

# Management Report

2025

# Management Report

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## About the Management Report

The Management Report presents the business performance and the economic position of Swiss Re pursuant to Article 961c of the Swiss Code of Obligations.

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# Financial highlights 2025

Swiss Re delivers record Group net income of USD 4.8 billion in 2025.

| Group key figures  | Net income                             | Return on equity            | Swiss Solvency Test ratio <sup>1</sup> |
|--|--|-----------------------------|--|
| Swiss Re delivered a net income of USD 4.8 billion against a target of USD > 4.4 billion and an ROE of 19.6% for 2025, up from USD 3.2 billion and 15.0% in the prior year. At the same time, Swiss Re took significant steps to further strengthen its resilience and maintained its strong capital position. | USD billion<br><b>4.8</b><br>2024: 3.2 | <b>19.6%</b><br>2024: 15.0% | <b>250%</b><br>1 January 2025: 257%    |
|  | <b>Targets</b><br>> 4.4<br>✓           | > 14% (multi-year)<br>✓     | 200–250%<br>✓                          |

| Business Unit key figures  | P&C Re  | Corporate Solutions   | L&H Re   |
|--|---|---|--|
| The P&C businesses delivered strong underwriting results in 2025, achieving their combined ratio targets. The results reflect the Business Units' disciplined underwriting approach and lower-than-expected large natural catastrophe claims experience.               | <b>Net income</b> (USD billion)<br><b>2.8</b><br>2024: 1.2        | <b>Net income</b> (USD billion)<br><b>1.0</b><br>2024: 0.8        | <b>Net income</b> (USD billion)<br><b>1.3</b><br>2024: 1.5 |
| L&H Re reported a net income of USD 1.3 billion in 2025, compared with USD 1.5 billion in 2024, reflecting the impact of the portfolio review which concluded in 2025. As a result, L&H Re missed its net income target of approximately USD 1.6 billion for the year. | <b>Combined ratio</b> <sup>2</sup><br><b>79.4%</b><br>2024: 89.9% | <b>Combined ratio</b> <sup>3</sup><br><b>86.5%</b><br>2024: 89.7% |  |
|  | <b>Targets</b><br>Combined ratio<br>< 85%<br>✓                    | Combined ratio<br>< 91%<br>✓                                      | Net income (USD billion)<br>~1.6<br>✗                      |

| Capital repatriation   | Proposed ordinary dividend  | Share buyback             |
|--|---|---------------------------|
| Swiss Re's Board of Directors proposed a dividend of USD 8.00 per share to be paid in 2026, representing a 9% increase. In addition, Swiss Re will repurchase up to USD 1.5 billion of own shares through a public buyback for cancellation purposes. This includes USD 0.5 billion as part of the sustainable annual share buyback programme introduced in 2025 and an extraordinary USD 1 billion. | USD per share (paid in 2026)<br><b>8.00</b><br>Growth vs 2025: 9%         | USD billion<br><b>1.5</b> |
|  | <b>Ambition (2025–2027):</b><br>Grow dividend per share by ≥ 7% p.a.<br>✓ |                           |

<sup>1</sup> Estimated Group SST ratio as of 1 January 2026. The SST ratio is filed with FINMA periodically and is subject to review.

<sup>2</sup> P&C Re combined ratio is defined as [(insurance service expense + amounts recoverable from reinsurers for incurred claims) / (insurance revenue + allocation of reinsurance premiums)].

<sup>3</sup> Corporate Solutions combined ratio is defined as [(insurance service expense + allocation of reinsurance premiums + amounts recoverable from reinsurers for incurred claims + non-directly attributable expenses) / insurance revenue].

## Financial targets 2026

Swiss Re's targets and capital management ambitions reflect the Group's increased resilience.

### Group targets

Swiss Re increased the Group net income target for 2026, reflecting the enhanced resilience of all Business Units.

#### Net income

USD billion

4.5

2025 target: > 4.4

#### Return on equity

Multi-year target

> 14%

Unchanged

#### Capital management

##### Dividend per share growth 2025–2027

≥ 7% p.a.

Unchanged

##### Sustainable annual share buyback<sup>1</sup>

USD billion

0.5

Starting in 2026

### Business Unit targets

#### P&C Re

##### Reported combined ratio<sup>2</sup>

< 85%

Unchanged

#### Corporate Solutions

##### Reported combined ratio<sup>3</sup>

< 91%

Unchanged

#### L&H Re

##### Net income (USD billion)

1.7

2025 target: ~1.6

<sup>1</sup> Sustainable in this context means that the share buyback is subject to achievement of the respective annual Group net income target.

<sup>2</sup> P&C Re combined ratio is defined as [(insurance service expense + amounts recoverable from reinsurers for incurred claims) / (insurance revenue + allocation of reinsurance premiums)].

<sup>3</sup> Corporate Solutions combined ratio is defined as [(insurance service expense + allocation of reinsurance premiums + amounts recoverable from reinsurers for incurred claims + non-directly attributable expenses) / insurance revenue].

# About Swiss Re

Swiss Re’s purpose is to make the world more resilient.

## Company profile

The Swiss Re Group<sup>1</sup> is a leading provider of reinsurance, insurance, other forms of insurance-based risk transfer and insurance-related services. Founded in 1863, the Group is headquartered in Zurich, Switzerland, and had 14 893 employees at the end of 2025 (14 449 full-time positions on an annual average), representing 126 nationalities.<sup>2</sup>

The Group operates through a network of 67 offices in 27 countries. Swiss Re Ltd, the Group’s holding company, is a joint stock company listed on SIX Swiss Exchange.

Swiss Re provides reinsurance and insurance globally through its three Business Units, which are supported by Asset Management:

- **Property & Casualty Reinsurance** (P&C Re) covers a wide range of risks in property, casualty as well as specialty lines (eg engineering, agriculture, marine). P&C Re helps insurers understand, quantify and manage property and casualty risk.

- **Corporate Solutions** provides commercial insurance products based on its extensive knowledge of both traditional and alternative risk transfer. Supported by data-driven insights and robust claims services, it protects large and medium-sized businesses around the world.

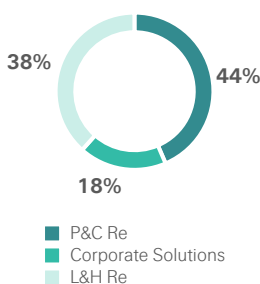
- **Life & Health Reinsurance (L&H Re)** offers a range of tailored services and risk transfer solutions related to the life and health risks of its clients. By combining data, customer behaviour insights and innovative tools, L&H Re helps insurers manage their life and health portfolio risks.

Three transversal risk-related capabilities support the Business Units: Alternative Capital Partners structures and manages insurance-linked securities; Public Sector Solutions provides tailored solutions to governments and other public institutions; and Risk Data Solutions provides insights, tools and expert advice to Swiss Re’s P&C clients.

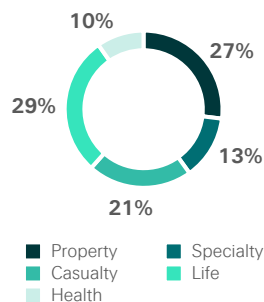
**The Swiss Re Foundation** reflects Swiss Re’s social and humanitarian values and gives the Group’s philanthropic tradition and corporate citizenship activities a clear agenda. It offers tailored financing, provides access to Swiss Re expertise, creates actionable evidence and amplifies impact with aligned partners to advance innovative solutions to global climate and health challenges. The Foundation is proud of several initiatives in 2025, such as [supporting Terratai](#), which co-creates and scales early-stage nature-based companies tackling nature and biodiversity loss in Asia. This and other impact stories on the Foundation’s [website](#) showcase not only the range and depth of these collaborations but also the difference they are making on the ground.

### Swiss Re’s insurance revenue of USD 43 billion is well diversified

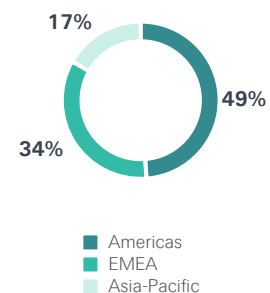
#### Business Units<sup>3</sup>



#### Lines of business<sup>3</sup>



#### Regions



<sup>1</sup> The terms Swiss Re Group, Swiss Re, the Group and the company are used interchangeably throughout the Management Report.

<sup>2</sup> The term employees refers to all individuals permanently employed, either full or part time, by a company within the Swiss Re Group. Third parties working on behalf of Swiss Re, such as contractors and freelancers, as well as temporary staff, trainees and non-executive members of the Board of Directors for all legal entities are excluded from this definition.

<sup>3</sup> Excluding Group items and consolidation.

# Business model

Swiss Re conducts business in the areas of reinsurance, insurance and asset management, in accordance with Art. 2 of Swiss Re Ltd's Articles of Association. In re/insurance, Swiss Re assumes risks and in turn receives premiums (see visual below). The company generates earnings by underwriting risks and investing premiums, as well as through fees for providing risk insights and services to clients. Swiss Re's client base mainly consists of insurance companies that provide services to individuals and businesses, as well as of large and medium-sized corporates and government entities.

Underwriting risks is at the core of Swiss Re's business model, and entails assessing, pricing and assuming insurance risks. Swiss Re receives a premium payment from clients for transferring risks to its balance sheet and compensating for the client's losses, in line with Swiss Re's contractual obligations, should an insured event occur.

Swiss Re assumes life and health risks, as well as property and casualty risks, from its

global client base, including risks related to natural perils, such as earthquakes or tropical cyclones.

There are two basic forms of reinsurance: in facultative or single-risk reinsurance each risk or policy is negotiated and agreed on individually, while in obligatory or treaty reinsurance, the insurer and reinsurer are bound by an obligation to transfer and assume a contractually agreed share of a whole portfolio of risks.

Depending on the duration of the risk transfer contract and the type of business, it can take anywhere from a few days to many years between the premium payment, the notification of a potentially insured event and the payment of claims or benefits. During this time, reserves for expected losses are prudently established and maintained.

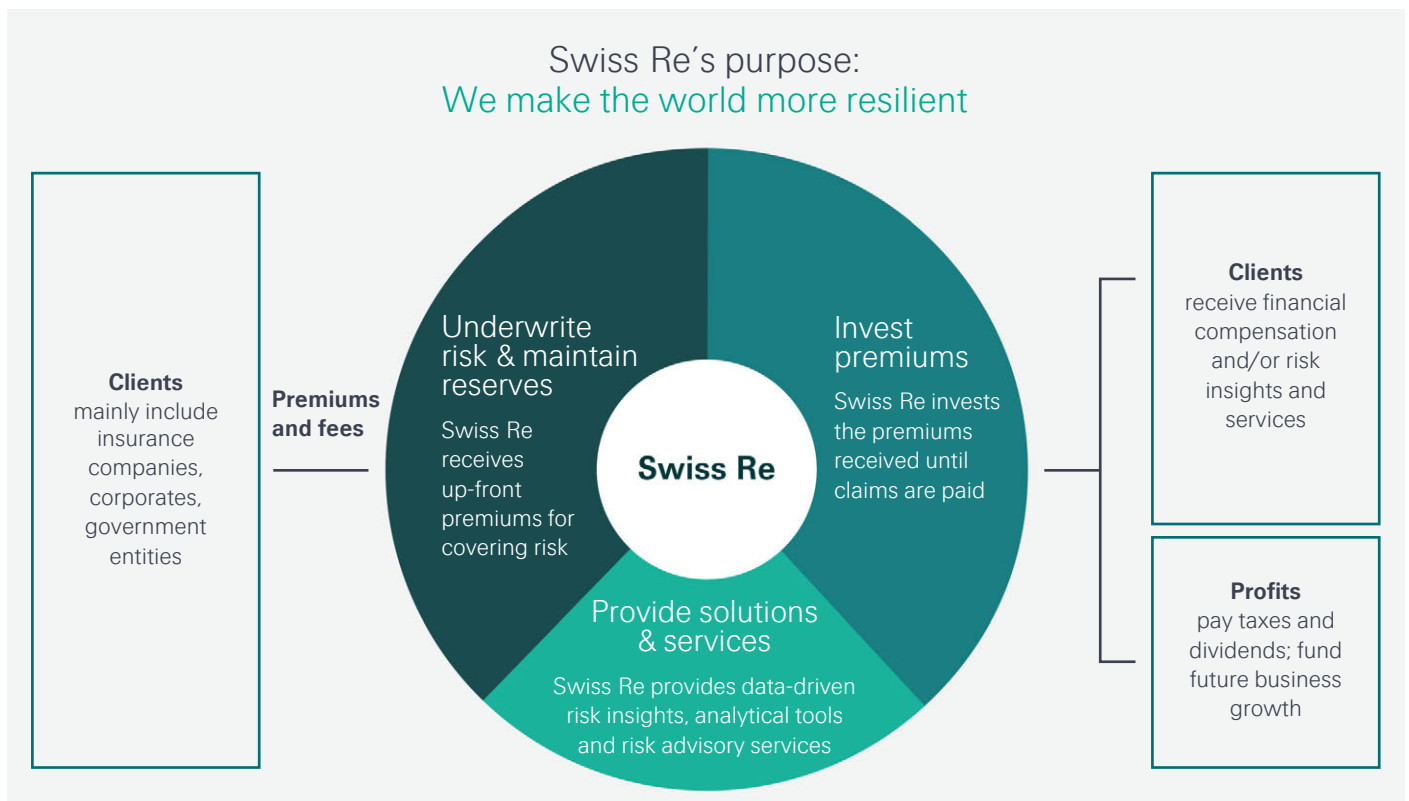
To meet future claims and benefits, Swiss Re invests the premiums generated through underwriting in assets whose cash flows generally match the durations and currencies of its re/insurance liabilities.

To efficiently manage its capital, Swiss Re has a well-diversified underwriting portfolio across business lines and regions, and transfers peak risks to external third parties through retrocession or capital market instruments such as insurance-linked securities.

Swiss Re plays its part in providing stability to the broader insurance industry and society at large by absorbing shocks, particularly from disastrous events. Through its ability to assess, price, transfer and diversify risks, Swiss Re reduces financial volatility within wider society, thereby making the world more resilient to adverse events.

Swiss Re's understanding of risk is a core element of its business (see Risk and capital management, starting from page 23). The company uses its proprietary risk knowledge in its business decisions, and provides clients with data-driven risk insights, analytical tools and advisory services.

## Swiss Re's business model



# Swiss Re's refreshed Group strategy: Built to lead

In December 2025, Swiss Re announced its refreshed Group strategy: Built to lead. This strategy expands on the NEXT journey to close the gap to #1, launched in 2024.

## Progress on NEXT

Swiss Re has successfully concluded the NEXT journey, a programme launched in 2024 aimed at addressing key improvement areas and refocusing Swiss Re on its core business. Throughout the year, the Group strengthened its business along the four themes of NEXT:

- **Technical excellence:** Swiss Re further increased the resilience of its underwriting portfolios and re-established the Group Underwriting office.
- **Data & Technology:** The Group continued to advance its data and technology capabilities, and accelerated its AI efforts.
- **People & Talent:** The Group identified future capability and capacity gaps in roles critical to business performance and defined mitigating actions.
- **Culture:** The Group made significant progress in activating its client-centric performance culture and streamlining its organisation, resulting in improved client proximity and faster decision-making.

Furthermore, Swiss Re sharpened its focus on its core business, for example, by implementing a new strategy for its solutions businesses and completing the sale of several iptiQ entities.

Collectively, these actions have created a strong foundation for the Group's refreshed strategy and have put the company on track to achieve its three year cost run-rate reduction target of around USD 300 million by 2027.

Clients have recognised the impact of these efforts, as reflected in Swiss Re's net promoter scores, which increased across all Business Units from an already excellent base.<sup>1</sup>

## Built to lead

For over 160 years, Swiss Re has led through underwriting expertise and the Swiss values of reliability, precision and collaboration. Building on that legacy, and strengthened by the NEXT journey, the Group's refreshed strategy Built to lead is based on three guiding principles: Amplify our core; Advance re/insurance; and Achieve more together. Jointly, they serve Swiss Re's purpose of making the world more resilient.

### Amplify our core

Through its underwriting and claims excellence and its proximity to clients and brokers, Swiss Re aims to expand its leading market positions across all three Business Units.

P&C Re will actively manage the market cycle and advance its strong positions in various lines of business. Corporate Solutions will position itself as a leading specialised risk partner for large corporates, increasing the share of market cycle-de-correlated lines of business as well as differentiated propositions, such as international programmes and alternative risk transfer. L&H Re is a top-tier L&H reinsurer for traditional biometric risks, which will stay at the core of its value proposition.

The Business Units are supported by Swiss Re's alternative capital capabilities, data-driven solutions and public sector partnerships. At the same time, the Group actively manages its assets through a prudent, performance-oriented investment strategy.

### Advance re/insurance

The company remains at the forefront of change, for example, by leveraging the

power of AI or sharing state-of-the-art insights from Swiss Re Institute's proprietary data and research.

AI enables the Group to speed up decisions, simplify processes and scale expertise. Swiss Re applies its proprietary data and research to deliver better insights and solutions for clients, brokers and itself.

### Achieve more together

The Group is attracting and developing future-ready talent with critical thinking and vision to realise its business and AI ambitions, while implementing its client-centric performance culture that drives results sustainably and responsibly. The Group strives to continuously improve its processes and governance while ensuring cost discipline.

Sustainability is an integral part of the Built to lead strategy, with sustainability considerations embedded across the Group's underwriting, investments and operations. For details on the Group Sustainability Strategy, see Sustainability Report, page 39.

## Swiss Re's refreshed Group strategy



<sup>1</sup> Net promoter scores (measuring client loyalty): P&C Re 55 (+3 points vs 2023); Corporate Solutions 65 (+3 vs 2024); L&H Re 50 (+5 vs 2023).

# Business performance

Swiss Re delivered a record USD 4.8 billion Group net income in 2025 driven by strong underwriting profits in the property and casualty businesses.

## Operating environment

In 2025, the global economy demonstrated resilience amid heightened trade tensions and elevated policy and geopolitical uncertainty. Swiss Re, along with its peers, benefited from global economic growth, robust labour markets, elevated long-term government bond yields and strong financial market returns.

### Economic developments

Global real gross domestic product growth remained solid at 2.9% in 2025, though it moderated slightly from 2024 as post-pandemic effects continued to fade. While new US tariffs contributed to price pressures in the US, inflation in the rest of the world eased, supported by a softer US dollar and subdued commodity prices.

Major central banks continued to ease monetary policy. The US Federal Reserve lowered its policy rate by 75 basis points in the second half of the year, while the European Central Bank cut interest rates by 100 basis points in the first half of the year. Synchronised global monetary easing supported more favourable financing conditions through lower borrowing costs, even as long-term government bond yields stayed firm amid high fiscal deficits and debt levels, as well as ongoing US inflation concerns.

### Financial market performance

Financial markets posted solid gains in 2025. Both equity and fixed-income assets delivered positive annual returns despite a sharp global equity sell-off in April, triggered by US tariff announcements, and further bouts of volatility stemming from ongoing trade tensions and policy uncertainty.

Global equities rose by 19.5% (MSCI World), with the US S&P 500 gaining 16.4% amid resilient corporate earnings and continued AI-driven optimism. Credit markets mirrored strength in equities, as US investment grade corporate spreads tightened to multi-decade lows. Long-term government bond yields remained firm, with the US and German 10-year benchmark yields ending 2025 at 4.2% and 2.9%, respectively, resulting in a further steepening of yield curves in both countries.

### Re/insurance market developments

Demand for insurance and reinsurance remained solid in 2025. Following decade-high growth of 5.7% in 2024, total global insurance premium expansion slowed to an estimated 3.9% in real terms (ie adjusted for inflation). This reflects a transition from post-pandemic strength to a more sustainable growth path.

#### Property and casualty (P&C)

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 strong underwriting results.

#### Life and health (L&H)

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.

### Global re/insurance market volumes in 2025, USD billion

|                          | Global | Advanced markets | Emerging markets |
|--------------------------|--------|------------------|------------------|
| P&C insurance            | 2 510  | 2 010            | 500              |
| P&C commercial insurance | 1 180  | 940              | 250              |
| L&H insurance            | 5 970  | 4 850            | 1 130            |
| Total insurance          | 8 490  | 6 860            | 1 630            |
| P&C reinsurance          | 300    | 230              | 60               |
| L&H reinsurance          | 230    | 100              | 30               |
| Total reinsurance        | 430    | 340              | 90               |

Note: Premiums written. Regional figures may not add up to the global total due to rounding.  
Source: Swiss Re Institute

## 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.

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 will continue 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.

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



“In 2025 we delivered on two key priorities: achieving our Group financial target and strengthening the resilience of the company.”

**Andreas Berger**  
Group Chief Executive Officer

## Swiss Re Group results

Swiss Re reported a record Group net income of USD 4.8 billion for 2025.

### Net income

Swiss Re delivered a net income of USD 4.8 billion for 2025, up from USD 3.2 billion in 2024. The increase was primarily driven by strong underwriting profits in the property and casualty businesses, partially offset by the impact of the portfolio review in L&H Re.

The Group's shareholders' equity amounted to USD 25.1 billion as of 31 December 2025, compared with USD 21.9 billion as of 31 December 2024. The increase reflects the net income of USD 4.8 billion, partially offset by the ordinary dividend payment to shareholders of USD 2.2 billion.

Return on equity (ROE) of 19.6% for 2025, increased from 15.0% in the prior year.

Earnings per share for 2025 were USD 15.67 or CHF 13.05, compared with USD 10.88 or CHF 9.57 in 2024.

Book value per share was USD 85.15 or CHF 67.47 as of 31 December 2025, compared with USD 74.44 or CHF 67.47 at the end of 2024. Book value per share is based on shareholders' equity and excludes perpetual capital instruments and non-controlling interests.

### Insurance service result

The insurance service result, which reflects the underwriting profit earned in the period, was USD 5.8 billion, compared with USD 4.3 billion in 2024.

### Insurance revenue

Insurance revenue for the Group amounted to USD 43.1 billion, compared with USD 45.6 billion in 2024. This was mainly driven by the repositioning of the US casualty portfolio, the termination of an external retrocession transaction in L&H Re, the sale of iptiQ EMEA P&C as well as the previously announced non-renewal of the Irish Medex business in Corporate Solutions.

### New business contractual service margin

The Group's new business contractual service margin (CSM), which reflects the profitability of new business written in the period, was USD 4.7 billion, compared with USD 5.0 billion in 2024.

### Investment result

The Investment result amounted to USD 4.5 billion for 2025, compared with USD 4.6 billion in 2024.

The Group achieved a strong return on investments of 4.0% for 2025, in line with 2024. The result reflects recurring income of more than USD 4.0 billion as well as a positive contribution from equity holdings,

which was partially offset by realised losses from targeted sales of fixed income securities. The recurring income yield for 2025 increased to 4.2%, compared with 4.0% in the prior year. The reinvestment yield reached 4.4% in the fourth quarter of 2025, reflecting continued reinvestments at attractive yields.

### Other expenses/income

Other expenses decreased to USD 1.8 billion in 2025, compared with USD 2.1 billion in 2024, mainly driven by impairments of goodwill and intangibles related to the withdrawal from the iptiQ business impacting the prior year, lower expenses from insurance contracts that do not transfer significant insurance risk, and reduced operating and other expenses.

Other income increased to USD 492 million, compared with USD 338 million, mostly driven by higher income from insurance contracts without significant risk transfer.

The Group reported a tax charge of USD 1.3 billion on a pre-tax income of USD 6.1 billion, compared with a tax charge of USD 895 million on a pre-tax income of USD 4.1 billion for 2024. This translates into an effective tax rate in the current and prior year of 21.6% and 21.7%, respectively.

### Progress on iptiQ withdrawal

Swiss Re has reached an agreement to sell the iptiQ Americas business, subject to regulatory approvals, and will move the iptiQ EMEA L&H business into run-off.

Furthermore, the Group completed the sale of the iptiQ Americas Sales Solutions business through a management buyout, the sale of the iptiQ EMEA P&C business and the sale of iptiQ's Australian business. As such, all parts of the iptiQ business have now either been sold or will be placed into run-off in due course.

### Outlook

Swiss Re confirms its 2026 financial targets announced in 2025, including a Group net income of USD 4.5 billion.

Swiss Re's 2026 targets reflect its confidence in the resilience of its Business Units, disciplined underwriting as well as active cycle management alongside rising demand for re/insurance. The Group is on track to meet its cost efficiency goals and remains focused on executing with discipline, delivering distinctive value to clients and reinforcing leading positions in

key markets. With strengthened foundations across its diversified businesses, Swiss Re is well positioned to deliver on its ambitions in 2026 and beyond.

### Income statement

| USD millions  | 2025          | 2024          | Change in % |
|---|---------------|---------------|-------------|
| Insurance revenue   | 43 136        | 45 598        | -5          |
| Insurance service expense   | -35 721       | -39 137       | -9          |
| <b>Insurance service result before reinsurance contracts held</b> | <b>7 415</b>  | <b>6 461</b>  | <b>15</b>   |
| Allocation of reinsurance premiums                                | -2 811        | -3 312        | -15         |
| Amounts recoverable from reinsurers for incurred claims           | 1 243         | 1 155         | 8           |
| <b>Net income/expenses from reinsurance contracts held</b>        | <b>-1 568</b> | <b>-2 157</b> | <b>-27</b>  |
| <b>Insurance service result</b>                                   | <b>5 847</b>  | <b>4 304</b>  | <b>36</b>   |
| Finance income/expenses from insurance contracts issued           | -2 652        | -2 632        | 1           |
| Finance income/expenses from reinsurance contracts held           | 150           | 167           | -10         |
| <b>Insurance finance result</b>                                   | <b>-2 502</b> | <b>-2 465</b> | <b>2</b>    |
| Net investment income   | 4 315         | 4 287         | 1           |
| Investment gains/losses   | 217           | 264           | -18         |
| <b>Investment result</b>  | <b>4 532</b>  | <b>4 551</b>  | <b>-</b>    |
| Other income  | 492           | 338           | 46          |
| Other expenses  | -1 811        | -2 135        | -15         |
| Financing cost  | -482          | -460          | 5           |
| <b>Income/loss before income tax expense/benefit</b>              | <b>6 077</b>  | <b>4 133</b>  | <b>47</b>   |
| Income tax expense/benefit  | -1 315        | -895          | 47          |
| <b>Net income/loss</b>  | <b>4 762</b>  | <b>3 238</b>  | <b>47</b>   |
| Thereof   |               |               |             |
| Net income/loss attributable to non-controlling interests         | 22            | -3            | -           |
| Net income/loss attributable to common shareholders               | 4 740         | 3 241         | 46          |



“In 2025, P&C Re achieved its combined ratio target, reflecting disciplined underwriting and the resilience of our portfolio.”

**Urs Baertschi**  
CEO Property & Casualty Reinsurance

## Property & Casualty Reinsurance

Property & Casualty Reinsurance (P&C Re) delivered a net income of USD 2.8 billion.

### Net income

P&C Re delivered a net income of USD 2.8 billion for 2025, up from USD 1.2 billion for 2024. The result reflects a lower-than-expected large natural catastrophe burden and resilient underlying performance, supported by a solid investment result.

### Insurance service result

The insurance service result was USD 3.6 billion in 2025, compared with USD 1.8 billion for 2024. The prior year was impacted by significant reserving actions.

Large natural catastrophe claims amounted to USD 813 million in 2025, mainly related to the Los Angeles wildfires and Hurricane Melissa.<sup>1</sup> In addition, large man-made losses totalled USD 345 million.

P&C Re achieved a combined ratio of 79.4% for 2025, improved from 89.9% for 2024, meeting its target of below 85% for the full year.<sup>2</sup>

### Insurance revenue

Insurance revenue in 2025 was USD 18.7 billion, compared with USD 19.8 billion for 2024. The largest driver of the decrease was the repositioning

of the US casualty portfolio, which was completed in 2025.

### New business contractual service margin

P&C Re generated a new business CSM of USD 2.7 billion in 2025, compared with USD 2.9 billion in 2024. The decrease is driven by portfolio actions taken in casualty and net price changes through the year.

### Investment result

The investment result amounted to USD 2.6 billion for 2025, in line with 2024.

Net investment income was USD 2.6 billion in 2025, USD 0.1 billion lower than the prior year, reflecting reduced income from cash and cash equivalents as well as a lower contribution from equity holdings, partially offset by higher recurring income.

P&C Re's investment losses were USD 37 million in 2025, compared with losses of USD 98 million for the prior year period. The year-over-year improvement mainly reflects the net effect of realised gains from the sale of a minority equity position, partially offset by higher realised fixed income losses than in the prior year, supporting future recurring income.

### Outlook

P&C Re targets a combined ratio of less than 85% for 2026.

P&C Re renewed treaty contracts resulting in USD 12.4 billion in premium volume on 1 January 2026, in line with the business which was up for renewal. The outcome reflects continued discipline and active cycle management amid a more challenging pricing environment.

P&C Re achieved a price increase of 0.3% in this renewal round, while maintaining stable terms and conditions. Based on a prudent view on inflation and updated loss models, loss assumptions increased by 4.6%, resulting in a net price decrease of 4.3%. The resulting portfolio quality is supportive of the Group's 2026 financial targets.

In property, P&C Re expects a competitive environment and anticipates sustained long-term demand for reinsurance protection as loss trends rise and underlying exposures continue to grow. P&C Re's risk appetite remains unchanged, with a focus on underwriting discipline and portfolio quality.

<sup>1</sup> Compared with a full-year large natural catastrophe claims budget of USD 2.0 billion.

<sup>2</sup> P&C Re combined ratio is defined as [(insurance service expense + amounts recoverable from reinsurers for incurred claims) / (insurance revenue + allocation of reinsurance premiums)].

In casualty, the risk landscape, particularly in the US, remains challenging, with legal system abuse resulting in volatile loss trends. P&C Re continues to prioritise portfolio resilience by expanding in profitable and diversifying segments while maintaining underweight positions where necessary.

P&C Re retains a constructive outlook for the specialty market where it is well positioned to capture profitable growth. P&C Re aims to balance growth with its commitment to long-term sustainable profitability.

## Income statement

| USD millions  | 2025          | 2024          | Change in % |
|---|---------------|---------------|-------------|
| Insurance revenue   | 18 703        | 19 770        | -5          |
| Insurance service expense   | -14 185       | -16 793       | -16         |
| <b>Insurance service result before reinsurance contracts held</b> | <b>4 519</b>  | <b>2 977</b>  | <b>52</b>   |
| Allocation of reinsurance premiums                                | -1 366        | -1 459        | -6          |
| Amounts recoverable from reinsurers for incurred claims           | 413           | 323           | 28          |
| <b>Net income/expenses from reinsurance contracts held</b>        | <b>-953</b>   | <b>-1 136</b> | <b>-16</b>  |
| <b>Insurance service result</b>                                   | <b>3 566</b>  | <b>1 841</b>  | <b>94</b>   |
| Finance income/expenses from insurance contracts issued           | -1 489        | -1 550        | -4          |
| Finance income/expenses from reinsurance contracts held           | 43            | 53            | -19         |
| <b>Insurance finance result</b>                                   | <b>-1 446</b> | <b>-1 497</b> | <b>-3</b>   |
| Net investment income   | 2 614         | 2 716         | -4          |
| Investment gains/losses   | -37           | -98           | -62         |
| <b>Investment result</b>  | <b>2 576</b>  | <b>2 618</b>  | <b>-2</b>   |
| Other income  | 86            | 121           | -29         |
| Other expenses  | -741          | -839          | -12         |
| Financing cost  | -512          | -657          | -22         |
| <b>Income/loss before income tax expense/benefit</b>              | <b>3 530</b>  | <b>1 587</b>  | <b>122</b>  |
| Income tax expense/benefit  | -762          | -362          | 110         |
| <b>Net income/loss</b>  | <b>2 767</b>  | <b>1 225</b>  | <b>126</b>  |
| Thereof   |               |               |             |
| Net income/loss attributable to non-controlling interests         | 4             | 5             | -20         |
| Net income/loss attributable to common shareholders               | 2 763         | 1 220         | 126         |
| <b>Combined ratio (%)</b>   | <b>79.4</b>   | <b>89.9</b>   |             |



“Corporate Solutions delivered another year of strong performance, underscoring our disciplined underwriting and resilient portfolio.”

**Ivan Gonzalez**  
CEO Corporate Solutions

## Corporate Solutions

Corporate Solutions delivers increased net income and achieves combined ratio target.

### Net income

Corporate Solutions delivered a net income of USD 988 million in 2025, compared with USD 829 million in 2024. The continued strong result reflects a solid underwriting performance, supported by lower-than-expected large natural catastrophe claims experience and a resilient investment result.

### Insurance service result

The insurance service result reached USD 1.2 billion in 2025, up from USD 1.0 billion in 2024.

Large man-made losses in 2025 amounted to USD 351 million. Large natural catastrophe losses of USD 148 million were mainly driven by the Los Angeles wildfires.

Corporate Solutions delivered a combined ratio of 86.5% in 2025, compared with 89.7% in 2024, realising its target of below 91% for the full year.<sup>1</sup>

### Insurance revenue

Insurance revenue amounted to USD 7.7 billion in 2025, compared with USD 8.1 billion for 2024. Growth in targeted lines partly offset the previously announced non-renewal of the Irish Medex business.<sup>2</sup>

### New business contractual service margin

Corporate Solutions achieved a new business CSM of USD 834 million, compared with USD 959 million in 2024.

The new business CSM for assumed business of USD 1.6 billion reflects continued solid new business generation, mainly from property and specialty lines, despite increasingly challenging market conditions.

### Investment result

The investment result amounted to USD 607 million in 2025, compared with USD 574 million in 2024.

Net investment income increased by USD 25 million to USD 543 million in 2025, driven by a higher contribution from recurring income, partially offset by lower income from cash and cash equivalents.

Investment gains were USD 64 million in 2025, in line with the prior year, as additional gains from weather derivatives were offset by higher realised losses from the sales of fixed income securities.

<sup>1</sup> Corporate Solutions combined ratio is defined as [(insurance service expense + allocation of reinsurance premiums + amounts recoverable from reinsurers for incurred claims + non-directly attributable expenses) / insurance revenue].

<sup>2</sup> The non-renewal of the Irish Medex business accounted for a reduction of USD 0.6 billion in 2025 compared with the prior year.

## Outlook

Corporate Solutions is targeting a combined ratio of below 91% for 2026, supported by disciplined underwriting, active portfolio steering and a continued focus on strict cost management. Alongside maintaining adequate pricing levels in a more competitive market, the business is strengthening cycle resilience and enhancing diversification across its core portfolio. At the same time, Corporate Solutions is expanding its differentiated propositions to support more cycle-independent growth, ensuring it remains well-positioned to create value even as market conditions evolve.

In property and specialty, increased market capacity leading to softer pricing is expected to continue. Early 2026 renewals are broadly in line with expectations, and although these market conditions are likely to persist, the portfolios remain well-positioned due to disciplined risk selection.

Casualty trends continue to diverge across segments. General liability is likely to remain under pressure due to ample market capacity, while the positive momentum in professional liability — particularly in the US — is expected to extend into 2026. These dynamics will support Corporate Solutions' strategy to selectively grow in areas with more attractive conditions.

Credit and surety operates against a backdrop of policy and geopolitical uncertainty, as well as evolving global trade patterns. While competitive conditions in the market are expected to remain elevated, early 2026 renewals are broadly aligned with expectations and strategic objectives. The business remains focused on disciplined underwriting and market engagement.

North American accident and health is expected to continue to grow, particularly in self-funded and captive solutions. The business provides valuable diversification benefits and helps balance exposure across insurance cycles.

## Income statement

| USD millions  | 2025         | 2024         | Change in % |
|---|--------------|--------------|-------------|
| Insurance revenue   | 7 737        | 8 083        | -4          |
| Insurance service expense   | -5 601       | -6 271       | -11         |
| <b>Insurance service result before reinsurance contracts held</b> | <b>2 136</b> | <b>1 812</b> | <b>18</b>   |
| Allocation of reinsurance premiums                                | -1 710       | -1 805       | -5          |
| Amounts recoverable from reinsurers for incurred claims           | 783          | 1 011        | -23         |
| <b>Net income/expenses from reinsurance contracts held</b>        | <b>-927</b>  | <b>-794</b>  | <b>17</b>   |
| <b>Insurance service result</b>                                   | <b>1 208</b> | <b>1 018</b> | <b>19</b>   |
| Finance income/expenses from insurance contracts issued           | -515         | -541         | -5          |
| Finance income/expenses from reinsurance contracts held           | 209          | 237          | -12         |
| <b>Insurance finance result</b>                                   | <b>-307</b>  | <b>-304</b>  | <b>1</b>    |
| Net investment income   | 543          | 518          | 5           |
| Investment gains/losses   | 64           | 56           | 14          |
| <b>Investment result</b>  | <b>607</b>   | <b>574</b>   | <b>6</b>    |
| Other income  | 24           | 21           | 14          |
| Other expenses  | -216         | -227         | -5          |
| Financing cost  | -40          | -21          | 90          |
| <b>Income/loss before income tax expense/benefit</b>              | <b>1 277</b> | <b>1 061</b> | <b>20</b>   |
| Income tax expense/benefit  | -289         | -232         | 25          |
| <b>Net income/loss</b>  | <b>988</b>   | <b>829</b>   | <b>19</b>   |
| Thereof   |              |              |             |
| Income/loss attributable to non-controlling interests             | 17           | -8           | —           |
| Net income/loss attributable to common shareholders               | 971          | 837          | 16          |
| <b>Combined ratio (%)</b>   | <b>86.5</b>  | <b>89.7</b>  |             |



“In 2025, we took decisive actions to strengthen our L&H portfolio. While these measures led us to miss our net income target, they position us strongly to support our clients and capture attractive opportunities going forward.”

**Paul Murray**  
CEO Life & Health Reinsurance

## Life & Health Reinsurance

Life & Health Reinsurance (L&H Re) completes portfolio review.

### Net income

L&H Re reported a net income of USD 1.3 billion in 2025, compared with USD 1.5 billion in 2024, reflecting the impact of the portfolio review which concluded in 2025. As a result of these actions, L&H Re missed its net income target of approximately USD 1.6 billion for the year.

### Insurance service result

The insurance service result for 2025 was USD 1.2 billion, compared with USD 1.5 billion for 2024. The decrease in 2025 primarily reflects a USD 0.65 billion negative impact from assumption updates focused on addressing underperforming portfolios in Australia, Israel and South Korea.

### Insurance revenue

Insurance revenue in 2025 amounted to USD 16.5 billion, compared with USD 17.1 billion in 2024. The change compared with the previous year was mainly driven by the termination of an external retrocession transaction which positively affected insurance revenue for the prior year.<sup>1</sup>

### Contractual service margin

In 2025, the CSM decreased by USD 0.4 billion to USD 17.0 billion. This includes new business CSM of USD 1.1 billion, in line with the prior year, interest accretion of USD 0.6 billion, a CSM release of USD 1.7 billion, negative impacts from change in assumptions of USD 0.9 billion and an uplift from foreign currency movements.

### Investment result

The investment result amounted to USD 1.5 billion in 2025, compared with USD 1.7 billion in 2024.

Net investment income was USD 1.5 billion in 2025, USD 0.1 billion lower than the prior year, reflecting lower income from cash and cash equivalents.

Investment losses were USD 41 million in 2025, compared with gains of USD 134 million in 2024. The decline primarily reflects higher losses on insurance-related derivatives, offset by other income and the insurance finance result.

### Outlook

Following the material review of its portfolios, L&H Re targets an increased net income of USD 1.7 billion in 2026.

L&H Re's new business continues to expand, with further growth expected in both emerging and mature markets. Cession rates and mortality premiums are expected to remain broadly stable in major markets.

In addition, L&H Re sees ongoing opportunities for transactions as clients maintain a strong focus on capital, risk and balance sheet optimisation in mature markets. There is also further business potential arising from the growing demand for health protection, driven by ageing societies.

<sup>1</sup> The termination of an external retrocession transaction accounted for non-recurring additional revenue of USD 0.4 billion in 2024.

## Income statement

| USD millions  | 2025         | 2024         | Change in % |
|---|--------------|--------------|-------------|
| Insurance revenue <sup>1</sup>                                    | 16 504       | 17 067       | -3          |
| Insurance service expense   | -15 244      | -15 044      | 1           |
| <b>Insurance service result before reinsurance contracts held</b> | <b>1 260</b> | <b>2 023</b> | <b>-38</b>  |
| Allocation of reinsurance premiums                                | -411         | -736         | -44         |
| Amounts recoverable from reinsurers for incurred claims           | 327          | 246          | 33          |
| <b>Net income/expenses from reinsurance contracts held</b>        | <b>-83</b>   | <b>-490</b>  | <b>-83</b>  |
| <b>Insurance service result</b>                                   | <b>1 177</b> | <b>1 533</b> | <b>-23</b>  |
| Finance income/expenses from insurance contracts issued           | -738         | -651         | 13          |
| Finance income/expenses from reinsurance contracts held           | 7            | 5            | 40          |
| <b>Insurance finance result</b>                                   | <b>-731</b>  | <b>-646</b>  | <b>13</b>   |
| Net investment income   | 1 517        | 1 614        | -6          |
| Investment gains/losses   | -41          | 134          | -131        |
| <b>Investment result</b>  | <b>1 475</b> | <b>1 748</b> | <b>-16</b>  |
| Other income  | 360          | 183          | 97          |
| Other expenses  | -426         | -573         | -26         |
| Financing cost  | -279         | -344         | -19         |
| <b>Income/loss before income tax expense/benefit</b>              | <b>1 576</b> | <b>1 901</b> | <b>-17</b>  |
| Income tax expense/benefit  | -303         | -369         | -18         |
| <b>Net income/loss</b>  | <b>1 274</b> | <b>1 532</b> | <b>-17</b>  |
| Thereof   |              |              |             |
| Net income/loss attributable to non-controlling interests         | 0            | 0            | —           |
| Net income/loss attributable to common shareholders               | <b>1 274</b> | <b>1 532</b> | <b>-17</b>  |

<sup>1</sup> The termination of an external retrocession transaction accounted for non-recurring additional revenue of USD 0.4 billion in 2024.



“The investment portfolio delivered a strong result, reflecting disciplined execution of our strategy. Recurring income was further strengthened while equity holdings provided a significant uplift to overall performance.”

**Velina Peneva**  
 Group Chief Investment Officer

## Group investments

### Investment result

2025 was another excellent year for Swiss Re’s investment performance, which benefited from a sustained favourable yield environment and disciplined portfolio management. The Group achieved a strong return on investments (ROI) of 4.0%.

The Group’s net investment income amounted to USD 4.3 billion in 2025, in line with the prior year. Recurring income increased by USD 277 million compared with the prior year, supported by targeted reinvestment into higher-yielding fixed income securities. The recurring contribution was largely offset by reduced income from cash and cash equivalents and equity holdings. The increase in recurring income is reflected in the improvement of the Group’s recurring income yield from 4.0% to 4.2% in 2025.

The Group reported investment gains of USD 217 million, compared with USD 264 million in 2024. The decline reflects realised losses on targeted sales of fixed income securities as well as losses on insurance-related derivatives, which were largely offset by other income and the insurance finance result. These were mostly offset by realised gains from the sale of Definity Financial in the first quarter of 2025.

The investment portfolio increased to USD 111.6 billion as of year-end 2025 from USD 106.2 billion at year-end 2024. The growth primarily reflects the impact of a weaker US dollar, as well as mark-to-market gains on fixed income securities stemming from lower US interest rates.

The achievement of the Group net income target in 2025 was underpinned by active portfolio steering and disciplined risk management.

Alongside this, Asset Management maintained a clear focus on enhancing portfolio resilience, strengthening the income profile and supporting the sustainability of recurring investment income.

### Outlook

The investment portfolio remains well diversified across asset classes, risk factors and regions, and is well positioned to generate sustainable income across market cycles and make a significant contribution to the Group’s overall earnings in the years ahead.

Private asset classes remain a core pillar of the Group’s investment strategy and an important contributor to the overall results. Swiss Re continues to monitor private debt and equity markets for attractive opportunities to further complement the investment portfolio.

### Group return on investments 2025

4.0%

2024: 4.0%

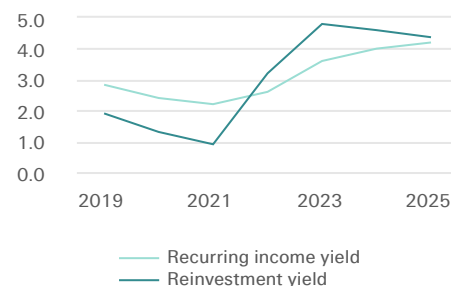
### Net investment income 2025

USD billion

4.3

2024: 4.3

### Recurring income yield and reinvestment yield<sup>1</sup> (%)



<sup>1</sup> Since 2024 reinvestment yield includes mortgages and other loans.

# Share performance, capital repatriation and ratings

## Swiss Re shares

Swiss Re had a market capitalisation of CHF 39.2 billion on 31 December 2025, with 298.8 million shares issued, of which 294.9 million were entitled to dividends. Swiss Re shares are listed in accordance with the International Reporting Standard on the SIX Swiss Exchange (SIX) and are traded under the ticker symbol SREN.

## American Depositary Receipts (ADR)

In the US, Swiss Re maintains an ADR level I programme (OTC symbol SSREY).

## Total shareholder return

During 2025, the total shareholder return (in USD) of the STOXX Europe 600 Insurance

Index (SXIP) was 47.9% and the broader index of Swiss blue chips (SMI) was 35.0%. The year-end share price was CHF 132.85 (year-end 2024: CHF 131.20). The Swiss Re total shareholder return for 2025 was 20.8% (in USD).

## Dividends and sustainable share buyback

The Board of Directors proposed an ordinary dividend of USD 8.00 per share for the financial year 2025. The dividend paid will be subject to 35% Swiss withholding tax.

In addition, Swiss Re will repurchase up to USD 1.5 billion of own shares through a public buyback for cancellation purposes. The buyback was launched on 4 March 2026 and will be completed by 31 December 2026 (see Capital management, page 23).

## Financial strength ratings

Rating agencies rate the financial strength and debt obligations of the Swiss Re Group based on quantitative inputs and an interactive dialogue. Their criteria include capital adequacy, financial performance and risk management. The insurance financial strength ratings are shown in the table below.

More information for investors is available on the Swiss Re website:

## Swiss Re investors

[swissre.com/investors](https://www.swissre.com/investors)

## Share vs benchmarks

As of 31 December 2025

| Total shareholder return in % (USD)     | 2025   |
|---|--------|
| Swiss Re (SREN)                         | 20.8   |
| Swiss Market Index (SMI)                | 35.0   |
| STOXX Europe 600 Insurance Index (SXIP) | 47.9   |
| Share price in CHF                      | 132.85 |
| Market capitalisation in CHF billions   | 39.2   |

## Swiss Re's financial strength ratings

As of 31 December 2025

|                  | Standard & Poor's | Moody's          | A.M. Best      |
|------------------|-------------------|------------------|----------------|
| Rating           | AA-               | Aa3              | A+             |
| Outlook          | Stable            | Stable           | Stable         |
| Last review date | 7 November 2025   | 10 November 2025 | 1 October 2025 |

## Swiss Re's total shareholder return in % (USD) in 2025



- 1 Annual results 2024 (27 February)
- 4 Q1 2025 results (16 May)
- 6 9M 2025 results (14 November)
- 2 Ex-dividend date (15 April)
- 5 Half-year 2025 results (14 August)
- 7 Management Dialogue (5 December)
- 3 Dividend payment (17 April)

# Risk and capital management

Swiss Re’s strong capital base continues to be supported by sustained earnings, a diversified business model and a prudent risk management strategy.

## Capital management

### Capital management priorities

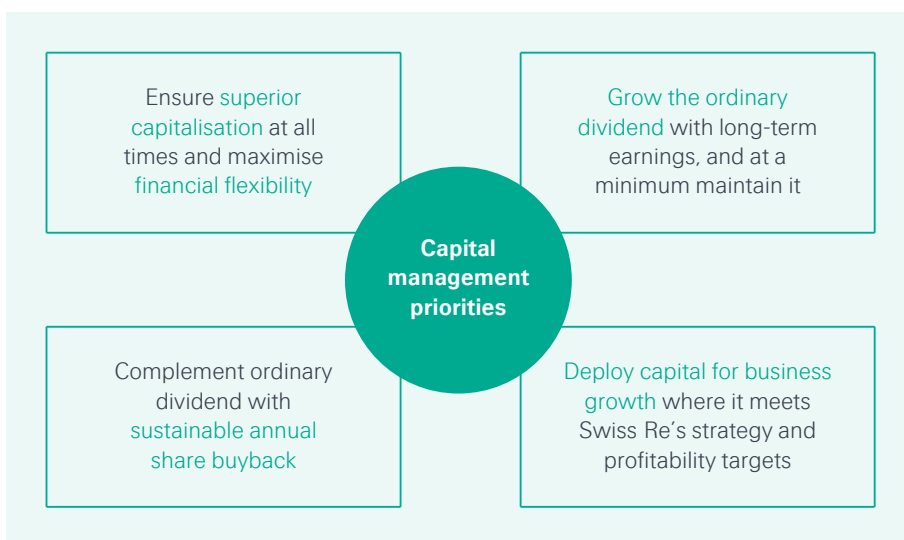
Swiss Re’s overarching capital management aim is to maintain a strong capital position that operates efficiently within external constraints and requirements, while giving the Group maximum financial flexibility.

The Group seeks to achieve this aim through capital management decisions that make capital and liquidity fungible across the Group wherever possible, while complying with local regulations and client needs, and

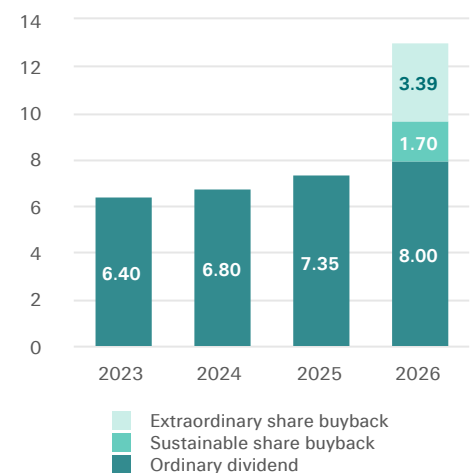
by applying its capital management priorities.

Swiss Re’s capital management priorities are to: ensure superior capitalisation at all times and maximise financial flexibility; grow the ordinary dividend with long-term earnings and, at a minimum, maintain it; deploy capital for business growth where it meets its strategy and profitability targets; and complement the ordinary dividend for a given financial year with an annual share buyback that is conditional upon the Group achieving its annual net income target for that financial year.

Having achieved its key objectives for the 2025 financial year, Swiss Re will complement the increased dividend of USD 8.00 per share with a USD 1.5 billion share buyback. The buyback programme consists of a sustainable annual component of USD 500 million linked to the achievement of the annual Group net income target and an additional extraordinary amount. The latter reflects the Group’s strong capital generation and position, as well as the company’s increased resilience.



Capital repatriation<sup>1</sup> (USD per share)



<sup>1</sup> Year corresponds to year of payment. The dividend for 2026 is subject to AGM 2026 approval. Shareholders will receive a CHF amount converted from USD on 13 April 2026.

## Liquidity position

The active management of liquidity risks ensures the Group's ability to satisfy its financial obligations. For further details, see Liquidity risk, page 30.

The amount of liquidity held is largely determined by internal liquidity stress tests, which estimate the potential funding requirements stemming from extreme loss events.

As of 31 December 2025, Swiss Reinsurance Company Ltd, the main operating entity of the Group from a liquidity perspective, held total liquidity potential of USD 37.9 billion (2024: USD 30.1 billion<sup>1</sup>), which is assumed to be available within one year. This is estimated to be sufficient to cover potential funding requirements based on internal liquidity stress tests.

Swiss Re provides FINMA with a yearly report on its liquidity position, in accordance with FINMA Circular 25/3, Liquidity – Insurers.

## Funding activities

In 2025, Swiss Re navigated geopolitical uncertainty to successfully refinance approximately USD 1.7 billion of subordinated debt redemptions on highly attractive terms.

In March 2025, Swiss Re issued SGD 450 million of six-year subordinated notes, callable after five years, with a coupon of 3.750%, refinancing the redemption of SGD 350 million of subordinated notes in July 2025.

Also in March 2025, Swiss Re issued EUR 750 million of eight-year subordinated notes, callable after seven years, with a coupon of 3.890%, refinancing the redemption of EUR 750 million of subordinated notes in September 2025.

In April 2025, Swiss Re issued USD 750 million of 21-year subordinated notes, callable after 20 years, with a coupon of 6.191%, refinancing the redemption of USD 700 million of subordinated loan notes in August 2025.

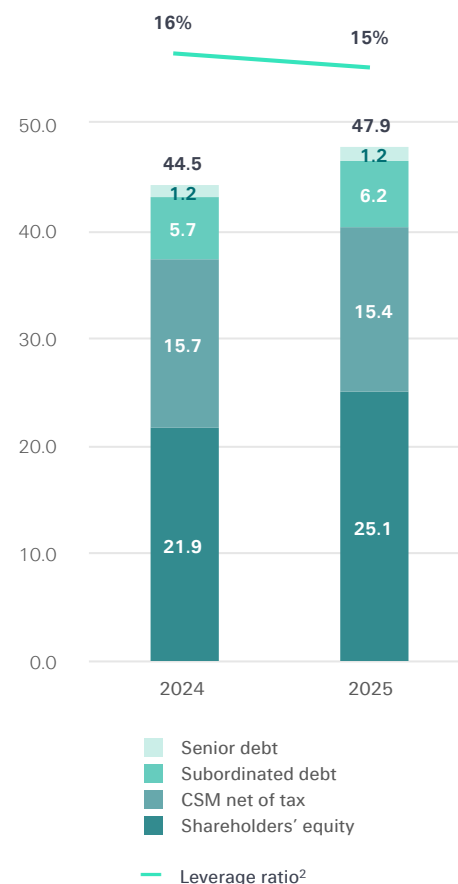
The subordinated notes issued in 2025 are guaranteed on a subordinated basis by Swiss Re Ltd and qualify as Tier 2 capital under the Swiss Insurance Supervision Ordinance.

These issuances reflect Swiss Re's disciplined approach to capital management and demonstrate its ability to access global markets across multiple currencies and investor bases.

As of 31 December 2025, the Group financial leverage ratio decreased to 15% from 16% as of 31 December 2024, supported by higher shareholders' equity.

### Group financial leverage

(USD billion)



<sup>1</sup> Restated to align with the definition of liquidity potential as per FINMA Circular 25/3.

<sup>2</sup> Financial leverage ratio: (senior debt + subordinated debt) / (shareholders' equity + 100% CSM net of tax + senior debt + subordinated debt), excluding non-recourse positions.

## Solvency

Swiss Re is supervised by FINMA at the Group level as well as for its regulated legal entities domiciled in Switzerland. FINMA supervision comprises minimum solvency requirements, along with a wide range of

qualitative assessments and governance standards. The Group Swiss Solvency Test (SST) 2026 report will be filed with FINMA in April 2026. The SST ratio is subject to FINMA's review and approval. Accordingly,

the information presented on the following pages is estimated based on currently available information and may differ from the final Group SST 2026 figures.

### SST ratio

Swiss Re's capital position remained strong, with the estimated Group SST 2026 ratio at 250% as of 1 January 2026. 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.

| USD millions             | SST 2026     | SST 2025     | Change      |
|--------------------------|--------------|--------------|-------------|
| SST risk-bearing capital | 42 750       | 40 205       | 2 545       |
| SST target capital       | 17 120       | 15 666       | 1 454       |
| <b>SST ratio</b>         | <b>250 %</b> | <b>257 %</b> | <b>-7pp</b> |

### SST risk-bearing capital

The SST risk-bearing capital 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 in the table below:

| USD millions  | SST 2026      | SST 2025      | Change       |
|---|---------------|---------------|--------------|
| Market conform value of assets minus market conform value of liabilities before MVM | 48 601        | 44 454        | 4 148        |
| Market value margin   | 7 875         | 7 453         | 422          |
| Market conform value of assets minus market conform value of liabilities            | 40 726        | 37 001        | 3 725        |
| Deductions  | 4 451         | 2 689         | 1 762        |
| <b>SST net asset value</b>  | <b>36 275</b> | <b>34 312</b> | <b>1 963</b> |
| Tier 1 risk-absorbing capital instruments counted towards core capital              |               |               |              |
| <b>SST core capital</b>   | <b>36 275</b> | <b>34 312</b> | <b>1 963</b> |
| Supplementary capital   | 6 474         | 5 892         | 582          |
| <b>SST risk-bearing capital</b>   | <b>42 750</b> | <b>40 205</b> | <b>2 545</b> |

The increase in SST net asset value to USD 36.3 billion was mainly driven by positive underwriting and investment contributions, as well as by favourable foreign exchange rate impacts, partially offset by the projected dividend, the share buyback and an increase in MVM.

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

SST net asset value was also affected by other contributions, mainly driven by incurred operating expenses, taxes, and cost of debt.

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

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.

Deductions mainly reflect projected dividends (to be paid in 2026, subject to AGM 2026 approval), the share buyback programme of USD 1.5 billion (including USD 500 million as part of the sustainable annual share buyback programme), 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

Swiss Re uses a full internal risk model (see box below) 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.

SST target capital increased to USD 17.1 billion, driven by the increase in total risk and in Other impacts. The increase in total risk is due to higher financial market and property and casualty risk, partially offset by lower life and health risk (see Quantification of insurance and financial risk, page 28). The change in Other impacts reflects mainly the impact of model updates.

| USD millions              | SST 2026      | SST 2025      | Change       |
|---------------------------|---------------|---------------|--------------|
| <b>Total risk</b>         | <b>19 757</b> | <b>18 780</b> | <b>977</b>   |
| Other impacts             | -2 637        | -3 114        | 477          |
| <b>SST target capital</b> | <b>17 120</b> | <b>15 666</b> | <b>1 454</b> |

### Internal risk model

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.

Swiss Re's internal model is based on two important principles. First, it applies an asset-liability management approach, which measures the net impact of risk on the economic value of both assets and liabilities. Second, it adopts an integrated perspective, recognising that a single risk factor can affect different sub-portfolios and that different risk factors can have mutual dependencies. Swiss Re's internal model is fully stochastic and is based on a separation of risk factors and exposure functions.

Separate risk modules are used to model the individual risk factors of Swiss Re's core risks. Swiss Re complements its risk models by ensuring a sound understanding of the underlying risks within the company and by applying robust internal controls.

The internal model is governed by Swiss Re's Model and Tool Assurance Framework. This includes an independent end-to-end validation process that comprises specification, algorithms, calibration, implementation, results and testing.

### Model developments

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.

*Further information about the internal risk model can be found on the website.*

### Swiss Re Risk Management

 [swissre.com](https://www.swissre.com)

# Risk assessment and management

## Risk landscape

Swiss Re is exposed to a broad landscape of risks. These include risks that are actively taken as part of insurance or asset management operations, and are calculated in the internal risk model as part of the Group's economic capital requirement as well as to allocate risk-taking capacity.

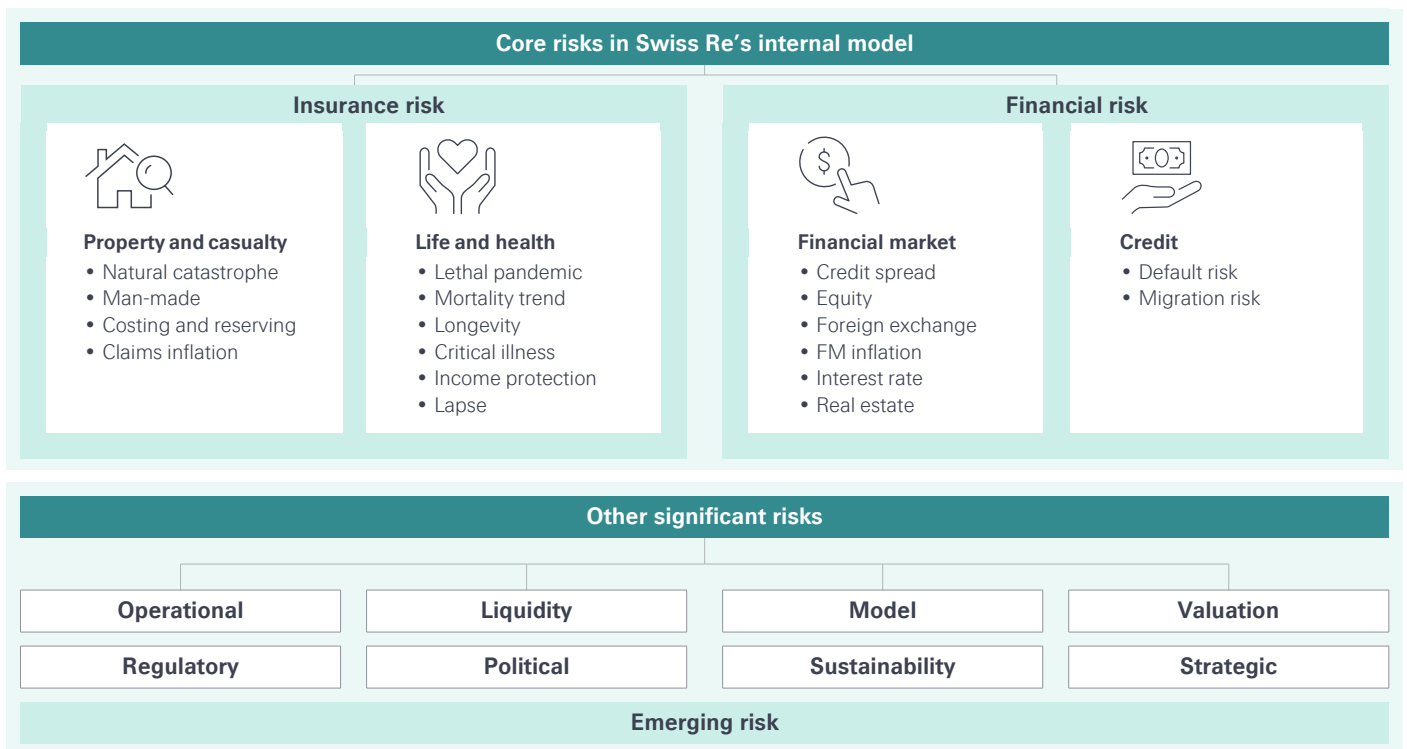
**Property and casualty insurance risk** arises from coverage provided for property, liability, motor, and accident risks, as well as for specialty risks such as engineering, agriculture, aviation, marine and cyber. It includes underlying risks inherent in the business Swiss Re underwrites, such as inflation or uncertainty in pricing and reserving.

**Life and health insurance risk** arises from coverage provided for mortality (death), longevity (annuity) and morbidity (illness and disability). In addition to potential shock events (such as a severe pandemic), it includes underlying risks inherent in life and health contracts that arise when mortality, morbidity, or lapse experience deviates from expectations.

**Financial market risk** represents the potential impact on assets or liabilities that may arise from movements in financial market prices or rates, such as equity prices, interest rates, credit spreads, hedge fund prices, real estate prices, commodity prices or foreign exchange rates. Financial market risk originates from two main sources: investment activities and the sensitivity of the economic value of liabilities to financial market fluctuations.

**Credit risk** reflects the potential financial loss that may arise due to diminished creditworthiness or default of counterparties of Swiss Re or of third parties. Credit risk arises from investment and treasury activities, structured transactions and retrocession, as well as from liabilities underwritten by credit and surety insurance units.

The risk landscape also includes **other significant risks** that 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 further information, see Other significant risks starting from page 30).



## Quantification of insurance and financial risk

Total risk is measured 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.

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.

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.

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.

### Group capital requirement based on one-year 99% tail VaR

| 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> |

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

| Unexpected loss over 1-year SST time horizon, 99.5% VaR in USD millions <sup>2</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    |

### 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      |

### 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>2</sup> | SST 2026 | SST 2025 | Change |
|--|----------|----------|--------|
| Credit default   | 2 744    | 2 550    | 194    |

<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.

<sup>2</sup> Excluding earned premiums for business written and reinstatement premiums that could be triggered as a result of the event.

## Management of insurance risk

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. Risk Management provides independent oversight throughout the business cycle, starting with the annual business planning process. It reviews underwriting standards, costing models and large or complex transactions, as well as monitoring exposures, reserves and limits.

Major insurance exposures are subject to risk limits that guard against risk accumulations and ensure that risk-taking remains within Swiss Re's risk tolerance. At business unit and legal entity level, capacity and underwriting limits or triggers are assigned to steer the business, and ensure adherence to risk limits and capitalisation targets.

Swiss Re also manages and mitigates insurance risk through external retrocession, insurance risk swaps or by transferring risk to capital markets. This provides protection against extreme catastrophic events, further diversifies risk, stabilises economic results and releases underwriting capacity.

### Property and casualty risk

The first line of control for property and casualty risks lies within the teams that underwrite those risks. Risk-taking is subject to authority limits: each underwriter is assigned an individual authority based on technical skills and experience. In general, complex transactions must be reviewed by at least two authorised individuals. In addition, capacity limits are allocated to local teams; any business that exceeds this authority or is otherwise complex or unusual triggers an escalation process that extends up to the Executive Committee.

All transactions that could materially impact the risk at Group level or for key legal entities require independent review and sign-off by Risk Management before they are authorised. This may be applied through the review of underwriting guidelines, or secured through individual reviews.

Swiss Re's limit framework for property and casualty exposures includes risk limits for major natural catastrophe scenarios and other key risks, such as terrorism, claims inflation, reserving and liability.

### Life and health risk

Costing actuaries and underwriters represent the first line of control for life and health risks. All transactions that could materially change risk at Group level or for key legal entities require independent review and sign-off by Risk Management before they can be authorised. Key transactions must be approved by the Chief Pricing Office and Risk Management in addition to Market Units. For transactions of defined types and within defined limits, this may be applied through Risk Management approval of underwriting or pricing guidelines. For other transactions, Risk Management approval must be secured through a review of the individual transaction.

Swiss Re's limit framework for life and health exposures includes risk limits for key risks, such as life (mortality trend and longevity combined), lethal pandemic, lapse, critical illness and income protection. Market exposure limits are in place for catastrophe and stop-loss business.

## Management of financial risk

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.

All activities with financial market and credit risk are subject to limits at various levels of the organisation. At the highest level, the Group Board of Directors sets a concentration limit which defines how much of Swiss Re's risk exposure can derive from financial risk. The Executive Committee approves Group risk limits through the Asset Liability Committee and Underwriting Committee. Where required, additional risk limits are established by Risk Management for legal entities, key business lines, individual counterparties

and countries. As part of the planning process, risk-taking functions also employ capacity limits to control the amount of risk. Limits may be expressed in terms of notional value of policies, losses in a stress scenario, value at risk based on historic market moves, linear sensitivities to a particular risk factor or different methodologies of exposure aggregation.

### Financial market risk

Financial market risk is monitored and controlled by experts within Risk Management who regularly report on key risks and risk aggregations, as well as on specific limits for internally and externally managed investment mandates. These reports track exposures, document limit usage and provide information on key risks that could affect the portfolio. The reports are discussed with those responsible for the relevant business line.

The reporting process is complemented by regular risk discussions between Risk Management, Asset Management and the Group's external investment managers, as well as by regular interactions with other key units that take financial market risk, such as Corporate Development, Treasury, and the respective business teams that write transactions.

### Credit risk

Credit risk is monitored and controlled by experts within Risk Management who regularly report on counterparty credit quality, credit exposures and limits. In addition, the team compiles a watch list of cases that merit close attention.

The reporting process is supported by a Group-wide credit exposure information system that contains all relevant data, including counterparty details, ratings, credit risk exposures, credit limits and watch lists. Key credit practitioners across Swiss Re have access to this system, thus providing the necessary transparency to implement specific exposure management strategies for individual counterparties, industry sectors and geographic regions. Credit risks are aggregated by country in order to monitor and control risk accumulation from specific risk drivers, such as economic, sovereign and political risks.

## Other significant risks

The risk landscape also includes other risks that are not explicitly part of the Group's economic capital requirement but are actively monitored and controlled due to their significance for Swiss Re:

**Operational risk** represents the potential economic, reputational or compliance impact of inadequate or failed internal processes, people and systems, or from external events. This includes legal and compliance risk, the risk of material misstatements in Swiss Re's financial reports, information security and cyber risk, and execution risk.

Operational risk is inherent within Swiss Re's business processes. The purpose of operational risk management is not to eliminate risks but rather to identify and cost-effectively mitigate operational risks that approach or exceed Swiss Re's tolerance.

The Group has implemented an internal control system to mitigate operational risks, including a central repository for recording operational issues and events. Members of the Executive Committee are required to certify the effectiveness of the internal control system for their area of responsibility on a quarterly basis. Residual operational exposures are captured on a matrix which assesses them against Swiss Re's internal risk tolerance.

Swiss Re continues to implement threat-informed, risk-based improvements to further strengthen cyber resilience. Ongoing enhancements focus on privileged access controls and the protection of critical data and technology assets to mitigate operational cyber risk. As part of its digital transformation, Swiss Re places particular emphasis on artificial intelligence and its governance. These risks are actively mitigated and closely monitored at the executive management level. For further details see Sustainability Report, page 82.

**Liquidity risk** represents the possibility that Swiss Re will not be able to meet expected or unexpected cash flow and collateral needs when they fall due.

Swiss Re primarily generates liquidity through premium income. Exposure to liquidity risk stems from two main sources: the need to cover potential extreme loss events and regulatory constraints that limit the flow of funds within the Group.

A range of liquidity policies and measures are in place to manage these risks, in particular to ensure that:

- Sufficient liquidity is held to meet funding requirements in current conditions as well as under adverse circumstances
- Diversified sources are used to meet Swiss Re's residual funding needs
- Long-term liquidity needs are taken into account in the planning process and in asset-liability management

Swiss Re's core liquidity policy is to retain access to sufficient liquidity in the form of unencumbered liquid assets, cash and bank facilities, in order to meet potential funding requirements arising from a range of possible stress events. To allow for regulatory restrictions on intra-group funding, liquidity is managed from a legal entity perspective, with a key focus on Swiss Reinsurance Company Ltd (SRZ) as the main operating entity of the Group from a liquidity perspective.

Liquidity risk is measured via stress tests. The primary stress is based on one-year time horizon and a loss corresponding to 99% shortfall in Swiss Re's internal model. Stress tests are reviewed on a regular basis and their main assumptions are approved by the Executive Committee.

Funding requirements under stress include: cash and collateral outflows, any support required by subsidiaries and branches as a result of the modelled loss, repayment or loss of maturing unsecured debt and credit

facilities, collateral requirements from a ratings downgrade of Swiss Re, contingent funding requirements related to asset downgrades, and other large committed payments (eg expenses, commissions, tax).

The stress tests assume that funding from assets is subject to conservative liquidation assumptions, intra-group funding is not available if subject to regulatory approval, no new unsecured funding is available and funding from new business is reduced.

**Model risk** reflects the potential impact of model errors or the inappropriate use of model outputs. It may arise from data errors or limitations, operational or simulation errors, or limitations in model specification, calibration or implementation; model risk may also be caused by insufficient knowledge of the model and its limitations, in particular by management and other decision-makers.

Swiss Re uses models throughout its business processes and operations, in particular to price insurance products, value financial assets and liabilities, assess reserves and portfolio cash flows, and estimate risk and capital requirements. Model owners have primary responsibility for model-related risks and are required to adhere to a robust tool development process, including testing, peer review, documentation and sign-off. A similar process also applies to model maintenance.

Swiss Re's model governance is based on Group-wide standards for model assurance. These standards seek to ensure that each model has a clear scope, is based on sound mathematical and scientific concepts, has been implemented correctly and produces appropriate results given the stated purpose. Furthermore, the calibration of model parameters (and the data on which the calibration relies) must be trustworthy, while expert judgments are required to be sensible, documented and evidenced.

**Valuation risk** represents uncertainty around the appropriate value of assets or liabilities. It may arise from product complexity, parameter uncertainty, quality and consistency of data, valuation methodology, or changes in market conditions and liquidity. Swiss Re is exposed to financial valuation risk from investment assets it holds as well as reserve valuation risk from insurance liabilities that result from the coverage it underwrites.

Financial valuation risk is managed by internal and external portfolio managers, who ensure that valuations remain in line with the market. In addition, Swiss Re has a function within Risk Management that independently assesses valuations and valuation techniques. This team performs independent price verification for financial risk positions to confirm that valuations are reasonable and ensure there are no material misstatements of fair value in Swiss Re's financial reports. The results of the independent price verification process are reviewed by the Asset Valuation Committee. In addition, Swiss Re's external auditor conducts semi-annual reviews as well as a comprehensive year-end audit of controls, methodology and results.

Reserve valuation risk is managed by Swiss Re's Actuarial Control function, with dedicated teams for property and casualty, and life and health valuation. These teams ensure that Swiss Re's reserve setting process uses an appropriate governance framework, including defined accountabilities and decision-making processes for risk takers (as the first line of control) as well as for the Actuarial Control function. The framework ensures that there is independent assurance on the data, assumptions, models and processes used for valuation purposes. It also includes an independent assessment of the reserves to ensure that their level remains within a range of possible best estimates. Regular deep-dive investigations are performed into selected portfolios in order to review the appropriateness of both the reserves and the applied reserving approach. In addition, Swiss Re's external auditor conducts quarterly reviews as well as a comprehensive year-end audit of controls, methodology and results.

**Regulatory risk** arises from changes to insurance regulations and supervisory regimes as well as from interactions with regulatory authorities of the jurisdictions in which Swiss Re operates.

Regulatory developments and related risks that may affect Swiss Re are identified, assessed and monitored as part of regular oversight activities. Swiss Re actively engages with regulators and supervisory authorities, and participates in consultations for new or revised regulations that could materially impact the company. The Group shares its experience to inform new regulatory requirements and shape supervisory practice, as well as to gain a mutual understanding of implications arising from regulations. Periodic reports and recommendations on regulatory issues are provided to executive management and boards of directors at Group and legal entity level.

The regulatory and supervisory landscape continues to evolve, with a focus on sustainability and digital regulation. Prudential matters remain high on the supervisory agenda, with particular attention to investments in alternative assets, including private credit. Swiss Re advocates for alignment with international standards and the gradual implementation of regulatory requirements to avoid regulatory fragmentation and ensure that requirements remain risk based.

**Political risk** comprises the consequences of political events or actions that could have an adverse impact on Swiss Re's business or operations.

Political developments can threaten Swiss Re's operating model but also open up new business opportunities. The Group adopts a holistic view of political risk and analyses developments in various markets and jurisdictions, as well as cross-border issues such as war, terrorism, energy-related issues and international trade controls.

Dedicated political risk experts exercise oversight and control for political perils (eg strikes, riots, civil commotion, terrorism and war). This comprises monitoring risk developments, assigning political country risk ratings used to support risk control activities – including limits and referrals – and informing underwriting and other decision-making processes. In addition, experts from other Risk Management teams incorporate political risk considerations into

their oversight and control frameworks in order to account for political events that may adversely affect Swiss Re – for example by triggering financial market volatility.

Political risks have intensified amid heightened trade tensions and elevated geopolitical uncertainty, with implications for group exposures being closely monitored.

**Sustainability risk** comprises the environmental, social and governance risks that may arise from individual business transactions or the way Swiss Re conducts its operations. For more information on this risk, see Sustainability Report, starting from page 36, and the ESG Risk Framework on Swiss Re's [website](#).

**Strategic risk** represents the possibility that poor strategic decision-making, execution or response to industry changes or competitor actions could harm Swiss Re's competitive position and thus its franchise value.

Overall responsibility for managing strategic risk lies with the Group Board, which establishes Swiss Re's overall strategy. Strategic risks are addressed by examining multi-year scenarios, considering the related risks, by monitoring the execution of the chosen strategy year-by-year in terms of the annual business plan, as well as by periodic review of performance against strategic objectives.

As part of their independent oversight role, Risk Management, Compliance and Group Internal Audit are responsible for controlling the risk-taking arising from the execution of the strategy.

### Emerging risk

Across all risk categories, Swiss Re actively identifies emerging risks and threats as part of its risk identification process; this includes new risks, as well as changes to previously known risks that could create new risk exposures, or increase the potential exposure or interdependency between existing risks.

Emerging risks are typically complex, fast-evolving and difficult to quantify, with a high degree of uncertainty regarding both their time horizon and potential impact. Increasing interdependence means that correlation and systemic accumulation, rather than isolated events, are the dominant sources of uncertainty when known risks interact and unfold in practice.

## Risk management framework

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
- Key risk management principles
- Risk culture and behaviour
- Organisation of risk management
- Risk control framework
- Management of risk categories
- Risk appetite framework and limits

Swiss Re applies a differentiated governance approach at legal entity level, depending on the materiality of individual entities. Major legal entities within the Group that are designated as significant legal entities, are 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

### Risk policy and risk governance documentation

Swiss Re's risk management framework is set out in risk governance documentation at Group and legal entity level. Risk governance is the subset of corporate governance that describes the risk management framework and documents risk management practices. Group-level risk documents form the basis for all risk governance across Swiss Re. Additional risk governance for legal entities is prepared as an addendum to the Group or parent entity document.

Group risk governance documents are organised hierarchically across five levels, which are mirrored by equivalent documents at legal entity level:

- Swiss Re Ltd Bylaws and the charter for the Group Board's Risk Committee outline the ultimate authority for risk management, assigning responsibilities to the Group Board of Directors and its committees, as well as to the Group Executive Committee.
- The Group Risk Policy is approved by the Group Board of Directors and articulates Swiss Re's risk appetite framework, as well as fundamental risk and capital structure principles.
- The Group Risk Management Standards outline how the Group organises and applies its risk management practices.
- Risk category standards describe how risk practices are implemented for a specific category.
- The lowest level of governance comprises risk management methodology and process documents.

### Key risk management principles

Swiss Re's risk management is based on four fundamental principles. These apply consistently across all risk categories at Group and legal entity level:

- **Controlled risk-taking** – Financial strength and sustainable value creation are central to Swiss Re's value proposition. The Group thus operates within a clearly defined risk policy and risk control framework.
- **Clear accountability** – Swiss Re's operations are based on the principle of delegated and clearly defined authority. Individuals are accountable for the risks they take on, and their incentives are aligned with Swiss Re's overall business objectives.
- **Independent risk controlling** – Dedicated units within Risk Management control all risk-taking activities. These are supported by Compliance and Group Internal Audit functions.
- **Open risk culture** – Risk transparency, knowledge sharing and responsiveness to change are integral to the risk control process. The central goal of risk transparency is to create a culture of mutual trust, and reduce the likelihood of surprises in the source and potential magnitude of losses.

### Risk culture and behaviour

Swiss Re fosters a strong risk culture that promotes risk awareness, and supports informed and responsible decision-making across the organisation. This culture is built on the deep industry expertise of its employees, reinforced through effective governance and control frameworks, and supported by robust risk management tools. It encourages proactive identification, understanding, and communication of risks inherent to the insurance and reinsurance business. Its principal components are summarised in a framework that builds on the Group's Code of Conduct as well as on the risk management principles explained in the Group Risk Policy.

The risk culture framework serves to promote rigour and discipline, and influence appropriate risk taking behaviour for all employees of Swiss Re: risk-takers are expected to exhibit the following key aspects, which are assessed annually for all employees in the performance and compensation process:

- Clear and consistent tone from the top
- Commitment to ethical principles expressed in Swiss Re's Code of Conduct
- Clear accountability for – and ownership of – specific risks and risk areas
- Transparent and timely flow of risk information, including mistakes and lessons learned
- Encouraging good risk-taking behaviours and tackling inappropriate behaviours

Swiss Re's risk culture provides the foundation for the efficient and effective application of its Group-wide risk management framework. Group Risk Management reinforces the risk culture by ensuring risk transparency and fostering open discussion and challenge in the Group's risk-taking and risk management processes.

**Organisation of risk management**

The Board of Directors of Swiss Re Ltd is ultimately responsible for Swiss Re’s overall risk governance principles and policies. It approves the Group’s risk strategy and Group Risk Policy, which defines Swiss Re’s risk appetite and tolerance, key principles for risk taking and control and key capital structuring principles. The Group Board mainly performs risk oversight and governance through its Risk and Audit Committees. For details on the Committees, see Corporate Governance Report, page 106.

The Group Executive Committee is responsible for developing and implementing Swiss Re’s Group-wide risk management framework. It also sets and monitors major risk limits, determines product policy and underwriting standards, and manages regulatory interactions and legal obligations. The Group Executive Committee has delegated various risk management responsibilities to the Group Chief Risk Officer (Group CRO).

The Group CRO is responsible for providing the Group Board and Group Executive Committee with independent assurance that all of Swiss Re’s risks are being appropriately modelled, governed and managed and that adequate controls are in place. As part of executing these responsibilities, the Group CRO is charged with establishing the Group’s risk management framework for all risk categories.

The Group CRO leads the independent Risk Management function, which is responsible for risk oversight and control across Swiss Re. Risk Management provides assurance to executive management and boards of directors at all levels of Swiss Re that risk taking is well controlled, in line with risk appetite, and complies with all internal and external regulations. The Risk Management function thus forms an integral part of Swiss Re’s business model and risk management framework.

Swiss Re’s Risk Management function comprises global departments that provide specialised risk expertise and oversight, as well as departments embedded within P&C Reinsurance, Corporate Solutions and L&H Reinsurance.

While the Risk Management organisation is closely aligned to Swiss Re’s business structure, in order to ensure effective risk oversight, all embedded teams and CROs remain part of the Group Risk Management function under the Group CRO, thus ensuring their independence as well as a consistent Group-wide approach to overseeing and controlling risks.

Risk management activities are complemented by Swiss Re’s Group Internal Audit and Compliance units.

**Key Risk Management bodies and risk management-related responsibilities**

|   |   |   |   |
|---|---|---|---|
| <p><b>Group Board of Directors</b></p> <ul style="list-style-type: none"> <li>Responsible for the Group’s governance principles and policies</li> <li>Mainly performs risk oversight and governance through its Risk Committee and Audit Committee</li> </ul> |   |   |   |
| <p><b>Group Executive Committee</b></p> <ul style="list-style-type: none"> <li>Develops and implements the risk management framework</li> <li>Sets and monitors risk capacity limits</li> <li>Some responsibilities delegated to Group CRO</li> </ul>         | <p><b>Group CRO</b></p> <ul style="list-style-type: none"> <li>Principal independent risk controller</li> <li>Heads the Risk Management function</li> <li>Member of Group Executive Committee</li> <li>Advises Chairman and Group Board on risk matters</li> </ul>  | <p><b>Global Risk Management units</b></p> <ul style="list-style-type: none"> <li>Oversight of financial market, credit and liquidity risk</li> <li>Shared risk expertise: risk modelling and governance, as well as political, sustainability and emerging risks</li> <li>Strategic control services: operational risk management</li> </ul> | <p><b>Group Internal Audit</b></p> <ul style="list-style-type: none"> <li>Independent risk controller</li> <li>Assesses adequacy and effectiveness of internal control systems</li> </ul> <p><b>Compliance</b></p> <ul style="list-style-type: none"> <li>Compliance with applicable laws, Code of Conduct</li> <li>Manages compliance risks</li> </ul> |
| <p><b>Business-level management</b></p> <ul style="list-style-type: none"> <li>Manages underwriting decisions and operational risks in its business scope</li> </ul>  | <p><b>Business-level CROs</b></p> <ul style="list-style-type: none"> <li>Expertise and resources for the control of insurance and operational risks within their business scope</li> <li>P&amp;C and L&amp;H Reinsurance Risk Management performs Group-level accumulation control for all P&amp;C and L&amp;H risks</li> <li>Supported by functional, regional &amp; legal entity CROs</li> <li>Report to Group CRO and to business-level CEO</li> </ul> |   |   |
| <p><b>Legal entity management</b></p> <ul style="list-style-type: none"> <li>Manages underwriting decisions and operational risks</li> </ul>  | <p><b>Legal entity CROs</b></p> <ul style="list-style-type: none"> <li>Responsible for risk oversight and establishing risk governance in their respective legal entities</li> <li>Supported by subsidiary CROs as well as dedicated risk teams</li> </ul>  |   |   |

**Risk control framework**

Swiss Re operates within a clearly defined risk control framework. This is set out in the Group Risk Management Standards and comprises a body of standards that establish an internal control system for taking and managing risk. These standards set responsibilities for risk takers and risk controllers. The risk control framework defines key tasks, which are the core components of Swiss Re’s risk management cycle:

- **Limit setting and monitoring** – allows Swiss Re to control its risk-taking decisions and total risk accumulations, including the passive risk the company is exposed to through its operations.
- **Risk oversight of plan** – ensures that the risk implications of plans are understood, and determines whether business and investment plans adhere to the internal risk appetite framework, including risk appetite and tolerance.
- **Risk identification and exposure quantification** – ensures that all risks to which Swiss Re is exposed are transparent in order to make them controllable and manageable.
- **Risk assessment** – enables Swiss Re to understand the magnitude and nature of its risks through quantitative and qualitative analysis, ensuring that the company operates within its risk appetite.
- **Risk reporting** – creates internal risk transparency and enables Swiss Re to meet external disclosure requirements.

Swiss Re’s risk control framework also includes a principles-based integrated internal control system to mitigate identified operational risks.

**Internal control system**

Swiss Re has implemented a principle-based integrated internal control system to mitigate identified operational risks including financial reporting and compliance risks, as well as risks that could impair the effectiveness and efficiency of operations. This control system represents a subset of Swiss Re’s risk control framework and is based on international standards established by COSO (the Committee of Sponsoring Organisations of the Treadway Commission). It is applied on multiple organisational levels, including Group, functions, regions and legal entities.

The internal control system is overseen by the Group Board of Directors and the Group Executive Committee. It aims to provide reasonable oversight and assurance in achieving three objectives:

- **Reliability of reporting** – addressing the preparation of reliable reporting arrangements as well as related data covering significant financial, economic, regulatory and other reporting risks
- **Compliance with applicable laws and regulations** – addressing legal and regulatory requirements which Swiss Re is subject to, including compliance, legal and tax risks

- **Effectiveness and efficiency of operations** – addressing basic business objectives, including performance and profitability goals, and the safeguarding of assets covering significant market, credit, liquidity, insurance, technology and other risks

The internal control system is based on three lines of control, with progressive levels of independence in order to strengthen ownership and accountability.

- The first line comprises day-to-day risk control activities performed by risk takers in the business as well as in corporate functions, including proactive identification and monitoring of risks, as well as establishing and operating an effective control system.
- Independent oversight performed by the Risk Management and Compliance functions represents the second line of control.
- The third line consists of independent audits of processes and procedures carried out by Group Internal Audit to provide independent assurance that the controls performed by the first and second line are working effectively.

**Components of Swiss Re’s internal control system**

| Risk assessment   | Control activities  | Information & communication  | Monitoring activities   |
|---|---|--|---|
| <p><b>Processes to identify and assess risks</b></p> <ul style="list-style-type: none"> <li>• Performed by risk takers (1st line of control)</li> <li>• Based on Global Operational Risk Register</li> <li>• Quarterly self-assessments</li> </ul>  | <p><b>Risk mitigation activities established in policies and procedures</b></p> <ul style="list-style-type: none"> <li>• Performed by risk takers (1st line of control)</li> <li>• Based on Global Control Catalogue</li> <li>• Quarterly self-assessments</li> </ul> | <p><b>Capturing and sharing information for risk control and decisions</b></p> <ul style="list-style-type: none"> <li>• Performed by all lines of control</li> <li>• All incidents logged in central repository</li> </ul> | <p><b>Ongoing evaluation of control effectiveness</b></p> <ul style="list-style-type: none"> <li>• Risk controlling by Risk Management and Compliance (2nd line of control)</li> <li>• Assurance, mainly by Internal Audit (3rd line of control)</li> <li>• Included in regular risk reporting</li> </ul> |
| <p><b>Control environment</b></p> <ul style="list-style-type: none"> <li>• Standards, processes and structures that provide the basis for carrying out internal control (eg, operational risk tolerance)</li> <li>• Risk culture, including Swiss Re’s corporate values, governance oversight and roles and responsibilities, as well as performance measures, incentives, and rewards that drive accountability for performance</li> </ul> |   |  |   |

### Risk appetite framework and limits

The risk appetite framework establishes the overall approach through which Swiss Re practices controlled risk-taking throughout the Group. The framework is set out in the Group Risk Policy and consists of two interlinked components: risk appetite and risk tolerance.

In the context of business strategy and planning, the risk appetite statement facilitates discussions about where and how Swiss Re should deploy its capital, liquidity and other resources under a risk-return view, while the risk tolerance sets clear boundaries to risk taking.

Swiss Re's internal risk tolerance describes the extent to which the Group and SRZ Boards of Directors have authorised executive management to assume risk. It represents the amount of risk that Swiss Re is willing to accept within the constraints imposed by its capital and liquidity resources, its strategy, and the regulatory and rating agency environment within which it operates.

Swiss Re's internal risk tolerance is based on the following objectives:

- Maintain Group capital at a level that safeguards respectability with clients and regulators
- Ensure the resilience of Swiss Reinsurance Company Ltd as the Group's main operating entity from a capital and liquidity perspective
- Avoid material operational risks that could subject the Group to large operational losses with corresponding consequences from an economic, reputational or regulatory perspective

To meet the first objective, the Group Risk Policy defines internal respectability limits to ensure that Swiss Re has enough resources to meet capital requirements at Group level as well as respectability and liquidity requirements for all legal entities. These limits ensure that Swiss Re has adequate capital and liquidity above minimum requirements to be considered a respectable counterparty by external stakeholders. To meet the second objective, Swiss Re's risk tolerance criteria include internal resilience limits for SRZ to

ensure that the main operating entity is able to withstand capital and liquidity stresses. To meet the third objective, the Group has established a Group-wide risk matrix methodology in which key operational risks are assessed against an acceptable level of expected losses. Any operational risk exposure that exceeds the Group's internal operational risk tolerance is subject to a mitigation plan that is monitored by the Group's Risk Committee.

Swiss Re's risk-taking is governed by a limit framework in order to ensure that accumulation risk and large losses remain at an acceptable level, as well as to steer the allocation of available risk capacity. The limit framework is rooted in the risk appetite and risk tolerance objectives set in the Group Risk Policy and helps to translate these objectives into concrete, measurable criteria. In addition, lower-level limits are implemented to allocate scarce capacity. The limit framework also allows for risk monitoring and thus supports risk controlling during the execution of Swiss Re's business plan.

## Cautionary note on forward-looking statements and disclaimer

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.

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

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