marine, aviation, transport		Property		Casualty	Miscellaneous	
		2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Premiums written gross	46	34						0	0	46	33	0	0	0
Premiums written retroceded	-43	-24						0	0	-43	-24	0	0	1
Premiums written net	3	10	0	0	0	0	0	0	0	3	9	0	0	1
Change in unearned premiums gross	-15	-5						0	0	-15	-5	0	0	0
Change in unearned premiums retroceded	12	4						0	0	13	4	0	0	0
<b>Premiums earned</b>	<b>1</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other re/insurance revenues														
<b>Total revenues from re/insurance business</b>	<b>1</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>
Claims paid and claim adjustment expenses gross	-3	-7						0	0	-3	-6	0	0	
Claims paid and claim adjustment expenses retroceded	2	4						0	0	2	6	0	-1	
Change in unpaid claims gross	-2	3						0	0	-1	3	0	0	0
Change in unpaid claims retroceded	1	-4						0	0	1	-3	0	1	0
Change in unpaid claims for unit-linked life insurance														
Change in equalisation provision														
<b>Claims incurred</b>	<b>-1</b>	<b>-3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>-2</b>
Acquisition and operating costs gross	-3	-3						0	0	-3	-3	0	0	0
Acquisition and operating costs retroceded	4	6						0	0	4	6	0	0	0
Acquisition and operating costs net	0	3	0	0	0	0	0	0	0	0	4	0	0	0
Other re/insurance expenses														
<b>Total expenses from re/insurance business</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>-2</b>

Technical result in 2025 amounted to a revenue of CHF 9.2 million, compared to an expense of CHF 1.2 million in prior year.

Premiums earned declined by CHF 2.0 million year-on-year to CHF 11.9 million in 2025. This was primarily due to decreases in liability, aviation and credit & surety, partially offset by higher volume in property line of business.

Claims incurred improved by CHF 5.1 million to CHF 7.6 million in 2025. The improvement was driven by reserve releases for man-made losses that occurred in current and prior years and lower claims paid, both mainly related to liability line of business. This was partially offset by an increase in equalisation provision of CHF 1.4 million to CHF 6.1 million in 2025, following a favourable combined ratio development compared to prior years.

Acquisition and operating costs net improved by CHF 6.2 million from an expense of CHF 1.4 million in 2024 to a revenue of CHF 4.8 million in 2025. The improvement was driven by CHF 1.2 million lower acquisition costs gross and CHF 11.5 million higher acquisition costs retroceded compared to prior year, partly offset by CHF 6.5 million higher operating costs.

### Investment result – Swiss statutory

CHF thousands	Income	Value readjustments	Realised gains	2025 Total
<b>Investment income</b>				
Fixed-income securities	871			871
Other investments (Short-term investments)	3 352		14	3 366
<b>Investment income</b>	<b>4 223</b>	<b>0</b>	<b>14</b>	<b>4 237</b>

	Expenses	Value adjustments	Realised losses	
<b>Investment expenses</b>				
Other investments (Short-term investments)			-26	-26
Investment management expenses	-572			-572
<b>Investment expenses</b>	<b>-572</b>	<b>0</b>	<b>-26</b>	<b>-598</b>
<b>Investment result</b>	<b>3 651</b>	<b>0</b>	<b>-12</b>	<b>3 639</b>

CHF thousands	Income	Value readjustments	Realised gains	2024 Total
<b>Investment income</b>				
Fixed-income securities	1 329			1 329
Other investments (Short-term investments)	4 295		4	4 299
<b>Investment income</b>	<b>5 624</b>	<b>0</b>	<b>4</b>	<b>5 628</b>

	Expenses	Value adjustments	Realised losses	
<b>Investment expenses</b>				
Other investments (Short-term investments)			-29	-29
Investment management expenses	-697			-697
<b>Investment expenses</b>	<b>-697</b>	<b>0</b>	<b>-29</b>	<b>-725</b>
<b>Investment result</b>	<b>4 927</b>	<b>0</b>	<b>-25</b>	<b>4 902</b>

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 1.1.2024	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
<b>Beginning balance 1.1.2025</b>	<b>20 458</b>	<b>35 558</b>	<b>3 491</b>	<b>59 507</b>
Allocation		3 491	-3 491	0
Net income for the financial year			9 910	9 910
<b>Net capital and retained earnings 31.12.2025</b>	<b>20 458</b>	<b>39 049</b>	<b>9 910</b>	<b>69 417</b>

# Appendix

## About the 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.

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# Methodology and valuation

## Introduction

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 2026 is filed with FINMA in April 2026. 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 (SST RBC) 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 RBC is the sum of SST core and supplementary capital. A Swiss Re Group entity'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 and 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 NAV 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 legal entities not regulated according to a consolidated Group SST (Art. 198a ISO), only the business assumed on the own book (including intragroup 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 by applying a 6% capital cost rate to the sum of the present values of all future target capitals until all insurance obligations in scope at the given point in time have been settled.

### 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 and Swiss Re International SE, 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 2025.	Largely aligned to SST.	Contracts inception until 31 December 2025
Valuation of cash-flows	Discounted using risk-free rates; market-consistent valuation of options and guarantees. Yield curves are extrapolated with a flat spot rate after the last market data point. All expenses are capitalised.	Discounted using risk-free rates; market-consistent valuation of options and guarantees. Yield curves are extrapolated to an ultimate forward rate after the last market data point. Non-directly attributable expenses, investment expenses and maintenance and business overhead expenses are not capitalised, otherwise in line with SST.	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-consistent valuation of embedded options and guarantees; for some derivative instruments (eg variable annuities) a full stochastic valuation is carried out. Maintenance and business overhead expenses are not capitalised, otherwise in line with SST.
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 with 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 <sup>1</sup>	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 taxes <sup>2</sup>	No	Yes	No
Goodwill and intangibles	Not recognised	Recognised, goodwill subject to impairment test, some intangibles subject to amortisation and some to impairment test	Normally no goodwill recognition; intangibles and potential goodwill amortised/depreciated on a straight line basis
Swiss pension fund assets and liabilities	Surplus of the Swiss pension fund is not recognised under SST as it assumed that it will be distributed to pension beneficiaries	Includes the concept of an asset ceiling for net defined benefit assets	Surplus of the Swiss pension fund is not recognised under Swiss Statutory
Minority interest	SST recognises minority interests in the proportional consolidation of assets and liabilities	Minority/non-controlling interests are recognised as part of the total equity	No minority interests on standalone financial statements
Sub-consolidation principles for solo view	Some entities are sub-consolidated for SST reporting	Not applicable	Not applicable

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

<sup>2</sup> 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)
<b>Assets:</b>			
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 and liabilities	• 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 • Investments for unit-linked business • Net defined benefit pension asset • Right-of-use assets and land & buildings for own use • Income taxes recoverable • Goodwill and other intangible assets • Deferred tax 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)
<b>Liabilities:</b>			
Reinsurance liabilities before retrocessions	<ul style="list-style-type: none"> <li>• Best estimate of provisions for insurance liabilities<sup>3</sup></li> <li>• Market value margin</li> </ul>	<ul style="list-style-type: none"> <li>• Insurance contracts issued that are liabilities</li> <li>• Risk adjustment</li> </ul>	<ul style="list-style-type: none"> <li>• Unpaid claims</li> <li>• Liabilities for life and health policy benefits</li> <li>• Unearned premiums</li> <li>• Provisions for profit commissions</li> <li>• Equalisation provision</li> </ul>
Unit-linked and with profit liabilities	<ul style="list-style-type: none"> <li>• Best estimate of unit-linked life insurance liabilities<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Insurance contracts issued that are liabilities</li> </ul>	
Debt	<ul style="list-style-type: none"> <li>• Interest-bearing liabilities</li> <li>• Subordinated debts</li> </ul>	<ul style="list-style-type: none"> <li>• Short-term debt</li> <li>• Long-term debt</li> <li>• Perpetual capital instruments</li> </ul>	<ul style="list-style-type: none"> <li>• Debt</li> <li>• Subordinated liabilities</li> </ul>
Funds held under reinsurance treaties	<ul style="list-style-type: none"> <li>• Deposits made under assumed reinsurance contracts</li> </ul>	<ul style="list-style-type: none"> <li>• Insurance contracts issued that are liabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Funds held under reinsurance treaties</li> </ul>
Other liabilities	<ul style="list-style-type: none"> <li>• Non-technical provisions</li> <li>• Liabilities from derivative financial instruments</li> <li>• Liabilities from insurance business</li> <li>• Accrued liabilities</li> <li>• Other liabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Derivative financial instruments</li> <li>• Securities lending and repurchase agreements</li> <li>• Payables from investments</li> <li>• Pension liabilities</li> <li>• Lease liabilities</li> <li>• Income taxes payable</li> <li>• Deferred tax liabilities</li> <li>• Other liabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Tax provisions</li> <li>• Provision for currency fluctuation</li> <li>• Other provisions</li> <li>• Liabilities from derivative financial instruments</li> <li>• Reinsurance balances payable</li> <li>• Accrued expenses</li> <li>• Other liabilities</li> </ul>

<sup>3</sup> Excluding unit-linked life insurance.

<sup>4</sup> Before and after retrocession for direct insurance and active reinsurance.

## Drivers of change in SST RBC

The drivers of change in SST RBC roll forward in this Report represent the walk from the previous year SST RBC to the current SST RBC. The drivers provide insights on the economic performance and other impacts on the SST RBC as follows:

- 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. It further reflects changes in supplementary capital due to the issuance and/or redemption of risk-absorbing capital instruments qualifying as supplementary capital and coupon payments.

Other contributions include:

- Foreign exchange impacts
- Current taxes
- Changes in MVM own and MVM of subsidiaries
- Changes in deferred and transactional real estate specific taxes
- Changes in other assets and liabilities
- Other contributions

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

## Cautionary note on forward-looking statements

Certain statements contained herein are forward-looking. These statements (including as to plans, objectives, targets, and trends) 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 expected or assumed 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 the risk of a global economic downturn, deglobalisation, fragmentation of markets, changes in 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, including global political or domestic instability, 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, liability excess inflation, acts of terrorism or acts of war, including developments or escalation of ongoing conflicts or wars 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 ability to adhere to standards related to the environment, climate change, social issues, employment (such as inclusion), respect for human rights, and governance. These are often referred to by expressions such as sustainability, environmental, social and governance (“ESG”), and corporate social responsibility (“CSR”). The Group’s ability to fully achieve goals, targets, ambitions or stakeholder expectations related to CSR, ESG and/or sustainability 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, the intensity and frequency of which may increase;
- the Group’s dependence on third parties, including reinsurers, external investment managers, and other service providers;
- 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, regulatory or governmental intervention in the financial markets, trade wars or other tariffs and protectionist measures relating to international trade and cross-border service arrangements, adverse geopolitical events, domestic political upheavals or other developments that adversely impact global economic conditions;
- mortality, morbidity and longevity experience;
- 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;
- changes in legislation and regulation or the interpretations thereof by regulators and courts, affecting the Group or its ceding companies or the markets in which they are operating;
- 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;
- changes in our policy renewal and lapse rates and their impact on the Group's business;
- developments, litigation, or regulatory changes relating to the use of artificial intelligence ("AI") by the Group or third-party vendors, including risks around data quality, explainability, fairness, privacy, cybersecurity, intellectual property, overstating AI capabilities, reliability and effectiveness of AI systems, data or third-party dependency, failings in human oversight or expertise, adoption or integration, and the Group's ability to implement and govern AI responsibly and in line with evolving legal, ethical and technological standards;
- the outcome of tax audits, the ability to realise tax loss carryforwards and 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;
- 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; and
- limitations on the ability of the Group's subsidiaries to pay dividends or make other distributions.

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.

This communication is not intended to be a recommendation to buy, sell or hold securities and does not constitute an offer for the sale of, or the solicitation of an offer to buy, securities in any jurisdiction, including the United States. Any such offer will only be made by means of a prospectus or offering memorandum, and in compliance with applicable securities laws.

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

## 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 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, export control measures, 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. In addition, the Group may be affected by laws and regulations that restrict its ability to provide re/insurance or to invest in certain companies, including those involved in the production of specific types of weapons.

### 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 corporate actions and reporting related to environment, including climate change, social issues, employment (such as inclusion), respect for human rights, and governance. These are often referred to by expressions such as sustainability, environmental, social and governance (“ESG”), and corporate social responsibility (“CSR”).

Since the financial year 2023, Swiss Re has been subject to statutory ESG reporting requirements under Swiss laws and, since 2025, Swiss Re is required to achieve net-zero greenhouse gas emissions by 2050 according to the Swiss Climate and Innovation Act.

In this context, Swiss Re may be subject to greater scrutiny when it comes to its own CSR, ESG and/or sustainability endeavours, including reporting and progress towards 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 liability excess 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 liability excess 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 proactively strengthened its reserves and has considered the latest information and outlook related to such claims, including in relation to economic and liability excess inflation when making its reserve decisions. In addition, the Group closely monitors the intersection between liability excess 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 liability excess 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 on 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 e.g. 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); cyclicalities of the industry; risks related to emerging claims and coverage issues (including, in particular, liability excess inflation); macro-economic, financial market and geopolitical developments, including central bank, regulatory or governmental intervention in the financial markets, trade wars or other tariffs and protectionist measures relating to international trade and cross-border service arrangements, adverse geopolitical events, domestic political upheavals or other developments that adversely impact global economic conditions; macro developments giving rise to emerging risks, such as climate change and technological developments, including the development, adoption and use of artificial intelligence and generative AI, as well as risks associated with the evolving legal and regulatory landscape applicable to AI, which may exacerbate existing risks or create new risks relating to data quality, model reliability, explainability, bias, privacy, cybersecurity, third-party dependencies, governance and human oversight, and may result in operational disruption, regulatory or legal exposure, reputational harm or financial losses; 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 of assets and present value of liabilities, as well as 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 may be 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, ESG and 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 regulatory schemes and requirements. 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. Swiss Re Group, as well as its Swiss-regulated entities, is subject to the Swiss Solvency Test, and its (re)insurance entities and branches regulated in the European Economic Area are subject to Solvency II.

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). The FSB has reaffirmed its decision to use the IAIS HF instead of an annual identification of G-SIIs in November 2025. 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. The FSB has published an updated list of insurers that are subject to resolution planning standards, which includes Swiss Re, among other Swiss (re)insurers. The listed insurers are working with the relevant authorities to be prepared for possible crisis situations (i.e., to address a stress event). The list is expected to further evolve as authorities work to implement resolution regimes for insurers. .

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.

The Group can neither predict which legislative and/or regulatory initiatives will be enacted, 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.

#### **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. One or more of the Group's solicited or unsolicited ratings could be downgraded or revoked at the sole discretion of the rating agencies. The financial strength ratings assigned by

rating agencies to insurance or reinsurance companies are based upon factors relevant to cedants, which include factors not entirely within our control, including factors impacting the financial services, insurance and reinsurance industries generally.

Rating agencies may 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 and 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.

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, other clients or counterparties to terminate the contract or request collateral 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. Any of the foregoing, or a combination of the foregoing, could have a negative impact on the Group's business.

#### **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 world. The global insurance industry remains exposed to a range of adverse impacts, including increased health care costs, higher mortality rates that would drive higher claims under life insurance products such as term policies, possible lockdown measures and other long-term direct/indirect effects of pandemics. Many pandemic-related developments continue to impact 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 for determining minimum solvency requirements. To the extent that management's estimates or assumptions prove to be incorrect, it could have a material impact on underwriting results and results of operations or on reported financial condition, 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 application of IFRS for the Group's consolidated accounts adds 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 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 meeting 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. These include 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, as well as insured counterparties within the Credit & Surety portfolio. Such counterparties may default on their obligations to the Group or, in the case of the Credit & Surety business, default on their underlying obligations to third parties, 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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