Swiss Re

# Swiss Reinsurance Company Consolidated

## Annual Report

2025

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**Swiss Reinsurance Company Ltd**

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# Income statement

**For the years ended 31 December**

| USD millions | Note | 2025 | 2024 |
|---|---|---|---|
| Insurance revenue | 3 | 43 136 | 45 598 |
| Insurance service expense | 3 | -35 721 | -39 137 |
| **Insurance service result before reinsurance contracts held** | | **7 415** | 6 461 |
| | | | |
| Allocation of reinsurance premiums | 3 | -2 811 | -3 312 |
| Amounts recoverable from reinsurers for incurred claims | 3 | 1 243 | 1 155 |
| **Net income/expenses from reinsurance contracts held** | | **-1 568** | -2 157 |
| | | | |
| **Insurance service result** | | **5 847** | 4 304 |
| | | | |
| Finance income/expenses from insurance contracts issued | 4 | -2 652 | -2 632 |
| Finance income/expenses from reinsurance contracts held | 4 | 150 | 167 |
| **Insurance finance result** | | **-2 502** | -2 465 |
| | | | |
| Net investment income | 6 | 4 385 | 4 226 |
| Investment gains/losses | 6 | 435 | 434 |
| **Investment result** | | **4 820** | 4 660 |
| | | | |
| Other income | 15 | 480 | 334 |
| Other expenses | 15 | -2 149 | -2 392 |
| Financing costs | 10 | -634 | -700 |
| **Income/loss before income tax expense/benefit** | | **5 863** | 3 741 |
| Income tax expense/benefit | 18 | -1 592 | -738 |
| **Net income/loss** | | **4 271** | 3 003 |
| Thereof | | | |
| Net income/loss attributable to non-controlling interests | | 22 | -3 |
| Net income/loss attributable to common shareholder | | 4 249 | 3 006 |

# Statement of comprehensive income

**For the years ended 31 December**

| USD millions | 2025 | 2024 |
|---|---|---|
| **Net income/loss** | **4 271** | 3 003 |
| **Other comprehensive income reclassifiable to income statement** | | |
| Foreign currency translation | | |
| Change during the period | -242 | -352 |
| Reclassified to income statement | 23 | |
| Tax | 229 | -115 |
| Cash flow hedges | | |
| Change during the period | | -7 |
| Reclassified to income statement | | -5 |
| Tax | | 2 |
| Net unrealised investment gains/losses on fixed income securities | | |
| Change during the period | 493 | -624 |
| Reclassified to income statement | 152 | -28 |
| Tax | -131 | 136 |
| Finance income/expenses from insurance contracts issued | | |
| Change during the period | -336 | 1 660 |
| Reclassified to income statement | -4 | |
| Tax | 64 | -349 |
| Finance income/expenses from reinsurance contracts held | | |
| Change during the period | 83 | -114 |
| Tax | -18 | 30 |
| Share of other comprehensive income of equity-method investments | | |
| Change during the period | 3 | |
| Reclassified to income statement | 6 | |
| Tax | -2 | -4 |
| Cost of hedging | | |
| Change during the period | 380 | 205 |
| Reclassified to income statement | -379 | -199 |
| Tax | | -1 |
| **Total other comprehensive income reclassifiable to income statement** | **319** | 235 |
| **Other comprehensive income not reclassifiable to income statement** | | |
| Remeasurement of defined benefit liability | | |
| Change during the period | 259 | -207 |
| Tax | -46 | 40 |
| Net unrealised investment gains/losses on equity investments | | |
| Change during the period | 38 | -328 |
| Tax | -7 | 3 |
| Share of other comprehensive income of equity-method investments | | |
| Change during the period | -2 | 2 |
| Tax | 1 | |
| **Total other comprehensive income not reclassifiable to income statement** | **243** | -490 |
| **Total other comprehensive income** | **561** | -255 |
| **Total comprehensive income** | **4 832** | 2 748 |
| Thereof | | |
| Total comprehensive income attributable to non-controlling interests | 34 | -23 |
| Total comprehensive income attributable to common shareholder | 4 798 | 2 771 |

# Balance sheet

| USD millions | Note | 31.12.2025 | 31.12.2024 |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | | 2 691 | 4 091 |
| | | | |
| **Investments** | 6, 7, 8, 9 | | |
| Fixed income securities | | 88 436 | 83 615 |
| Equity investments | | 769 | 759 |
| Mortgages and other loans | | 7 965 | 8 245 |
| Investment property | | 2 648 | 2 415 |
| Other invested assets | | 9 581 | 8 756 |
| **Total investments** | | **109 399** | 103 790 |
| | | | |
| Insurance contracts issued that are assets | 3 | 3 314 | 2 916 |
| Reinsurance contracts held that are assets | 3 | 7 128 | 6 573 |
| Goodwill and other intangible assets | 17 | 4 019 | 4 050 |
| Income taxes recoverable | | 744 | 585 |
| Deferred tax assets | 18 | 1 599 | 2 046 |
| Other assets | | 5 286 | 4 493 |
| Assets held for sale[1] | | 131 | 377 |
| **Total assets** | | **134 311** | 128 921 |
| | | | |
| **Liabilities** | | | |
| Insurance contracts issued that are liabilities | 3 | 86 471 | 83 362 |
| Reinsurance contracts held that are liabilities | 3 | 4 039 | 3 920 |
| Short-term debt | 10 | 2 003 | 3 880 |
| Long-term debt | 10 | 8 255 | 6 322 |
| Income taxes payable | | 727 | 588 |
| Deferred tax liabilities | 18 | 2 794 | 2 362 |
| Other liabilities | 6, 8, 9 | 6 450 | 7 548 |
| Liabilities held for sale[1] | | 151 | 888 |
| **Total liabilities** | | **110 890** | 108 870 |
| | | | |
| **Equity** | | | |
| Common shares | 12 | 32 | 32 |
| Additional paid-in capital | | 9 132 | 10 606 |
| Accumulated other comprehensive income | | -3 129 | -3 872 |
| Retained earnings | | 17 205 | 13 151 |
| **Shareholder's equity** | | **23 241** | 19 917 |
| Non-controlling interests | | 181 | 134 |
| **Total equity** | | **23 421** | 20 051 |
| **Total liabilities and equity** | | **134 311** | 128 921 |

[1] Refer to Note 13 Assets held for sale, page 110 and Note 14 Disposals, page 111 for more details.

# Statement of changes in shareholder's equity

**For the years ended 31 December**

| **2025**<br>USD millions | Common shares | Additional paid-in capital | Foreign currency translation | Cash flow hedges | Net unrealised investment gains/losses on fixed income securities | Net unrealised investment gains/losses on equity investments | Cost of hedging | Finance income/expenses from insurance contracts issued | Finance income/expenses from reinsurance contracts issued | Share of other comprehensive income of equity-method investments | Retained earnings | Shareholder's equity | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as of 1 January** | **32** | **10 606** | **-445** | **0** | **-4 737** | **-446** | **5** | **1 889** | **-134** | **-4** | **13 151** | **19 917** | **134** | **20 051** |
| Dividends | | -1 800 | | | | | | | | | | -1 800 | -13 | -1 813 |
| Share-based payments | | 53 | | | | | | | | | | 53 | | 53 |
| Realised gains/losses on shares in Swiss Re Ltd | | -39 | | | | | | | | | | -39 | | -39 |
| Transfer of gains/losses on disposal to retained earnings – net of tax | | | | | | 359 | | | | -1 | -357 | 0 | | 0 |
| Other movements[1] | | | | | | | | 51 | | | -51 | 0 | | 0 |
| Transactions under common control | | 312 | | | | | | | | | | 312 | | 312 |
| Transactions with non-controlling interests | | | | | | | | | | | | 0 | 26 | 26 |
| Total comprehensive income | | | | | | | | | | | | | | |
| Net income/loss | | | | | | | | | | | 4 249 | 4 249 | 22 | 4 271 |
| Other comprehensive income, net of tax | | | -1 | | 512 | 31 | | -276 | 63 | 6 | 213 | 549 | 12 | 561 |
| **Total comprehensive income** | | | **-1** | | **512** | **31** | | **-276** | **63** | **6** | **4 462** | **4 798** | **34** | **4 832** |
| **Balance as of 31 December** | **32** | **9 132** | **-446** | **0** | **-4 224** | **-56** | **5** | **1 664** | **-71** | **0** | **17 205** | **23 241** | **181** | **23 421** |

[1] Other movements reflect an adjustment of finance income/expenses from insurance contracts issued, recognised against retained earnings. The adjustment had no impact on total shareholders' equity, net income or IFRS 17 assets/liabilities.

| 2024<br>USD millions | Common shares | Additional paid-in capital | Foreign currency translation | Cash flow hedges | Net unrealised investment gains/losses on fixed income securities | Net unrealised investment gains/losses on equity investments | Cost of hedging | Finance income/expenses from insurance contracts issued | Finance income/expenses from reinsurance contracts issued | Share of other comprehensive income of equity-method investments | Retained earnings | Shareholder's equity | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as of 1 January** | 32 | 10 351 | -2 | 10 | -4 224 | -120 | 0 | 585 | -55 | -3 | 10 308 | 16 882 | 229 | 17 111 |
| Dividends | | -1 600 | | | | | | | | | | -1 600 | -11 | -1 611 |
| Share-based payments | | 16 | | | | | | | | | | 16 | | 16 |
| Realised gains/losses on shares in Swiss Re Ltd | | -10 | | | | | | | | | | -10 | | -10 |
| Transfer of gains/losses on disposal to retained earnings – net of tax | | | | | | 2 | | | | | -2 | 0 | | 0 |
| Transactions under common control | | 1 849 | | | | | | | | | 9 | 1 858 | | 1 858 |
| Transactions with non-controlling interests | | | | | | | | | | | | 0 | -61 | -61 |
| Total comprehensive income | | | | | | | | | | | | | | |
| Net income/loss | | | | | | | | | | | 3 006 | 3 006 | -3 | 3 003 |
| Other comprehensive income, net of tax | | | -443 | -10 | -513 | -328 | 5 | 1 304 | -79 | -1 | -170 | -235 | -20 | -255 |
| **Total comprehensive income** | | | -443 | -10 | -513 | -328 | 5 | 1 304 | -79 | -1 | 2 836 | 2 771 | -23 | 2 748 |
| **Balance as of 31 December** | 32 | 10 606 | -445 | 0 | -4 737 | -446 | 5 | 1 889 | -134 | -4 | 13 151 | 19 917 | 134 | 20 051 |

# Statement of cash flows

**For the years ended 31 December**

| USD millions | **2025** | 2024 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Net income/loss | 4 271 | 3 003 |
| Adjustments to reconcile net income to net cash provided/used by operating activities: | | |
| Depreciation, amortisation and other non-cash items | -490 | -360 |
| Investment gains/losses | -464 | -399 |
| Income from equity-method investments, net of dividends received | -22 | -33 |
| Change in: | | |
| Insurance contracts issued | -1 311 | -14 |
| Reinsurance contracts held | -290 | 485 |
| Other assets and liabilities, net | -1 095 | -828 |
| Income taxes payable/recoverable | 995 | 182 |
| Trading positions, net | -131 | 336 |
| **Net cash provided/used by operating activities** | **1 465** | 2 372 |
| | | |
| **Cash flow from investing activities** | | |
| Fixed income securities: | | |
| Sales and maturities | 74 364 | 58 118 |
| Purchases | -75 325 | -57 938 |
| Equity securities: | | |
| Sales | 110 | 121 |
| Purchases | -54 | -122 |
| Securities purchased/sold under agreement to resell/repurchase, net | 363 | -191 |
| Disposal of group companies, net of cash disposed of | 55 | |
| Net purchases/sales/maturities of other investments | -877 | -348 |
| **Net cash provided/used by investing activities** | **-1 365** | -360 |
| | | |
| **Cash flow from financing activities** | | |
| Issuance of debt | 1 958 | 747 |
| Repayment of debt | -1 927 | -1 582 |
| Payments of lease liabilities | -58 | -56 |
| Dividends paid to shareholder | -1 800 | -1 600 |
| Dividends paid to non-controlling interests | -13 | -11 |
| Transactions with non-controlling interests | 26 | -61 |
| Transactions under common control | 312 | 339 |
| **Net cash provided/used by financing activities** | **-1 502** | -2 224 |

| USD millions | 2025 | 2024 |
|---|---|---|
| **Total net cash provided/used** | **-1 401** | -212 |
| Effect of foreign exchange | -23 | -133 |
| **Change in cash and cash equivalents** | **-1 424** | -345 |
| Cash and cash equivalents as of 1 January | 4 091 | 4 467 |
| Cash and cash equivalents as of 1 January classified as assets held for sale | 31 | |
| Reclassified to assets held for sale | -7 | -31 |
| **Cash and cash equivalents as of 31 December** | **2 691** | 4 091 |
| | | |
| **Supplementary information on the statement of cash flows** | | |
| Tax paid (operating activities) | 597 | 556 |
| Dividends received (operating activities) | 17 | 18 |
| Interest received (operating activities) | 3 920 | 3 740 |
| Interest paid (operating activities) | 618 | 695 |
| Interest paid (financing activities) | 13 | 14 |

In 2024, Swiss Re Ltd made a non-cash capital injection of USD 1.5 billion into the Group in exchange for a loan.

## Components of cash and cash equivalents

As of 31 December 2025 and 2024, cash and cash equivalents included USD 672 million and USD 658 million cash at bank and in hand, and USD 2 019 million and USD 3 433 million of cash equivalents, respectively.

As of 31 December 2025 and 2024, cash and cash equivalents included USD 257 million and USD 646 million not available for general use by the Group, respectively.

# Notes to the consolidated financial statements

## 1 Organisation and summary of material accounting policies

**Nature of operations**

The Swiss Reinsurance Company Group, which is headquartered in Zurich, Switzerland, comprises Swiss Reinsurance Company Ltd (the parent company, referred to as "SRZ") and its subsidiaries (collectively, the "Group"). The Group is a wholesale provider of reinsurance, insurance and other insurance-based forms of risk transfer, as well as other insurance-related services. Working through brokers and a network of offices around the globe, the Group serves a client base consisting of insurance companies, mid- to large-sized corporations and public sector clients.

SRZ is a wholly owned subsidiary of Swiss Re Ltd ("SRL"), which is the parent company of the Swiss Re Group.

The Group consists of four segments: Property & Casualty Reinsurance, Life & Health Reinsurance, Corporate Solutions and Group items.

**Basis of presentation**

The accompanying consolidated financial statements for the year ended 31 December 2025 have been prepared in accordance with IFRS Accounting Standards. The consolidated financial statements comply with Swiss law.

All significant intra-group transactions and balances are eliminated on consolidation. The Group's financial statements are presented in US dollars rounded to the nearest million, unless otherwise stated. As a result, there may be minor deviations in totals and percentages. All calculations are based on unrounded underlying amounts.

**Use of judgements and estimates in the preparation of financial statements**

The preparation of these consolidated financial statements requires management to use judgement and make specific estimates that affect the reported amounts of assets, liabilities, income and expenses. Material judgements and estimates primarily impact the following areas:
- Basis of consolidation
- Financial instruments classification and impairment
- Insurance contracts issued and reinsurance contracts held
- Goodwill and other intangible assets
- Income tax and related assets and liabilities
- Fair value of assets and liabilities
- Contingent liabilities
- Pension plans and other post-employment benefits

For insurance contracts issued and reinsurance contracts held, judgement is primarily used in determining which contracts or components of contracts fall under IFRS 17 Insurance Contracts, the appropriate level of aggregation, contract boundaries, directly vs non-directly attributable costs, discount rates, the risk adjustment for non-financial risk and coverage units. Additionally, there is significant judgement in determining the estimates of future cash flows, which is described in further detail under the insurance risk section below.

The Group is subject to climate-related risks, which are reflected in the Group's risk categories. There is a high level of uncertainty around climate-related risks that could impact the estimates and assumptions made.

All estimates and related assumptions are based on experience and other factors that are considered reasonable and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which they are made. Actual outcomes could differ substantially from estimates and assumptions described above, based on the nature of these items and the inherent uncertainty involved.

Insurance risk

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

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

*Property and casualty risk*

The Group's property and casualty insurance risk arises from coverage provided for property, liability, motor and accident risks as well as specialty risks such as engineering, agriculture, aviation, marine and cyber.

The primary actuarial assumptions relating to future cash flows in the liability for remaining coverage are the estimates of ultimate losses, premiums and commissions and the timing of associated payments. These assumptions are generally determined by product line, country, type of business (proportional/non-proportional/facultative) and underwriting year. However, further refined splits are possible. The aim is to use similar assumptions for homogenous risk groups.

Assumptions which impact the liability for incurred claims are reflected in reserves for reported losses, incurred but not reported (IBNR) reserves and loss adjustment expenses. The liability for incurred claims is determined generally by product line, country, type of business and underwriting year. However, further refined splits are possible, including an accident year view. The Group considers past events, claim trends, patterns of loss payments and statistical models to estimate the liability for incurred claims.

For Property & Casualty Reinsurance and Corporate Solutions, major risks impacting assumption setting are costing and reserving risk, natural catastrophes, man-made risk, economic/social inflation and changes in settlement patterns. These risks are described below.

- Costing and reserving risk describes the potential deviation between the current best estimate of losses and actual amounts ultimately paid to the policyholder.
- Natural catastrophe risks include hurricanes, typhoons, windstorms, floods, hail, earthquakes, etc which can generate insured losses for many lines of business with severity and frequency that have not been anticipated in pricing assumptions. Even after insured events occur, preliminary estimates of losses may be subject to change as new information becomes available.
- Man-made risks stem from human failures and acts of terrorism, which impact insurance losses.
- Inflation risks comprise both economic and social inflation. Economic inflation considers that claim payments are not fixed in advance but rather depend on the value of insured goods and services when the claim is settled. Social inflation can adversely impact ultimate claims paid from changes in law, interpretations of case law, shifts in public or juror attitudes, etc. Claims that take considerable time to settle after insured events are most impacted by economic and social inflation.
- Settlement patterns can be different from expectations, which can also produce variability in reserve estimates. In addition, the lengthening of settlement patterns is typically correlated with higher nominal reserve amounts as settlements are exposed for longer to inflationary forces.

These factors are not exhaustive. The Group operates in an ever-changing environment and is exposed to new emerging risks.

*Life and health risk*

The Group's life and health insurance risk arises from coverage provided for mortality (death), longevity (annuity) and morbidity (critical illness and income protection).

The primary assumptions for future cash flows in the liability for remaining coverage relate to mortality, morbidity, lapses and expenses. In addition to the product type and country, they typically reflect variations by year of policy issuance, age and gender of the insured policyholders, among other factors. The aim is to use similar assumptions for homogenous risk groups. Assumptions are determined with reference to past experience, adjusted for current market conditions and future expectations. Assumptions such as mortality and morbidity trends will not manifest for many years and are therefore highly uncertain. Changes in the underlying drivers, such as advances in medicine or the prevalence of certain diseases from lifestyle changes, are uncertain.

As with the Group's property and casualty risk, assumptions which impact the liability for incurred claims are reflected in reserves for reported losses, IBNR reserves and loss adjustment expenses. The liability for incurred claims is determined by product line, country and underwriting year. The Group considers past events, claim trends, patterns of loss payments and statistical models to estimate the liability for incurred claims. In addition to potential shock events such as severe pandemics, the underlying risks inherent in life and health contracts arise when mortality, morbidity or lapse experience deviates from expectations. These risks are described below.

- Mortality risk reflects the impact of deviations in future mortality rates from current best estimates. Mortality risk is also present in products where benefit payments are contingent on the survival of the policyholder. In this case, the business risk materialises when policyholders live longer than assumed in the pricing and valuation bases. This type of risk is longevity risk.
- Lethal pandemic risk captures the impact of a severe influenza pandemic, the most likely cause of a mortality shock. There is fundamental uncertainty about the likelihood and severity of such an event.
- Morbidity risk reflects the impact of deviations in future morbidity rates from current best estimates. Morbidity risk is also present in products where benefit payments are contingent on the health of the policyholder. In this case, the business risk materialises when policyholders do not recover as assumed in pricing and valuation bases.
- Lapse risk reflects a change in value caused when actual lapse rates deviate from the expected rates.
- Expense risk is the risk that actual expenses deviate from the expected expenses.

These factors are not exhaustive. The Group operates in an ever-changing environment and is exposed to new emerging risks.
See Note 11 Risk disclosures, page 104 for further details.

## Principles of consolidation

The Group's financial statements include the consolidated financial statements of SRZ and its subsidiaries. Entities which SRZ directly or indirectly controls are consolidated in the Group's financial statements. The Group controls an entity when it has power over the entity and is exposed to, or has rights to, variable returns from its investment in the entity and has the ability to affect those returns through its power to direct the entity's activities. When assessing these criteria, a certain level of judgement is required.

Companies which the Group does not control, but over which it directly or indirectly exercises significant influence, are accounted for using the equity method and are included in Other invested assets. Significant influence generally occurs when the Group holds, directly or indirectly, between 20% and 50% of the voting rights. There may be instances in which the Group possesses rights to participate in key financial and operating policy decisions which lead to the conclusion that the Group has significant influence even if it holds less than 20% of the voting rights. These participation rights typically include appointing and removing governing body members and making operating and capital decisions, including approving budgets, in the ordinary course of business.

The Group also holds interests in investees in which it owns more than 20%, however, as these equity interests do not carry any voting rights, it has been determined that the Group does not exert significant influence.

The Group holds interests in fund investments in which it holds more than 20%, or in certain cases, more than 50%, of the economic interest. However, as the Group acts solely as a limited partner or does not have the ability to exercise power over the relevant entities, it has been determined that the Group neither controls nor exercises significant influence over these investments.

The Group's share of net profit or loss from investments accounted for under the equity method is included in Net investment income. Equity and net income of these investees are adjusted, as necessary, to align with the Group's accounting policies. The results of consolidated subsidiaries and investments accounted for using the equity method are included in the financial statements for the period commencing from the date of acquisition.

Common control transactions with Swiss Re Group entities which are not part of the consolidation scope of the Swiss Reinsurance Company Group and which involve the transfer of control over a business are accounted for under the book value method. Under this method, the receiving entity recognises the transferred assets and liabilities at the carrying amounts of the transferring entity. Any difference between the consideration paid and the acquired net assets and liabilities is reflected within equity. In case of common control transactions in which the assets and liabilities received do not qualify as a business, the recognition follows the regular requirements for the recognition of the respective assets and liabilities. Any difference between the recognised amount and the paid consideration is included in equity.

## Foreign currency remeasurement and translation

Transactions denominated in foreign currencies are remeasured into the respective subsidiary's functional currency at the spot exchange rate between the functional currency and the foreign currency at the date of the transaction (or a rate that approximates the spot rate). On the balance sheet, monetary assets and liabilities are remeasured to the functional currency at closing exchange rates. Non-monetary items carried at historical cost continue to be valued at the exchange rate applied at initial recognition. Non-monetary items carried at fair value are reported using the exchange rate on the date the fair value is determined.

Monetary assets and liabilities are remeasured to closing rates through the income statement. Some exceptions apply, for example, for insurance contracts for which the Group elects to present part of insurance finance income or expenses in other comprehensive income (OCI). For these contracts, the exchange gains and losses are recognised in OCI if they are related to changes in the carrying amount of groups of insurance contracts which are included in OCI. For fixed income securities at fair value through OCI, foreign exchange differences related to amortised cost are recognised in the income statement while other foreign exchange differences are recognised in OCI.

These financial statements are presented in US dollars. For consolidation purposes, assets and liabilities of subsidiaries with functional currencies other than US dollars are translated from the functional currency to US dollars at closing rates. Revenues and expenses are translated at average exchange rates. Translation adjustments are reported in shareholders' equity.

## Cash and cash equivalents

Cash and cash equivalents include cash on hand, short-term deposits, certain short-term investments in money market funds and highly liquid debt instruments with a remaining maturity at the date of acquisition of three months or less. Cash and cash equivalents follow the Hold to collect business model described in the Financial assets section below and are measured at amortised cost, if they pass the "solely payments of principal and interest" test described in the Financial assets section below. If they fail the "solely payments of principal and interest" test, they are measured at fair value through profit or loss.

## Financial assets

The Group initially recognises a financial asset when the Group becomes party to the contractual provisions of the instrument. A financial asset is initially measured at its fair value plus, in the case of a financial asset not subsequently measured at fair value through profit or loss (FVPL), transaction costs.

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) or FVPL. The classification of the Group's financial assets is based on the Group's business model for managing the assets and the financial assets' contractual cash flow characteristics. The business model refers to how the Group manages these assets to generate cash flows and is determined at a level that reflects how groups of financial assets are managed through the asset-liability matching process.

The Group identifies three types of business models:
- Hold to collect business model with the objective of holding the financial asset to collect contractual cash flows over the life of the financial asset.
- Hold to collect and sell business model with the objective of both collecting contractual cash flows and selling the financial asset.
- Other business model, which applies to financial assets not held within the Hold to collect or Hold to collect and sell categories, and with the primary objective of realising the fair value of the financial asset through active selling and buying.

If a financial asset is held within the Hold to collect or Hold to collect and sell business model, the Group is required to classify the financial asset on the basis of its contractual cash flow characteristics. The Group performs an assessment to determine whether the asset's contractual cash flows are solely payments of principal and interest (SPPI) on the principal amount outstanding. The SPPI test is performed at the financial instrument level.

At initial recognition, the Group can irrevocably designate a financial instrument to be measured at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring the financial asset at amortised cost or FVOCI.

In addition, at initial recognition, the Group can elect to irrevocably classify equity investments as equity instruments designated at FVOCI when they are not held for trading. The classification is determined on an instrument-by-instrument basis.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. The Group recognises financial asset purchases and sales at the trade date.

### Financial assets measured at amortised cost

Financial assets are classified and measured at amortised cost if they are held within the Hold to collect business model and meet the SPPI criterion. Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method. The gross carrying amount is reduced by impairment losses.

Interest income, foreign exchange gains and losses, impairment and any gain or loss on derecognition are recognised in the income statement. The Group's financial assets measured at amortised cost include loans, investments in fixed income securities, insurance contracts without significant risk transfer and various receivables.

### Financial assets measured at fair value through OCI (debt instruments)

Debt instruments are classified and measured at FVOCI if they are held within the Hold to collect and sell business model and meet the SPPI criterion. For debt instruments measured at FVOCI, interest income, foreign exchange gains and losses on amortised cost and impairments are recognised in the income statement. Other net gains and losses are recognised in OCI. Interest income is calculated using the EIR method and is recorded in Net investment income when earned. Upon derecognition, gains and losses accumulated in OCI are recycled through the income statement. The Group's financial assets at FVOCI mainly include investments in fixed income securities.

### Financial assets measured at fair value through profit or loss

Financial assets that are neither held in the Hold to collect nor in the Hold to collect and sell business models or that do not meet the SPPI criterion are measured at fair value with changes in fair value recognised in the income statement. Net gains and losses, including any interest or dividend income, are recognised in the income statement. Interest income calculated based on EIR and dividend income are presented in Net investment income. This category includes trading securities, financial assets failing to meet the SPPI criterion, derivatives and equity investments which the Group has not irrevocably designated at FVOCI.

As part of the Group investment portfolio, the Group invests in catastrophe bonds through the capital markets. These investments are classified and measured at fair value through profit or loss under IFRS 9 Financial Instruments to reflect the nature of the catastrophe bond investment.

### Financial assets designated at fair value through OCI (equity instruments)

Gains and losses on equity instruments designated at FVOCI are recognised in OCI and never recycled to the income statement but are reclassified to retained earnings when the financial asset is derecognised. Dividends are recognised in Net investment income in the income statement unless the dividend clearly represents a recovery of the part of the cost of investment. Equity instruments designated at FVOCI are not subject to an impairment assessment. The Group has irrevocably designated certain strategic equity investments to this category.

### Financial assets designated at fair value through profit or loss

The Group has designated certain financial assets, including insurance-linked mortgage loan investments in Other assets, as measured at FVPL. Net gains and losses, including any interest income, are recognised in Other income/Other expenses in the income statement.

### Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for financial assets measured at amortised cost, financial assets measured at FVOCI (debt instruments) and trade and other receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The Group primarily applies a general approach with a three-stage model for the recognition and measurement of ECLs:

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition, or instruments which have low credit risk at the reporting date. Stage 1 assets are recognised using a 12-month ECL reflecting default events that are possible within 12 months after the reporting date.

Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment. For these assets, a lifetime ECL is recognised that results from all possible default events over the expected life of the financial instrument. In subsequent reporting periods, if the credit quality of the financial instrument improves and there is no longer significant credit risk, the Group reverts to recognising a 12-month ECL.

Stage 3 includes financial instruments that have objective evidence of impairment at the reporting date, including purchased or originated credit-impaired assets. These assets are considered non-performing assets and a lifetime ECL is recognised based on estimated cash flows. Instead of using an original effective interest rate for interest recognition, the Group uses a credit-adjusted effective interest rate for purchased or originated credit-impaired assets.

The assessment of a significant increase in credit risk is key to establishing the point of time for switching between the requirements to measure an ECL based on a 12-month or a lifetime ECL. The Group uses qualitative and quantitative factors to establish a threshold for significant increases in credit risk. Judgement is required in assessing whether the financial asset satisfies the criteria of significant increases in credit risk. Refer to Note 7 Expected credit loss, page 83 for further details.

The ECL method applies the following principal factors which are generally determined on an individual financial asset level: probability of default, loss given default, exposure at default and discount factor. The Group calculates the allowance for expected credit losses by using the discounted cash shortfalls that would occur in various default scenarios for prescribed future periods (loss given default) and multiplying the shortfalls by the probability of each scenario occurring (probability of default). The loss allowance is the sum of these probability-weighted outcomes. Refer to Note 7 Expected credit loss, page 83 for further details.

If a financial asset becomes credit-impaired after initial recognition and moves to Stage 3 of the impairment model, the EIR method is applied to the net carrying value, which includes the loss allowance. If the financial asset ceases to be credit-impaired with the result of a reversal of the impairment, the application of the interest income calculation will revert to the gross carrying amount.

ECL allowance on financial assets measured at FVOCI does not reduce their carrying amount, which is the respective fair value. The loss allowance is presented in OCI. ECL allowance on financial assets measured at amortised cost reduces their gross carrying amount on the balance sheet. For off-balance-sheet items, the ECL is booked as a provision. Changes in the loss allowance balance are recognised in Investment gains/losses in the income statement.

Securities lending and repurchase agreements are not subject to ECL as they are fully collateralised and have no history of defaults.

## Fair value measurement

A significant portion of the Group's assets and liabilities are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assessing whether a transaction is orderly can be difficult if there has been a significant decrease in the volume or level of market activity for an asset or a liability. The Group considers various factors when assessing whether there has been a significant decrease in the volume or level of activity in the market as well as circumstances that may indicate that a transaction is not orderly. These assessments are based on the weight of all available evidence.

Fair value measurement can require the use of significant judgments and estimates. The Group uses valuation techniques that are deemed appropriate in the circumstances and for which sufficient data is available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Assets and liabilities measured at fair value and assets and liabilities not measured at fair value but for which the fair value is disclosed are categorised within the fair value hierarchy based on the observability of inputs and valuation techniques used. Further details on valuation techniques and the fair value hierarchy are described in Note 8 Fair value disclosures, page 89.

### Derivative financial instruments and hedge accounting

The Group uses a variety of derivative financial instruments including swaps, options, forwards and exchange-traded financial futures for the Group's trading and hedging strategy in line with the overall risk management strategy. Derivative financial instruments are primarily used to manage exposure to price, foreign currency and/or interest rate risk arising from planned or anticipated investment purchases, existing assets or liabilities, and/or to lock in attractive investment conditions for funds which become available in the future. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

The Group applies hedge accounting if the instruments meet hedge effectiveness criteria and formal documentation of the hedge relationship, the risk management objective and strategy for undertaking the hedge is in place at the inception of the hedge relationship.

If the derivative is designated as a hedge of the fair value of assets or liabilities, changes in the fair value of the derivative are recognised in the income statement, together with changes in the fair value of the related hedged item attributable to the risk hedged.

If the derivative is designated as a hedge of the variability in expected future cash flows related to a particular risk, the effective portion of the gain or loss on the derivative is recognised within cash flow hedges in OCI until the hedged item is recognised in the income statement. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value on the hedged item, determined on a present value basis, from inception of the hedge. The ineffective portion of the hedge is recognised in the income statement. When hedge accounting is discontinued on a cash flow hedge, the net gain or loss remains in accumulated OCI and is reclassified to the income statement only if hedged future cash flows are no longer expected to occur. Hedge accounting is only discontinued when the hedging relationship ceases to meet qualifying criteria.

The Group also designates non-derivative and derivative monetary financial instruments as hedges of the foreign currency exposure of its net investment in certain foreign operations. From the inception of the hedging relationship, remeasurement gains and losses relating to the effective portion of the hedge and translation gains and losses on the hedged net investment are reported as translation gains and losses in shareholders' equity. The ineffective portion is recognised in the income statement. On disposal of the foreign operation, the cumulative value of translation gains or losses in shareholders' equity is transferred to the income statement.

The cost of hedging reserve reflects gains or losses on the portion excluded from the designated hedging instrument that relates to the forward elements of the forward contracts and time value of options. It is initially recognised in accumulated OCI and subsequently recognised in profit or loss, with the timing dependent on the nature of the hedged item: i) if the hedged item is transaction related, the hedged transaction affects profit or loss; ii) if the hedged item is time period related, the hedged transaction is recognised over the period of the hedge.

Derivatives embedded in a financial liability or a non-financial contract are separated from the host contract and accounted for as separate derivatives if: i) the economic characteristics and risks are not closely related to the host contract; ii) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and iii) the host contract is not measured at FVPL.

Derivative financial instrument assets are included in Other invested assets and derivative financial instrument liabilities are included in Other liabilities.

### Repurchase and reverse repurchase agreements

Securities sold by the Group under agreements to repurchase at a future date (repurchase agreements) continue to be recognised on the balance sheet, as the Group retains substantially all the associated risks and rewards of ownership. The corresponding cash received from the buyer is recognised as an asset, with the corresponding obligation to return that cash recognised in Other liabilities. The difference between the sale and repurchase price is accrued over the life of the agreement and is recognised as interest expense in the Investment result.

Securities purchased by the Group under agreements to resell at a future date (reverse repurchase agreements) are not recognised on the balance sheet, as the Group does not assume the associated risks and rewards of ownership, which remain with the seller. The corresponding cash paid is recognised as a receivable within Other invested assets. If securities purchased under an agreement to resell are subsequently sold to third parties (short sale), the obligation to return the securities is measured at FVPL with any gains and/or losses recognised in the Investment result. The difference between the purchase and resell price is accrued over the life of the agreement and is recognised as interest income in the Investment result.

### Securities lending and borrowing

The Group enters into securities lending and borrowing transactions under title transfer agreements. The Group's policy is to transact in exchange for collateral, consisting of securities or cash with a value equal to at least 100% of the market value of the securities loaned/borrowed.

Securities lent by the Group continue to be recognised on the balance sheet as the Group retains substantially all the associated risks and rewards of ownership. Securities received as collateral that can be sold or repledged are only recognised as assets along with an obligation to return those securities when they are sold to third parties (short sale). Cash received as collateral is recognised as an asset with the corresponding obligation to return the cash recognised in Other liabilities. Securities lending fees received are recognised in the Investment result.

Securities borrowed by the Group are not recognised on the balance sheet as the Group does not assume the associated risks and rewards of ownership, which remain with the lender. If securities borrowed are subsequently sold to third parties (short sale), the obligation to return the securities is measured at FVPL with any gains and/or losses recognised in the Investment result. Collateral provided in exchange is in the form of cash or securities. Cash provided as collateral is derecognised from the balance sheet and a receivable for cash transferred is recognised in Other invested assets. Securities provided as collateral remain on the balance sheet, as the associated risks and rewards of ownership are retained by the Group. Securities borrowing fees paid are recognised in the Investment result.

### Investment property

Investment in real estate that the Group intends to hold to earn rental income and/or for capital appreciation is carried at amortised cost, net of impairment. Buildings are depreciated on a straight-line basis over a useful life of 40 years. Renovation projects during the initial 40 years that create future service potential, as well as renovations carried out after the initial depreciation period of the building, are depreciated over the expected lifetime of the renovations, which usually does not exceed 40 years. Land is not depreciated. Rental income from investment property is recognised on a straight-line basis over the lease term. An impairment test is required if there is an indication of a possible impairment. When testing investment property for impairment, the market value is determined using accepted valuation methods. The market value is then compared with the carrying amount of the investment property. Any resulting impairment loss is recognised in the income statement. If, in subsequent periods, the market value rises above the carrying amount, the previously recognised impairment loss is reversed to the extent of the difference between the impaired net carrying amount and the lower of the market value or depreciated cost before impairment.

Rental income, depreciation, maintenance and other related charges or credits are included in Net investment income. Value-enhancing expenditures are capitalised if they increase the service potential of the asset.

Any gain or loss on disposal of investment property, calculated as the difference between the net proceeds and the carrying amount of the item, is recognised in Investment gains/losses.

### Other invested assets

Other invested assets mainly include derivative financial instruments, reverse repurchase agreements, securities borrowing agreements, equity-method investments, collateral receivables, deposits and time deposits, private equity fund investments, exchange-traded fund investments and certain investments in money market funds.

### Insurance contracts

#### Scope

The Group accounts for insurance and reinsurance contracts it issues and for retrocessions under IFRS 17 Insurance Contracts. An insurance contract is a contract in which the issuer accepts significant insurance risk from the holder of the contract (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. A reinsurance contract is an insurance contract issued by the reinsurer to compensate another entity for claims arising from one or more insurance contracts issued by that entity. References to policyholders include cedents in the case of a reinsurance contract.

The Group assesses whether there are components of an insurance contract which should be separated and accounted for under another IFRS accounting standard. There are three areas that separation can apply to:

- Cash flows embedded in an insurance contract that respond in a similar way to stand-alone derivatives (embedded derivatives). The Group applies IFRS 9 to determine if an embedded derivative should be separated from the insurance contract and accounted for under IFRS 9.
- Investment components that are distinct (ie not highly interrelated with the insurance contract) are separated and accounted for under IFRS 9.
- Distinct goods or services other than insurance contract services. If the Group determines that the services are distinct from insurance contract services, the Group accounts for these goods and services in accordance with IFRS 15 Revenue Recognition.

The Group also considers whether a contract transfers significant insurance risk. Determining whether there is significant insurance risk is a matter of judgement. The Group assesses contracts qualitatively or quantitatively where the qualitative assessment is not conclusive. A qualitative assessment involves an evaluation of whether the contract transfers significant insurance risk on a “reasonably self-evident” basis, or whether a reinsurance contract transfers substantially all the insurance risk. A quantitative assessment requires significant result variance and a possibility of a loss from a scenario with commercial substance. The assessment of significant insurance risk is conducted on a contract-by-contract basis at inception.

When a contract that takes the legal form of insurance transfers significant insurance risk, the Group accounts for the contract under IFRS 17. Contracts that take the legal form of insurance but do not transfer significant insurance risk are referred to as "insurance contracts without significant risk transfer". These are accounted for as financial instruments, generally measured at amortised cost under IFRS 9, and reported in Other assets and Other liabilities.

The Group applies the General Measurement Model (GMM) to all re/insurance business accounted for under IFRS 17.

### Transition to IFRS

The Group is in its second year of reporting under IFRS, following its transition from US GAAP on 1 January 2023. At transition, insurance contract-related balances under US GAAP were derecognised and in-force contracts were measured in accordance with IFRS 17, with resulting adjustments recognised in equity.

The full retrospective approach was used to measure groups of insurance contracts as if IFRS 17 had always been applied, unless it was impracticable to do so. The full retrospective approach was generally applied for contracts issued on or after 1 January 2022. For earlier contracts, the Group applied either the modified retrospective approach or the fair value approach, depending on data availability and operational considerations.

The modified retrospective approach was chosen where the fair value approach would lead to an unrealistic representation of the future earnings pattern. Under this approach, the release pattern of the risk adjustment was aligned with that of similar contracts issued at the transition date.

Under the fair value approach, the CSM or loss component of a group of contracts was defined as the difference between the fair value and the IFRS 17 fulfilment cash flows. Determining fair value required significant judgement, including the use of a market-calibrated income approach, assessment of margins and cost structures, and consideration of available retrocession pricing.

For contracts measured under the modified retrospective or fair value approaches, the Group applied the IFRS 17 transition relief to set the accumulated insurance finance income or expenses in OCI to zero at the transition date, except for cases where the Group was required to follow the local transition date for those subsidiaries that had already applied IFRS as issued by the IASB.

### Recognition

#### *Level of aggregation*

Insurance contracts are aggregated into "groups of insurance contracts", which correspond to the IFRS 17 unit of account for recognition and measurement purposes.

Each group of insurance contracts represents a unique combination along three dimensions: portfolios of insurance contracts; IFRS 17 profitability categories; and inception year (annual cohorts).

Groups of insurance contracts are determined by first identifying portfolios of insurance contracts, which comprise contracts subject to similar risks and are managed together.

Portfolios of insurance contracts are further divided into three categories based on the profitability of contracts at initial recognition: contracts that are loss-making (onerous); contracts that have no significant possibility of subsequently becoming onerous; and all remaining contracts. Judgement is used in determining the grouping into profitability categories. The group of insurance contracts designation is not impacted when, upon subsequent measurement, a group of profitable insurance contracts becomes onerous, or an onerous group becomes profitable due to changes in fulfilment cash flows related to future service.

Contracts falling into the same portfolio-profitability allocation are further split into cohorts of contracts issued in the same year. This is the last step in determining the "group of insurance contracts" unit of account.

A single contract can constitute a separate unit of account if it has a bespoke risk profile and is managed separately. This assessment requires judgment, and depends on relevant facts and circumstances.

There may be circumstances where the legal form of a single contract does not reflect the substance of the contractual rights and obligations. Where the Group concludes that the legal contract does not reflect its substance, the contract is split into individual lines of business. The assessment of whether individual rights and obligations within a contract should be separated involves judgement.

The Group combines certain insurance contracts entered into simultaneously to achieve an overall commercial effect, where the policyholder and the reinsurer are the same counterparty. These result in the net retention by the Group, as presented on the balance sheet and in the income statement.

### Date of recognition

The Group recognises a group of insurance contracts it issues from the earliest of the following:
- The beginning of the coverage period of the group of insurance contracts.
- The date when the first payment from a policyholder in the group becomes due.
- For a group of onerous insurance contracts, when the group becomes onerous.

### Measurement

Under the GMM, a profitable group of insurance contracts comprises fulfilment cash flows and a contractual service margin. Fulfilment cash flows represent the present value of estimated future cash flows that are expected to arise as the Group fulfils its insurance contract obligations and an explicit risk adjustment for non-financial risk. The contractual service margin represents the unearned profit which will be recognised as services are provided over the coverage period.

When the group of insurance contracts is onerous, there is no contractual service margin and a loss is immediately recognised in the income statement for the group of insurance contracts' net outflow of fulfilment cash flows.

*Estimated future cash flows*

At each reporting date, estimated future cash flows reflect the most current assumptions. Examples of cash flows required to fulfil the insurance contract are premiums, claims and claims handling costs, an allocation of insurance acquisition cash flows, as well as directly attributable administration/maintenance costs and overheads. Judgement is applied to determine which costs are directly attributable to the fulfilment of the insurance contract.

Cash flow estimates reflect the expected value (probability-weighted mean) of the full range of possible outcomes, incorporating all reasonable and supportable information about the amount, timing and uncertainty of the future cash flows.

When recognising a group of insurance contracts, estimates of cash flows related to future services are considered. Using actuarial analyses, the Group regularly updates the estimates of the expected cash flows to reflect conditions that exist at the measurement date. For example, changes in the estimate of future cash flows can be the result of new data or updates to assumptions at the measurement date about the future services. As detailed in "Use of judgements and estimates in the preparation of financial statements", determining future cash flow estimates entails significant judgement.

The measurement of a group of insurance contracts includes all future cash flows within the boundary of each contract in the group. Cash flows are within the contract boundary if they arise during the period over which the Group has a substantive right to compel policyholders to pay premiums or the period over which the Group has a substantive obligation to provide services. The contract boundary is reassessed at each reporting date.

Insurance acquisition cash flows are cash flows which arise from selling, underwriting or starting a group of insurance contracts and are directly attributed to the portfolio to which the group of insurance contracts belongs. Insurance acquisition cash flows relate to successful and unsuccessful efforts. They can arise internally, for example, from client managers' salaries, or externally, for example, from broker fees.

The Group recognises an asset for insurance acquisition cash flows incurred before the initial recognition of the related group of insurance contracts. When the related group of contracts is recognised, the asset is derecognised, and the insurance acquisition cash flows become fulfilment cash flows of that group of insurance contracts.

At the end of each reporting period, the recoverability of any asset for insurance acquisition cash flows is assessed for indications that the asset may be impaired. If an impairment loss is identified, the Group writes down the carrying amount of the asset and recognises an impairment loss in the income statement to the extent that the asset for insurance acquisition cash flows exceeds the expected future net cash inflows of the related group of insurance contracts.

The asset for insurance acquisition cash flows is of minor significance for the Group.

*Discount rates*

The Group applies discount rates that reflect the time value of money and the characteristics of insurance contracts on a consistent basis. The Group uses the IFRS 17 bottom-up approach to calibrate discount rates. For cash flows of insurance contracts that do not vary based on the returns on underlying items, the IFRS 17 discount rates are derived from government bond prices and are differentiated based on currency and term. To extrapolate the discount rates, the Group uses the Smith-Wilson method and determines the required modelling assumptions, last liquid point and ultimate forward rate. The Smith–Wilson method is a curve-fitting technique used to build discount curves from observed market data prices that smoothly converge to a long-term ultimate forward rate. No additional illiquidity premium is added to the discount rates. For cash flows of insurance contracts that vary based on the returns of financial underlying items, the Group discounts the cash flows using rates that reflect that variability.

The determination of discount rates requires judgement as the rates for certain maturities and currencies are not directly observable in the market. Note 4 Other re/insurance disclosures, page 67 presents yield curves used to discount the cash flows of insurance contracts for major currencies.

*Risk adjustment for non-financial risk*
The risk adjustment for non-financial risk is an explicit charge for the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the Group fulfils its insurance contract obligations. The Group measures the risk adjustment using a cost of capital method implemented via a factor-based approach. Risk adjustment factors are based on a 7% capital cost rate and an amount of allocated capital derived from the Group's internal risk model, taking Group-wide risk diversification into account on a going concern basis. The resulting risk adjustment cash flows are discounted using the same rates applied when discounting all other IFRS 17 fulfilment cash flows for the equivalent maturity and currency. The confidence level of the risk adjustment under the cost of capital method is measured on the ultimate loss distribution. Risk adjustment factors are reviewed at least annually.

The Group applies judgement when determining an appropriate estimation technique and sets relevant parameters to reflect the Group's degree of risk aversion and Group-wide diversification. This judgement incorporates considerations of the Group's target capital levels, expectations on how the Group's capital will develop in the future, the allocation of capital to granular levels and the quantification of the cost of capital.

The Group's policy choice is to disaggregate the changes in risk adjustment for non-financial risk between the insurance service result and the insurance finance result.

*Contractual service margin (CSM)*
At initial recognition, the CSM represents the unearned profit of a group of insurance contracts and is included in the liability for remaining coverage.

For insurance contracts acquired in a business combination or for a transfer of contracts that do not form a business, the CSM is calculated as the difference between the consideration paid or received and the fulfilment cash flows at the date of acquisition or transfer.

For subsequent measurement, the CSM is released into insurance revenue as services are provided over the coverage period. The amount to be released each period is based on coverage units, which are accounting estimates that determine the quantity of services provided in the current reporting period relative to the quantity of services provided over the remaining coverage period. Defining coverage units requires judgement about the expected coverage period and the quantity of benefits provided under each contract in the group. For the Group's property and casualty lines of business, coverage units generally reflect the earnings pattern without considering seasonality and use a volume-based weighting. For the Group's life and health business, coverage units are generally volume-based measures (eg sum assured or recurring benefit), which are adjusted in the case of reinsurance contracts to reflect the specific characteristics of benefits provided to cedents.

Changes in fulfilment cash flows that relate to future events adjust the CSM for a group of insurance contracts. In this context, determining whether a premium and related cash flow experience adjustment relates to future service, and thus impacts the CSM, requires judgement. For example, adjustment premiums due in the middle of the coverage period might relate to both past and future service.

*Liability for remaining coverage (LRC) and liability for incurred claims (LIC)*
The LRC represents the Group's current obligations to provide insurance contract services for insurance events that have not yet occurred. The LIC comprises the Group's current obligations to pay claims, including associated costs for investigating claims, for insurance events that have already occurred.

At initial recognition of a group of insurance contracts, there is only LRC. As insurance events occur during the coverage period, the insurance contract liability shifts from the LRC to the LIC.

The Group presents a closed block of long-duration insurance contracts that is fully retroceded, as a Liability/Asset for incurred claims, rather than allocating part of the block to a Liability/Asset for remaining coverage. The insurance contracts issued and the retrocession, which are reported by the Corporate Solutions segment, were entered into as part of a business combination. From the outset of the business combination, no insurance risk on this block remained with Swiss Re. To reflect the legal form, the insurance contracts issued and the reinsurance contracts held are presented on a gross basis, with the amounts in the income statement and on the balance sheet offsetting each other. Changes in reserves relating to the incurred claims, risk adjustment and the remaining provision for future service are recognised in the income statement as Insurance service expense for the insurance contracts issued and as Amounts recoverable from reinsurers for incurred claims for the reinsurance contracts held. This presentation is applied throughout the relevant disclosures and for all the presented periods.

*Loss component*
At initial recognition of a group of insurance contracts, any excess outflow over fulfilment cash inflows is immediately recognised as a loss in the income statement.

For subsequent measurement, a group of insurance contracts becomes onerous when unfavourable changes in estimates of expected cash flows and the risk adjustment for non-financial risk allocated to the group, which relate to future services, exceed the carrying value of the CSM. This excess outflow is also immediately recognised as a loss in the income statement. Any favourable changes in fulfilment cash flows decrease the loss component and are immediately recognised as a negative expense in the income statement until the loss component is fully extinguished and a CSM is re-established.

In the case of an onerous group of insurance contracts, the portion of the LRC for which no compensation is expected (ie the share of future services that is loss-making) is earmarked as the loss component.

### Reinsurance contracts held

The Group uses various reinsurance arrangements for overall risk management purposes. The Group reports and accounts for reinsurance contracts held separately from the insurance business issued, as retroceding risks does not relieve the Group of its obligations to clients from the underlying contracts.

Generally, the Group applies the same assumptions as those applied for insurance contracts issued, with modifications noted below.

#### *Estimated future cash flows*

The Group measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts.

The risk adjustment for non-financial risk is the amount of risk transferred by the Group to the reinsurer.

#### *Net gain or loss on initial recognition*

For prospective coverage of reinsurance contracts held, the CSM represents either a net gain or a net deferred cost which is released over the retrocession coverage period. For reinsurance contracts held which provide retroactive coverage of events which have already occurred, the net cost is immediately recognised as an expense in the income statement.

#### *Level of aggregation*

At initial recognition, the portfolio and annual cohort dimensions for determining the level of aggregation are the same as for insurance contracts issued, but the profitability groups considered comprise:
- A group with a net gain at initial recognition
- A group with no significant possibility of a net gain subsequently
- A group comprising all remaining contracts in the portfolio

A group of reinsurance contracts held cannot be onerous.

#### *Date of recognition*

The Group recognises a group of reinsurance contracts held with non-proportionate coverage from the earliest of the beginning of the coverage period and the date on which an onerous group of underlying insurance contracts is recognised. For a group of reinsurance contracts held with proportionate coverage, the above guidance is followed, except that the initial recognition date is delayed until any underlying insurance contract issued is recognised.

#### *Non-performance risk*

For a group of reinsurance contracts held, the future cash flow estimates include an explicit provision for the non-performance risk of the retrocessionaires, including the effects of collateral and losses from disputes.

#### *Reinsurance of onerous underlying insurance contracts*

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group adjusts the CSM of the respective group of reinsurance contracts held and recognises a loss recovery component as income in the income statement. The amount of the loss recovery component is determined by multiplying the recognised loss on the underlying insurance contracts by the percentage of claims on the underlying insurance contracts that are expected to be recoverable.

#### *Modification of insurance and reinsurance contracts*

Determining whether a contract has been modified requires judgement. The exercise of a right included in the terms of a contract is not considered a modification. The modification of a contract may meet the derecognition criteria, resulting in the derecognition of the original contract and the recognition of a new contract. A contract can also be derecognised when the specified obligations in the contract expire or are discharged or cancelled. When the contract is derecognised, its fulfilment cash flows are eliminated and the CSM of the group of insurance contracts is adjusted.

Changes to contracts where the derecognition criteria are not fulfilled are reflected as changes in estimates of fulfilment cash flows.

Adjustments to fulfilment cash flows, the CSM and coverage units are treated as changes in accounting estimates and are accounted for prospectively from the modification date.

### Presentation in the income statement

*Insurance service result before reinsurance contracts held*

For a group of insurance contracts, total insurance revenue equals premiums received, adjusted for financing effects and excluding investment components. Insurance revenue represents compensation for insurance contract services as well as an allocation of premiums for insurance acquisition cash flows.

As the Group provides insurance services, insurance revenue is recognised primarily for the following releases in the LRC: expected incurred claims; expected incurred other insurance expenses; the release of the risk adjustment for non-financial risk; and the release of the CSM.

Insurance revenue excludes services provided for which no compensation is expected. Thus, changes in the LRC are systematically allocated between the loss component and non-loss component portions of the liability.

Insurance acquisition cash flows are systematically released over the coverage period within Insurance revenue and Insurance service expense. The expected release has no impact on the insurance service result and fulfils the IFRS 17 requirement that total insurance revenue includes an allocation for insurance acquisition cash flows.

Experience adjustments for premium cash flows which cover current and past services are also recognised in Insurance revenue.

Non-distinct investment components are excluded from Insurance revenue and Insurance service expense. Investment components are amounts that an insurance contract requires the Group to repay to the policyholder in all circumstances, regardless of whether an insured event occurs.

Insurance service expense mainly comprises incurred claims and expenses relating to the current period; changes in incurred claims and expenses from past periods; losses and reversals of losses for groups of onerous contracts; the release of insurance acquisition cash flows; and experience adjustments of insurance acquisition cash flows related to past or current services.

*Net income/expenses from reinsurance contracts held*

The Group presents the allocation of reinsurance premiums paid separately to the amounts recoverable from reinsurers.

*Insurance finance result*

The insurance finance result is presented separately for insurance contracts issued and reinsurance contracts held.

Insurance finance income or expenses represent the change in the carrying amount of a group of either insurance contracts issued, or reinsurance contracts held, arising from the effect of, and changes in, the time value of money as well as from the effect of, and changes in, financial risk.

For most portfolios, the Group recognises interest accretion at locked-in rates as insurance finance income or expenses within the income statement and the impact of changes in discount rates as insurance finance income or expenses within OCI.

*Currency remeasurement of multi-currency groups of insurance contracts*

Consistent with treating the CSM as a monetary item, the Group denominates each group of insurance contracts, including the CSM, in original currencies reflecting the currencies of fulfilment cash flows within the group. At each reporting date, the impact of remeasurement is recognised as exchange differences in Investment gains/losses in the income statement, unless the gains/losses relate to changes recognised in the OCI. In the latter case, the related exchange differences are recognised in OCI.

### Previously reported estimates

When preparing the interim and annual financial statements, the Group updates accounting estimates that were made in the previous interim financial statements of the annual reporting cycle by selecting the accounting policy choice commonly referred to as the year-to-date approach. The choice applies to all insurance contracts issued and reinsurance contracts held.

## Business combinations

The Group applies the acquisition method of accounting for business combinations. This method allocates the cost of the acquired business to the assets and liabilities assumed based on their estimated fair values at the date of acquisition.

The underlying assets and liabilities acquired are subsequently accounted for according to the relevant IFRS guidance. This includes specific requirements applicable to the subsequent accounting for assets and liabilities recognised as part of the acquisition method of accounting, including goodwill and other intangible assets.

## Goodwill and other intangible assets

The excess of the purchase price of acquired businesses over the estimated fair value of net assets acquired is capitalised as goodwill. Goodwill is tested for impairment at least annually and more frequently if there are indications of impairment. For impairment testing, goodwill is allocated to the cash-generating units that are expected to benefit from the synergies of the combination, and which represent the lowest level at which goodwill is monitored for internal management purposes. Identifying cash-generating units requires judgement and is a critical step in the impairment review which can significantly impact the result. The Group defines its cash-generating units according to its operating segments, including iptiQ, which is reported in the segment Group items.

Intangible assets acquired in a business combination are recorded at their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and impairment. Intangible assets have either finite or indefinite useful lives. Intangible assets with finite useful lives are amortised over their estimated useful life and tested for impairment whenever there is an indication that they may be impaired. Intangible assets with indefinite useful lives are tested for impairment at least annually and in the event of an indication of a loss in value. Adjustments to reflect impairment in value are recognised in the income statement in the period in which the determination of impairment is made.

#### Capitalised software costs

External direct costs of materials and services incurred to develop software, payroll and payroll-related costs for employees directly associated with software development and purchased software are capitalised. Capitalised software costs are amortised on a straight-line basis through the income statement over the estimated useful life, which does not generally exceed five years.

### Other assets

Other assets include receivables related to investing activities, investments for unit-linked business, net defined benefit asset, insurance contracts without significant risk transfer, contract assets and receivables, real estate for own use, other classes of property, plant and equipment, lease right-of-use assets, accrued income, prepaid assets and other receivables.

Real estate for own use as well as other classes of property, plant and equipment are carried at depreciated cost. Depreciation on buildings is recognised on a straight-line basis over the estimated useful life. Land is recognised at cost and is not depreciated.

### Leases

For leases, the Group recognises a liability to make lease payments (the lease liability) and a right-of-use asset representing the right to use the underlying asset for the lease term. The lease term is determined as the non-cancellable period of the lease together with periods covered by an extension option that is reasonably certain to be exercised, and periods covered by a termination option that is reasonably certain not to be exercised. The lease liability is included in Other liabilities and is measured at the amount of the lease payments discounted at the lease commencement by using the rate implicit in the lease, or if unavailable, by the Group's incremental borrowing rate. The lease right-of-use asset is included in Other assets and is measured at the amount of the related lease liability, plus any upfront payments made, lease incentives received and initial direct costs incurred.

Right-of-use assets are subsequently measured at cost and amortised on a straight-line basis over the lease term. Lease liabilities are increased by accrued interest and reduced by the lease payments made.

### Income taxes

Current and deferred income taxes are recognised in the income statement except when they relate to items recognised directly in OCI or shareholder's equity. Income taxes are calculated using the tax rates enacted or substantively enacted as of the balance sheet date.

Deferred income taxes are recognised for all temporary differences between the carrying amounts of assets and liabilities on the consolidated balance sheet and the tax bases of these assets and liabilities using the balance sheet liability method. Income taxes are charged or credited directly to OCI or shareholders' equity if the income taxes relate to items that are credited or charged in the same or a different period directly to OCI or shareholder's equity.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which they can be used. For unused tax losses, a deferred tax asset is recognised to the extent that it is probable that these losses can be offset against future taxable profits. Judgement is applied to determine whether it is probable that sufficient future taxable profits will be available to utilise the deferred tax asset.

Deferred income tax liabilities represent income taxes payable in the future in respect of taxable temporary differences. A deferred income tax liability is recognised for taxable temporary differences relating to investments in subsidiaries, branches and associates, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will reverse in the foreseeable future.

Where the entity has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred income tax assets and liabilities relate to income taxes levied by the same tax authority, the corresponding assets and liabilities are presented on a net basis.

Interest on tax payments and penalties are reviewed based on specific facts and circumstances to ascertain whether the amount is akin to a financing charge and thus is charged to other expenses or whether it forms part of the tax treatment and is accordingly treated as an income tax item.

Exchange differences on foreign tax liabilities or assets are included as part of foreign exchange gains and losses.

Current taxes are provided in accordance with the Pillar 2 rules published by the Organisation for Economic Co-operation & Development (Pillar 2). The mandatory relief from accounting for deferred tax under Pillar 2 has been applied. These rules are designed to ensure large multinational enterprises within the scope of the rules pay a minimum level of tax in each jurisdiction where they operate. In general, Pillar 2 applies a system of top-up taxes to bring the Group's effective tax rate in each jurisdiction to a minimum of 15%

For the years ended 31 December 2025 and 2024, the Group incurred Pillar 2 top-up tax expenses of USD 29 million and nil, respectively. Going forward, the Group expects the impact of Pillar 2 to increase as transitional safe harbour provisions expire in certain jurisdictions and Switzerland applies the Income Inclusion Rule for under-taxed foreign subsidiaries.

### Other liabilities

Other liabilities include derivatives (see Note 9 Derivative financial instruments and hedge accounting, page 97), liabilities from repurchase agreements and securities lending (see Note 6 Investments, page 73), payables related to investing activities, securities sold short, insurance contracts without significant risk transfer, net defined benefit liabilities, contract liabilities and payables, lease liabilities, accrual on variable compensation plans and other liabilities.

At initial recognition, the Group measures a financial liability at fair value. In the case of a financial liability not being subsequently measured at FVPL, the fair value measurement is net of directly attributable transaction costs. For subsequent measurement, financial liabilities are measured at amortised cost using the EIR method, unless they meet the criteria for classification at FVPL. Interest expense and foreign exchange gains and losses are recognised in the income statement. Any gains or loss on derecognition are also recognised in the income statement.

Financial liabilities at FVPL, mostly represented by derivative financial instruments, are measured at fair value, and net gains and losses, including any interest expenses, are recognised in the income statement.

The Group offsets financial assets and financial liabilities if the requirements for offsetting are met and doing so is legally enforceable.

Provisions are created for legal proceedings, restructuring and similar obligations where the future outflow of economic resources is probable. They are valued at best estimate of cash outflows representing the present obligation of the Group arising from past events. The Group reassesses provisions periodically, at a minimum at the end of each reporting period.

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event, or if there is a present obligation as a result of a past event for which either payment is not probable, or the amount cannot be reliably estimated.

### Shares in SRL

Shares in SRL are reported at cost in shareholders' equity. When shares in SRL are sold, any consideration received is included within shareholders' equity. Accordingly, no gain or loss is recognised in the income statement.

### Pensions and other post-employment benefits

The Group sponsors various post-employment benefit plans for its employees, which include defined contribution and defined benefit pension plans and other benefits payable upon an employee's retirement.

Under defined contribution plans, the Group pays fixed contributions into employees' retirement plans and has no further obligations. Contributions are recorded as an expense in the period the employee has rendered the service.

Defined benefit plans specify an amount of benefits that the employee will receive upon retirement. The net defined benefit liability (asset) is recognised on the balance sheet in Other liabilities (Other assets). The net defined benefit liability (asset) is determined by deducting the fair value of plan assets from the present value of the defined benefit obligation. The recognition of a net defined benefit asset may be limited by the asset ceiling. The asset ceiling is the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The defined benefit obligation as well as the related service and interest costs recognised in the income statement are based on periodic actuarial determinations. Remeasurements of the net defined benefit liability (asset) are recognised in OCI, disclosed under retained earnings on the balance sheet, and include actuarial gains and losses, the return on plan assets and changes in the effect of the asset ceiling. There is no reclassification of amounts recognised in OCI to the income statement in subsequent periods. Among the critical accounting estimates and judgements made to determine the benefit liability (asset) recognised on the balance sheet are mortality rates, disability, expected future salary increases, discount rates and long-term increases in health care costs. Expectations made about the future may differ from actual results, which can significantly impact pension liabilities (assets) and related income or expenses recorded in future periods.

### Share-based payment transactions

As of 31 December 2025, the Group had a Leadership Share Plan (LSP), a Deferred Share Plan (DSP), restricted shares and a Global Share Participation Plan (GSPP).

The fair value of equity-settled plans is determined at the grant date and is recognised as an expense in income over the vesting period, with a corresponding increase recorded in additional paid-in capital. Subsequently, depending on the underlying performance metrics, the Group revises its estimates of the number of shares that are expected to be vested and recognises the impact of the revision in income with a corresponding adjustment to additional paid-in capital.

Total compensation cost for share-based compensation plans recognised in net income was USD 108 million for the year ended 31 December 2025. As of 31 December 2025, the accrual for share-based compensation plans in additional paid-in capital was USD 138 million.

Cash-settled plans are measured initially at the fair value of the liability and are expensed over the vesting period. At each reporting date, the recognised liability is remeasured at fair value with changes recognised in the income statement.

### Subsequent events

Subsequent events for the current reporting period have been evaluated up to 11 March 2026.

### Date of approval for issue

The financial statements were approved for issue by SRZ's Board of Directors on 11 March 2026 and will be submitted for approval to the Shareholder's Annual General Meeting to be held on 12 March 2026.

### Adoption of new accounting standards

In August 2023, the IASB issued Lack of Exchangeability, which amends IAS 21 The Effects of Changes in Foreign Exchange Rates. The amendments add a definition of an exchangeable currency to IAS 21 and provide guidance on how to assess exchangeability between two currencies. When exchangeability is lacking, the amendments set out a framework under which an entity can determine the spot exchange rate at the measurement date. Further, where a currency lacks exchangeability, the amendments require specific disclosures. The Group adopted the amendments on 1 January 2025. The adoption did not have a significant impact on the Group's financial statements.

### Future adoption of new accounting standards

In April 2024, the IASB issued IFRS 18 Financial Statement Presentation and Disclosure, a new standard replacing IAS 1 Presentation of Financial Statements. IFRS 18 contains detailed requirements on where to classify income and expenses in the income statement, IFRS-defined subtotals presented in the income statement, grouping of information to be presented in the primary financial statements, disclosure in the notes on some performance measures defined by management and limited changes to the statement of cash flows. IFRS 18 is effective from 1 January 2027 and is required to be applied retrospectively. Early application is permitted. The Group intends to initially apply this standard as of the effective date. On initial application, this new standard will only impact how the Group presents and discloses its results in the financial statements; it will not affect the Group's net income.

There are no additional IFRS accounting standards or amendments issued by the IASB that are not yet effective and expected to have a significant impact on the Group.

# 2 Information on operating segments

The Group provides reinsurance and insurance throughout the world through its business segments. The segments are determined by the organisational structure and by the way in which management reviews the operating performance of the Group.

The Group presents four segments: Property & Casualty Reinsurance, Life & Health Reinsurance, Corporate Solutions and Group items. Segment revenue and net income/loss are determined in line with the accounting policies described in the summary of material accounting policies (refer to Note 1 Organisation and summary of material accounting policies, page 9). Accounting policies applied by the segments are in line with those of the Group. Cross-segmental dividends and gains and losses on certain one-off transfers and transactions between segments are accounted for through segmental shareholders' equity. Financing costs are based on the segment's capital funding position. The tax impact of a segment is derived from the legal entity segmentation of the pre-tax result multiplied by the applicable statutory tax rate, including adjustments for deferred tax assets not recognised. Other reconciling tax items are allocated to Group items only. If special allocations of other reconciling tax items to other segments occur, these are specifically disclosed. For the years ended 31 December 2025 and 2024, there are no special allocations to other segments.

The segments as well as the Consolidation column are outlined below.

Reinsurance business is managed through two segments, Property & Casualty Reinsurance and Life & Health Reinsurance, operating globally, both through brokers and directly with clients, and providing a large range of solutions for risk and capital management. Clients include stock and mutual insurance companies, as well as public sector and governmental entities. In addition to traditional reinsurance solutions, both Property & Casualty Reinsurance and Life & Health Reinsurance offer insurance-linked securities and other insurance-related capital market products.

### Property & Casualty Reinsurance
Property & Casualty includes the business lines property, casualty (including motor) and specialty.

### Life & Health Reinsurance
Life & Health includes the life and health lines of business.

### Corporate Solutions
Corporate Solutions offers insurance capacity to mid- to large-sized corporations across the globe. Offerings range from standard risk transfer covers and multi-line programmes to highly customised solutions tailored to the needs of clients. Corporate Solutions serves customers from offices worldwide.

### Group items
Group items includes items not allocated to the other segments, which encompass parts of Principal Investments, certain Treasury units, iptiQ and reinsurance and insurance business in run-off. iptiQ partners with distributors providing Swiss Re access to risk pools offering white-labelled protection cover in both the life and health as well as property and casualty businesses. The Group allocates the foreign exchange gains and losses recognised in earnings to Group items. Certain administrative expenses of the corporate centre functions that are not recharged to the other segments are reported in Group items.

In the second quarter of 2024, the Group announced its plans to withdraw from the iptiQ business. The Group completed the sale of the iptiQ Americas Sales Solutions business through a management buyout in April 2025 and the sale of iptiQ's European P&C business to Allianz Direct in July 2025, following the receipt of all required regulatory approvals. Refer to Note 14 Disposals, page 111 for more details on the sale of iptiQ's European P&C business. The transfer of iptiQ's Australian direct life insurance portfolio to Hannover Re was completed in December 2025 following all regulatory approvals. In the fourth quarter of 2025, the Group entered into an agreement to sell the iptiQ American carrier business to Wilton Re, subject to applicable regulatory approvals. Refer to Note 13 Assets held for sale, page 110 for more details. The Group will move the iptiQ EMEA L&H business into run-off.

### Consolidation
Segment information is presented net of external and internal retrocession and other intra-group arrangements. The Group total is obtained after elimination of intra-group transactions in the Consolidation column. This includes significant intra-group reinsurance arrangements, and intersegmental funding.

## Business segments – income statement

### For the years ended 31 December

| 2025<br>USD millions | Property & Casual Reinsurance | Life & Health Reinsurance | Corporate Solutions | Group items | Consolidation | Total |
|---|---|---|---|---|---|---|
| Insurance revenue | 18 703 | 16 504 | 7 737 | 835 | -643 | 43 136 |
| Insurance service expense | -14 185 | -15 244 | -5 601 | -938 | 246 | -35 721 |
| **Insurance service result before reinsurance contracts held** | **4 519** | **1 260** | **2 136** | **-103** | **-397** | **7 415** |
| | | | | | | |
| Allocation of reinsurance premiums | -1 366 | -411 | -1 710 | -8 | 684 | -2 811 |
| Amounts recoverable from reinsurers for incurred claims | 413 | 327 | 783 | 7 | -287 | 1 243 |
| **Net income/expenses from reinsurance contracts held** | **-953** | **-83** | **-927** | **-1** | **397** | **-1 568** |
| | | | | | | |
| **Insurance service result** | **3 566** | **1 177** | **1 208** | **-104** | **0** | **5 847** |
| | | | | | | |
| Finance income/expenses from insurance contracts issued | -1 489 | -738 | -515 | -18 | 109 | -2 652 |
| Finance income/expenses from reinsurance contracts held | 43 | 7 | 209 | | -109 | 150 |
| **Insurance finance result** | **-1 446** | **-731** | **-307** | **-17** | **0** | **-2 502** |
| | | | | | | |
| Net investment income | 2 590 | 1 480 | 543 | 123 | -351 | 4 385 |
| Investment gains/losses | -13 | -41 | 64 | 426 | | 435 |
| **Investment result** | **2 577** | **1 438** | **607** | **549** | **-351** | **4 820** |
| | | | | | | |
| Other income | 86 | 360 | 24 | 21 | -11 | 480 |
| Other expenses | -736 | -426 | -216 | -784 | 11 | -2 149 |
| Financing costs | -569 | -321 | -41 | -54 | 351 | -634 |
| **Income/loss before income tax expense/benefit** | **3 478** | **1 498** | **1 276** | **-389** | **0** | **5 863** |
| Income tax expense/benefit | -751 | -288 | -288 | -265 | | -1 592 |
| **Net income/loss** | **2 727** | **1 210** | **988** | **-654** | **0** | **4 271** |
| Thereof | | | | | | |
| Net income/loss attributable to non-controlling interests | 4 | | 17 | | | 22 |
| Net income/loss attributable to common shareholder | 2 722 | 1 210 | 970 | -654 | | 4 249 |

## Business segments – income statement

| 2024<br>USD millions | Property & Casual Reinsurance | Life & Health Reinsurance | Corporate Solutions | Group items | Consolidation | Total |
|---|---|---|---|---|---|---|
| Insurance revenue | 19 770 | 17 067 | 8 083 | 1 334 | -656 | 45 598 |
| Insurance service expense | -16 793 | -15 044 | -6 271 | -1 422 | 393 | -39 137 |
| **Insurance service result before reinsurance contracts held** | 2 977 | 2 023 | 1 812 | -88 | -263 | 6 461 |
| Allocation of reinsurance premiums | -1 459 | -736 | -1 805 | -32 | 720 | -3 312 |
| Amounts recoverable from reinsurers for incurred claims | 323 | 246 | 1 011 | 32 | -457 | 1 155 |
| **Net income/expenses from reinsurance contracts held** | -1 136 | -490 | -794 | 0 | 263 | -2 157 |
| **Insurance service result** | 1 841 | 1 533 | 1 018 | -88 | 0 | 4 304 |
| Finance income/expenses from insurance contracts issued | -1 550 | -651 | -541 | -21 | 131 | -2 632 |
| Finance income/expenses from reinsurance contracts held | 53 | 5 | 237 | 3 | -131 | 167 |
| **Insurance finance result** | -1 497 | -646 | -304 | -18 | 0 | -2 465 |
| Net investment income | -2 620 | 1 561 | 518 | 55 | -528 | 4 226 |
| Investment gains/losses | -11 | 134 | 56 | 255 | | 434 |
| **Investment result** | 2 609 | 1 695 | 574 | 310 | -528 | 4 660 |
| Other income | 121 | 183 | 21 | 17 | -8 | 334 |
| Other expenses | -782 | -530 | -227 | -861 | 8 | -2 392 |
| Financing costs | -751 | -384 | -21 | -72 | 528 | -700 |
| **Income/loss before income tax expense/benefit** | 1 541 | 1 851 | 1 061 | -712 | 0 | 3 741 |
| Income tax expense/benefit | -352 | -359 | -232 | 205 | | -738 |
| **Net income/loss** | 1 189 | 1 492 | 829 | -507 | 0 | 3 003 |
| Thereof | | | | | | |
| Net income/loss attributable to non-controlling interests | 5 | | -8 | | | -3 |
| Net income/loss attributable to common shareholder | 1 184 | 1 492 | 837 | -507 | | 3 006 |

## Business segments – balance sheet

### As of 31 December 2025

| 2025<br>USD millions | Property & Casual Reinsurance | Life & Health Reinsurance | Corporate Solutions | Group items | Consolidation | Total |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash and cash equivalents | 1 300 | 626 | 503 | 262 | | 2 691 |
| | | | | | | |
| **Investments** | | | | | | |
| Fixed income securities | 49 398 | 26 935 | 11 363 | 741 | | 88 436 |
| Equity investments | 292 | 6 | 52 | 418 | | 769 |
| Mortgages and other loans | 3 185 | 5 425 | 187 | 880 | -1 712 | 7 965 |
| Investment property | 2 322 | 326 | 1 | | | 2 648 |
| Other invested assets | 9 709 | 193 | 284 | 64 | -668 | 9 581 |
| **Total investments** | **64 906** | **32 884** | **11 886** | **2 103** | **-2 381** | **109 399** |
| | | | | | | |
| Insurance contracts issued that are assets | 1 266 | 2 608 | 188 | 244 | -992 | 3 314 |
| Reinsurance contracts held that are assets | 4 051 | 348 | 6 303 | | -3 573 | 7 128 |
| Goodwill and other intangible assets | 1 912 | 1 799 | 277 | 31 | | 4 019 |
| Income taxes recoverable | 120 | 484 | 137 | 3 | | 744 |
| Deferred tax assets | 1 142 | 984 | 86 | 867 | -1 480 | 1 599 |
| Other assets | 15 570 | 11 384 | 4 103 | 4 478 | -30 249 | 5 286 |
| Assets held for sale[1] | | | | 131 | | 131 |
| **Total assets** | **90 268** | **51 116** | **23 482** | **8 120** | **-38 675** | **134 311** |
| | | | | | | |
| **Liabilities** | | | | | | |
| Insurance contracts issued that are liabilities | 49 573 | 24 619 | 14 672 | 1 302 | -3 694 | 86 471 |
| Reinsurance contracts held that are liabilities | 3 795 | 213 | 897 | 4 | -872 | 4 039 |
| Short-term debt | 211 | 2 242 | | | -450 | 2 003 |
| Long-term debt | 4 441 | 4 333 | 743 | | -1 262 | 8 255 |
| Income taxes payable | 366 | 129 | 182 | 50 | | 727 |
| Deferred tax liabilities | 927 | 2 717 | 506 | 124 | -1 480 | 2 794 |
| Other liabilities | 20 539 | 11 509 | 1 542 | 3 777 | -30 918 | 6 450 |
| Liabilities held for sale[1] | | | | 151 | | 151 |
| **Total liabilities** | **79 852** | **45 762** | **18 542** | **5 408** | **-38 675** | **110 890** |

[1] Refer to Note 13 Assets held for sale, page 110 for more details.

## Business segments – balance sheet

### As of 31 December 2024

| 2024<br>USD millions | Property & Casual Reinsurance | Life & Health Reinsurance | Corporate Solutions | Group items | Consolidation | Total |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash and cash equivalents | 1 650 | 1 334 | 713 | 394 | | 4 091 |
| | | | | | | |
| **Investments** | | | | | | |
| Fixed income securities | 47 339 | 25 866 | 9 873 | 537 | | 83 615 |
| Equity investments | 198 | 6 | 74 | 481 | | 759 |
| Mortgages and other loans | 3 910 | 4 663 | 188 | 2 249 | -2 765 | 8 245 |
| Investment property | 2 094 | 321 | | | | 2 415 |
| Other invested assets | 8 072 | 853 | 280 | 288 | -737 | 8 756 |
| **Total investments** | 61 613 | 31 709 | 10 415 | 3 555 | -3 502 | 103 790 |
| | | | | | | |
| Insurance contracts issued that are assets | 1 249 | 2 170 | 198 | 230 | -931 | 2 916 |
| Reinsurance contracts held that are assets | 3 874 | 373 | 6 045 | | -3 719 | 6 573 |
| Goodwill and other intangible assets | 1 908 | 1 801 | 279 | 62 | | 4 050 |
| Income taxes recoverable | 126 | 366 | 87 | 6 | | 585 |
| Deferred tax assets | 1 301 | 1 008 | 150 | 891 | -1 304 | 2 046 |
| Other assets | 15 243 | 10 211 | 3 171 | 3 777 | -27 909 | 4 493 |
| Assets held for sale[1] | | | | 804 | -427 | 377 |
| **Total assets** | 86 964 | 48 972 | 21 058 | 9 719 | -37 792 | 128 921 |
| | | | | | | |
| **Liabilities** | | | | | | |
| Insurance contracts issued that are liabilities | 48 059 | 24 647 | 13 771 | 882 | -3 997 | 83 362 |
| Reinsurance contracts held that are liabilities | 3 662 | 244 | 839 | 5 | -830 | 3 920 |
| Short-term debt | 2 380 | 1 500 | | 60 | -60 | 3 880 |
| Long-term debt | 3 128 | 5 899 | | | -2 705 | 6 322 |
| Income taxes payable | 206 | 130 | 211 | 41 | | 588 |
| Deferred tax liabilities | 838 | 2 381 | 358 | 89 | -1 304 | 2 362 |
| Other liabilities | 18 918 | 10 923 | 1 291 | 5 061 | -28 645 | 7 548 |
| Liabilities held for sale[1] | | | | 1 139 | -251 | 888 |
| **Total liabilities** | 77 191 | 45 724 | 16 470 | 7 277 | -37 792 | 108 870 |

[1] See Note 14 Disposals, page 111 for more details.

### Insurance revenue by geography

The insurance revenue by geographical areas for the years ended 31 December is as follows:

| USD millions | **2025** | 2024 |
|---|---|---|
| Americas | 21 060 | 22 584 |
| EMEA | 14 835 | 15 466 |
| Asia-Pacific | 7 241 | 7 548 |
| **Total** | **43 136** | 45 598 |

| USD millions | **2025** | 2024 |
|---|---|---|
| United States | 16 994 | 18 223 |
| United Kingdom | 4 955 | 4 465 |
| China | 1 851 | 1 818 |
| Germany | 1 525 | 1 529 |
| Canada | 1 512 | 1 522 |
| Australia | 1 496 | 1 800 |
| France | 962 | 985 |
| Netherlands | 948 | 878 |
| Ireland | 940 | 1 439 |
| Japan | 817 | 647 |
| Italy | 765 | 1 036 |
| India | 665 | 694 |
| Bermuda | 665 | 758 |
| Other | 9 041 | 9 804 |
| **Total** | **43 136** | 45 598 |

# 3 Insurance information

The following tables set out the detail of insurance contracts issued net position as of 31 December:

| **2025**<br>USD millions | Property & Casualty Reinsurance | Life & Health Reinsurance | Corporate Solutions | Group items | Consolidation | Total |
|---|---|---|---|---|---|---|
| Closing assets | -1 266 | -2 608 | -188 | -244 | 992 | -3 314 |
| Closing liabilities | 49 573 | 24 619 | 14 672 | 1 302 | -3 694 | 86 471 |
| **Net liabilities for insurance contracts issued excluding held for sale** | **48 307** | **22 011** | **14 484** | **1 058** | **-2 702** | **83 157** |
| Net payables/receivables that have not yet been allocated to a portfolio of insurance contracts | -299 | -968 | -478 | -23 | 6 | -1 762 |
| **Net liabilities for insurance contracts issued excluding held for sale and unallocated payables/receivables** | **48 007** | **21 042** | **14 006** | **1 035** | **-2 695** | **81 395** |
| Insurance asset/liability held for sale | | | | 120 | | 120 |
| **Net liabilities for insurance contracts issued including held for sale and excluding unallocated payables/ receivables** | **48 007** | **21 042** | **14 006** | **1 155** | **-2 695** | **81 516** |

| 2024<br>USD millions | Property & Casualty Reinsurance | Life & Health Reinsurance | Corporate Solutions | Group items | Consolidation | Total |
|---|---|---|---|---|---|---|
| Closing assets | -1 249 | -2 170 | -198 | -230 | 931 | -2 916 |
| Closing liabilities | 48 059 | 24 647 | 13 771 | 882 | -3 997 | 83 362 |
| **Net liabilities for insurance contracts issued excluding held for sale** | 46 810 | 22 477 | 13 573 | 652 | -3 066 | 80 446 |
| Net payables/receivables that have not yet been allocated to a portfolio of insurance contracts | -42 | -615 | -105 | -64 | -39 | -865 |
| **Net liabilities for insurance contracts issued excluding held for sale and unallocated payables/receivables** | 46 768 | 21 862 | 13 468 | 588 | -3 105 | 79 581 |
| Insurance asset/liability held for sale | | | | 761 | | 761 |
| **Net liabilities for insurance contracts issued including held for sale and excluding unallocated payables/ receivables** | 46 768 | 21 862 | 13 468 | 1 349 | -3 105 | 80 342 |

The following tables set out the detail of reinsurance contracts held net position as of 31 December:

| **2025**<br>USD millions | Property & Casualty Reinsurance | Life & Health Reinsurance | Corporate Solutions | Group items | Consolidation | Total |
|---|---|---|---|---|---|---|
| Closing assets | 4 051 | 348 | 6 303 | | -3 573 | 7 128 |
| Closing liabilities | -3 795 | -213 | -897 | -4 | 872 | -4 039 |
| **Net assets for reinsurance contracts held excluding held for sale** | **256** | **135** | **5 405** | **-4** | **-2 702** | **3 090** |
| Net payables/receivables that have not yet been allocated to a portfolio of reinsurance contracts | -103 | -31 | -401 | 3 | 6 | -525 |
| **Net assets for reinsurance contracts held excluding held for sale and unallocated payables/receivables** | **153** | **103** | **5 005** | **-1** | **-2 695** | **2 565** |
| Reinsurance asset/liability held for sale | | | | 0 | | 0 |
| **Net assets for reinsurance contracts held including held for sale and excluding unallocated payables/receivables** | **153** | **103** | **5 005** | **-1** | **-2 695** | **2 565** |

| 2024<br>USD millions | Property & Casualty Reinsurance | Life & Health Reinsurance | Corporate Solutions | Group items | Consolidation | Total |
|---|---|---|---|---|---|---|
| Closing assets | 3 874 | 373 | 6 045 | | -3 719 | 6 573 |
| Closing liabilities | -3 662 | -244 | -839 | -5 | 830 | -3 920 |
| **Net assets for reinsurance contracts held excluding held for sale** | 212 | 129 | 5 206 | -5 | -2 889 | 2 653 |
| Net payables/receivables that have not yet been allocated to a portfolio of reinsurance contracts | -106 | -32 | -400 | 3 | -38 | -573 |
| **Net assets for reinsurance contracts held excluding held for sale and unallocated payables/receivables** | 106 | 97 | 4 806 | -2 | -2 927 | 2 080 |
| Reinsurance asset/liability held for sale | | | | 212 | -178 | 34 |
| **Net assets for reinsurance contracts held including held for sale and excluding unallocated payables/receivables** | 106 | 97 | 4 806 | 210 | -3 105 | 2 114 |

The following disclosures are based on the net re/insurance contract assets/liabilities excluding unallocated payables/receivables and including net asset/liability held for sale as presented above.

**Insurance contracts issued: remaining coverage and incurred claims – Group**

A reconciliation of the opening and closing balances of the liabilities for remaining coverage and of the liabilities for incurred claims is presented as follows for the years ended 31 December:

| 2025<br>USD millions | Liabilities for remaining coverage<br>Excluding loss component | Liabilities for remaining coverage<br>Loss component | Liabilities for incurred claims | Total |
|---|---|---|---|---|
| Opening assets | -7 909 | 272 | 4 720 | -2 917 |
| Opening liabilities | 8 614 | 1 887 | 72 758 | 83 259 |
| **Net (assets)/liabilities for insurance contracts issued as of 1 January** | **705** | **2 159** | **77 478** | **80 342** |
| | | | | |
| Expected incurred claims and other insurance service expenses | -32 737 | | | -32 737 |
| Changes in risk adjustment | -1 313 | | | -1 313 |
| Contractual service margin recognised for services provided | -6 427 | | | -6 427 |
| Experience adjustment for premium receipts related to current and past services | 693 | | | 693 |
| Recovery of insurance acquisition cash flows | -3 351 | | | -3 351 |
| **Insurance revenue** | **-43 136** | **0** | **0** | **-43 136** |
| | | | | |
| Incurred claims and other insurance service expenses | | -938 | 32 938 | 32 000 |
| Adjustments to liabilities for incurred claims | | | -1 008 | -1 008 |
| Losses and change of losses on onerous contracts | | 1 349 | | 1 349 |
| Experience adjustment and amortisation of insurance acquisition cash flows | 3 379 | | | 3 379 |
| **Insurance service expense** | **3 379** | **412** | **31 930** | **35 721** |
| | | | | |
| Investment components | -3 761 | | 3 761 | 0 |
| **Insurance service result** | **-43 518** | **412** | **35 692** | **-7 415** |
| | | | | |
| Finance income/expenses from insurance contracts issued | -85 | 50 | 3 090 | 3 055 |
| Effect of foreign exchange | -442 | 161 | 3 286 | 3 005 |
| **Total changes in profit or loss and other comprehensive income** | **-44 045** | **623** | **42 068** | **-1 355** |
| | | | | |
| Premiums received | 45 266 | | | 45 266 |
| Claims and other insurance service expenses paid, including investment components paid | | | -39 296 | -39 296 |
| Insurance acquisition cash flows | -3 338 | | | -3 338 |
| **Cash flows** | **41 928** | **0** | **-39 296** | **2 631** |
| | | | | |
| Acquisitions and disposals | -15 | -28 | -61 | -103 |
| Other items | 20 | | -20 | 0 |
| **Other movements** | **5** | **-28** | **-81** | **-103** |
| | | | | |
| **Net (assets)/liabilities for insurance contracts issued as of 31 December** | **-1 407** | **2 754** | **80 169** | **81 516** |
| Closing assets | -9 063 | 285 | 5 451 | -3 326 |
| Closing liabilities | 7 655 | 2 469 | 74 718 | 84 842 |

| 2024<br>USD millions | Liabilities for remaining coverage<br>Excluding loss component | Loss component | Liabilities for incurred claims | Total |
|---|---|---|---|---|
| Opening assets | -8 128 | 149 | 4 760 | -3 219 |
| Opening liabilities | 14 054 | 1 856 | 72 278 | 88 188 |
| **Net (assets)/liabilities for insurance contracts issued as of 1 January** | 5 926 | 2 005 | 77 038 | 84 969 |
| Expected incurred claims and other insurance service expenses | -32 921 | | | -32 921 |
| Changes in risk adjustment | -1 461 | | | -1 461 |
| Contractual service margin recognised for services provided | -7 551 | | | -7 551 |
| Experience adjustment for premium receipts related to current and past services | -16 | | | -16 |
| Recovery of insurance acquisition cash flows | -3 649 | | | -3 649 |
| **Insurance revenue** | -45 598 | 0 | 0 | -45 598 |
| Incurred claims and other insurance service expenses | | -870 | 32 894 | 32 024 |
| Adjustments to liabilities for incurred claims | | | 2 420 | 2 420 |
| Losses and change of losses on onerous contracts | | 1 074 | | 1 074 |
| Experience adjustment and amortisation of insurance acquisition cash flows | 3 619 | | | 3 619 |
| **Insurance service expense** | 3 619 | 204 | 35 314 | 39 137 |
| Investment components | -3 210 | | 3 210 | 0 |
| **Insurance service result** | -45 189 | 204 | 38 524 | -6 461 |
| Finance income/expenses from insurance contracts issued | -422 | 46 | 1 331 | 955 |
| Effect of foreign exchange | -27 | -96 | -2 157 | -2 280 |
| **Total changes in profit or loss and other comprehensive income** | -45 638 | 154 | 37 698 | -7 786 |
| Premiums received | 43 836 | | | 43 836 |
| Claims and other insurance service expenses paid, including investment components paid | | | -37 283 | -37 283 |
| Insurance acquisition cash flows | -3 420 | | | -3 420 |
| **Cash flows** | 40 416 | 0 | -37 283 | 3 133 |
| Acquisitions and disposals | | | | 0 |
| Other items | 1 | | 25 | 26 |
| **Other movements** | 1 | 0 | 25 | 26 |
| **Net (assets)/liabilities for insurance contracts issued as of 31 December** | 705 | 2 159 | 77 478 | 80 342 |
| Closing assets | -7 909 | 272 | 4 720 | -2 917 |
| Closing liabilities | 8 614 | 1 887 | 72 758 | 83 259 |

### Insurance contracts issued: measurement components – Group

A reconciliation of the opening and closing balances of insurance contract liabilities analysed by measurement component is presented as follows for the years ended 31 December:

| **2025**<br>USD millions | Estimates of the present value of future cash flows | Risk adjustment | Contractual service margin | Total |
|---|---|---|---|---|
| Opening assets | -8 826 | 773 | 5 136 | -2 917 |
| Opening liabilities | 60 316 | 7 458 | 15 485 | 83 259 |
| **Net (assets)/liabilities for insurance contracts issued as of 1 January** | **51 490** | **8 231** | **20 621** | **80 342** |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services provided | | | -6 427 | -6 427 |
| Changes in risk adjustment | | -1 377 | | -1 377 |
| Experience adjustments | 48 | | | 48 |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | -6 200 | 1 127 | 5 732 | 659 |
| Changes in estimates that adjust the contractual service margin | 1 313 | -229 | -1 084 | 0 |
| Changes in estimates that result in losses and reversal of losses on onerous contracts | 671 | 20 | | 690 |
| Changes that relate to past services: | | | | |
| Adjustments to liabilities for incurred claims | -782 | -226 | | -1 008 |
| **Insurance service result** | **-4 950** | **-686** | **-1 779** | **-7 415** |
| Finance income/expenses from insurance contracts issued | 1 858 | 390 | 807 | 3 055 |
| Effect of foreign exchange | 1 986 | 277 | 742 | 3 005 |
| **Total changes in profit or loss and other comprehensive income** | **-1 106** | **-20** | **-229** | **-1 355** |
| Premiums received | 45 266 | | | 45 266 |
| Claims and other insurance service expenses paid, including investment components paid | -39 296 | | | -39 296 |
| Insurance acquisition cash flows | -3 338 | | | -3 338 |
| **Cash flows** | **2 631** | **0** | **0** | **2 631** |
| Acquisitions and disposals | -100 | -1 | -2 | -103 |
| Other items | | | | 0 |
| **Other movements** | **-100** | **-1** | **-2** | **-103** |
| **Net (assets)/liabilities for insurance contracts issued as of 31 December** | **52 916** | **8 210** | **20 390** | **81 516** |
| Closing assets | -9 564 | 901 | 5 337 | -3 326 |
| Closing liabilities | 62 480 | 7 309 | 15 053 | 84 842 |

| 2024<br>USD millions | Estimates of the present value of future cash flows | Risk adjustment | Contractual service margin | Total |
|---|---|---|---|---|
| Opening assets | -9 968 | 939 | 5 810 | -3 219 |
| Opening liabilities | 62 659 | 8 380 | 17 149 | 88 188 |
| **Net (assets)/liabilities for insurance contracts issued as of 1 January** | 52 691 | 9 319 | 22 959 | 84 969 |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services provided | | | -7 551 | -7 551 |
| Changes in risk adjustment | | -1 254 | | -1 254 |
| Experience adjustments | -1 150 | | | -1 150 |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | -6 804 | 1 216 | 6 232 | 644 |
| Changes in estimates that adjust the contractual service margin | 1 610 | -441 | -1 169 | 0 |
| Changes in estimates that result in losses and reversal of losses on onerous contracts | 435 | -5 | | 430 |
| Changes that relate to past services: | | | | |
| Adjustments to liabilities for incurred claims | 2 897 | -477 | | 2 420 |
| **Insurance service result** | -3 012 | -961 | -2 488 | -6 461 |
| Finance income/expenses from insurance contracts issued | -18 | 98 | 875 | 955 |
| Effect of foreign exchange | -1 330 | -225 | -725 | -2 280 |
| **Total changes in profit or loss and other comprehensive income** | -4 360 | -1 088 | -2 338 | -7 786 |
| Premiums received | 43 836 | | | 43 836 |
| Claims and other insurance service expenses paid, including investment components paid | -37 283 | | | -37 283 |
| Insurance acquisition cash flows | -3 420 | | | -3 420 |
| **Cash flows** | 3 133 | 0 | 0 | 3 133 |
| Acquisitions and disposals | | | | 0 |
| Other items | 26 | | | 26 |
| **Other movements** | 26 | 0 | 0 | 26 |
| **Net (assets)/liabilities for insurance contracts issued as of 31 December** | 51 490 | 8 231 | 20 621 | 80 342 |
| Closing assets | -8 826 | 773 | 5 136 | -2 917 |
| Closing liabilities | 60 316 | 7 458 | 15 485 | 83 259 |

### Reinsurance contracts held: remaining coverage and incurred claims – Group

A reconciliation of the opening and closing balances of the assets for remaining coverage and of the assets for incurred claims is presented as follows for the years ended 31 December:

| **2025** | Assets for remaining coverage | | | |
|---|---|---|---|---|
| USD millions | Excluding loss-recovery component | Loss-recovery component | Assets for incurred claims | Total |
| Opening assets | 3 264 | 6 | 2 768 | 6 038 |
| Opening liabilities | -5 445 | | 1 521 | -3 924 |
| **Net assets/(liabilities) for reinsurance contracts held as of 1 January** | **-2 181** | **6** | **4 289** | **2 114** |
| Expected recoveries of incurred claims and other insurance service expenses | -1 670 | | | -1 670 |
| Changes in risk adjustment | -215 | | | -215 |
| Contractual service margin recognised for services received | -998 | | | -998 |
| Experience adjustment for premium payments related to current and past services | 72 | | | 72 |
| **Allocation of reinsurance premiums paid** | **-2 811** | **0** | **0** | **-2 811** |
| Incurred claims and other insurance service expenses recoverable | | -17 | 1 297 | 1 280 |
| Adjustments to incurred claims recoverable | | | -56 | -56 |
| Recoveries of losses and change of losses on onerous underlying contracts | | 19 | | 19 |
| **Amounts recoverable from reinsurers** | **0** | **2** | **1 241** | **1 243** |
| Reinsurance investment components | -139 | | 139 | 0 |
| **Net income/expenses from reinsurance contracts held** | **-2 950** | **2** | **1 380** | **-1 568** |
| Finance income/expenses from reinsurance contracts held | 22 | | 215 | 237 |
| Effect of foreign exchange | -98 | | 167 | 68 |
| **Total changes in profit or loss and other comprehensive income** | **-3 026** | **2** | **1 763** | **-1 262** |
| Premiums paid | 3 576 | | | 3 576 |
| Claims and other insurance service expenses recovered | | | -1 800 | -1 800 |
| **Cash flows** | **3 576** | **0** | **-1 800** | **1 776** |
| Acquisitions and disposals | -26 | | -36 | -63 |
| Other items | | | | 0 |
| **Other movements** | **-26** | **0** | **-36** | **-63** |
| **Net assets/(liabilities) for reinsurance contracts held as of 31 December** | **-1 658** | **8** | **4 215** | **2 565** |
| Closing assets | 4 076 | 8 | 2 521 | 6 604 |
| Closing liabilities | -5 733 | 1 | 1 694 | -4 039 |

| 2024<br>USD millions | Assets for remaining coverage<br>Excluding loss-recovery component | <br>Loss-recovery component | Assets for incurred claims | Total |
|---|---|---|---|---|
| Opening assets | 4 885 | 12 | 3 528 | 8 425 |
| Opening liabilities | -5 394 | | 1 606 | -3 788 |
| **Net assets/(liabilities) for reinsurance contracts held as of 1 January** | -509 | 12 | 5 134 | 4 637 |
| | | | | |
| Expected recoveries of incurred claims and other insurance service expenses | -1 625 | | | -1 625 |
| Changes in risk adjustment | -234 | | | -234 |
| Contractual service margin recognised for services received | -1 532 | | | -1 532 |
| Experience adjustment for premium payments related to current and past services | 79 | | | 79 |
| **Allocation of reinsurance premiums paid** | -3 312 | 0 | 0 | -3 312 |
| | | | | |
| Incurred claims and other insurance service expenses recoverable | | -16 | 931 | 915 |
| Adjustments to incurred claims recoverable | | | 228 | 228 |
| Recoveries of losses and change of losses on onerous underlying contracts | | 12 | | 12 |
| **Amounts recoverable from reinsurers** | 0 | -4 | 1 159 | 1 155 |
| | | | | |
| Reinsurance investment components | -228 | | 228 | 0 |
| **Net income/expenses from reinsurance contracts held** | -3 540 | -4 | 1 387 | -2 157 |
| | | | | |
| Finance income/expenses from reinsurance contracts held | 16 | | 33 | 49 |
| Effect of foreign exchange | 67 | -2 | -166 | -101 |
| **Total changes in profit or loss and other comprehensive income** | -3 457 | -6 | 1 254 | -2 209 |
| | | | | |
| Premiums paid | 1 778 | | | 1 778 |
| Claims and other insurance service expenses recovered | | | -2 088 | -2 088 |
| **Cash flows** | 1 778 | 0 | -2 088 | -310 |
| | | | | |
| Acquisitions and disposals | | | | 0 |
| Other items | 7 | | -11 | -4 |
| **Other movements** | 7 | 0 | -11 | -4 |
| | | | | |
| **Net assets/(liabilities) for reinsurance contracts held as of 31 December** | -2 181 | 6 | 4 289 | 2 114 |
| Closing assets | 3 264 | 6 | 2 768 | 6 038 |
| Closing liabilities | -5 445 | | 1 521 | -3 924 |

## Reinsurance contracts held: measurement components – Group

A reconciliation of the opening and closing balances of reinsurance contracts held assets analysed by measurement component is presented as follows for the years ended 31 December:

| **2025**<br>USD millions | Estimates of the present value of future cash flows | Risk adjustment | Contractual service margin | Total |
|---|---|---|---|---|
| Opening assets | 5 243 | 409 | 386 | 6 038 |
| Opening liabilities | -4 602 | 342 | 336 | -3 924 |
| **Net assets/(liabilities) for reinsurance contracts held as of 1 January** | **641** | **751** | **722** | **2 114** |
| | | | | |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services received | | | -998 | -998 |
| Changes in risk adjustment | | -212 | | -212 |
| Experience adjustments | -321 | | | -321 |
| | | | | |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | -1 148 | 125 | 1 041 | 19 |
| Changes in estimates that adjust the contractual service margin | 50 | -26 | -24 | 0 |
| Changes in estimates that do not adjust the contractual service margin | | | | 0 |
| | | | | |
| Changes that relate to past services: | | | | |
| Adjustments to incurred claims recoverable | -17 | -40 | | -56 |
| **Net income or expense from reinsurance contracts held** | **-1 435** | **-152** | **19** | **-1 568** |
| | | | | |
| Finance income/expenses from reinsurance contracts held | 145 | 29 | 63 | 237 |
| Effect of foreign exchange | 36 | 15 | 17 | 68 |
| **Total changes in profit or loss and other comprehensive income** | **-1 253** | **-109** | **100** | **-1 262** |
| | | | | |
| Premiums paid | 3 576 | | | 3 576 |
| Claims and other insurance service expenses recovered | -1 800 | | | -1 800 |
| **Cash flows** | **1 776** | **0** | **0** | **1 776** |
| | | | | |
| Acquisitions and disposals | -64 | | 1 | -63 |
| Other items | | | | 0 |
| **Other movements** | **-64** | **0** | **1** | **-63** |
| | | | | |
| **Net assets/(liabilities) for reinsurance contracts held as of 31 December** | **1 100** | **641** | **824** | **2 565** |
| Closing assets | 5 748 | 357 | 499 | 6 604 |
| Closing liabilities | -4 647 | 284 | 324 | -4 039 |

| 2024<br>USD millions | Estimates of the present value of future cash flows | Risk adjustment | Contractual service margin | Total |
|---|---|---|---|---|
| Opening assets | 6 793 | 1 032 | 600 | 8 425 |
| Opening liabilities | -4 039 | 40 | 211 | -3 788 |
| **Net assets/(liabilities) for reinsurance contracts held as of 1 January** | 2 754 | 1 072 | 811 | 4 637 |
| | | | | |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services received | | | -1 532 | -1 532 |
| Changes in risk adjustment | | -227 | | -227 |
| Experience adjustments | -638 | | | -638 |
| | | | | |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | -1 477 | 221 | 1 268 | 12 |
| Changes in estimates that adjust the contractual service margin | 149 | -281 | 132 | 0 |
| Changes in estimates that do not adjust the contractual service margin | | | | 0 |
| | | | | |
| Changes that relate to past services: | | | | |
| Adjustments to incurred claims recoverable | 268 | -40 | | 228 |
| **Net income or expense from reinsurance contracts held** | -1 698 | -327 | -132 | -2 157 |
| | | | | |
| Finance income/expenses from reinsurance contracts held | -52 | 33 | 68 | 49 |
| Effect of foreign exchange | -49 | -27 | -25 | -101 |
| **Total changes in profit or loss and other comprehensive income** | -1 799 | -321 | -89 | -2 209 |
| | | | | |
| Premiums paid | 1 778 | | | 1 778 |
| Claims and other insurance service expenses recovered | -2 088 | | | -2 088 |
| **Cash flows** | -310 | 0 | 0 | -310 |
| | | | | |
| Acquisitions and disposals | | | | 0 |
| Other items | -4 | | | -4 |
| **Other movements** | -4 | 0 | 0 | -4 |
| | | | | |
| **Net assets/(liabilities) for reinsurance contracts held as of 31 December** | 641 | 751 | 722 | 2 114 |
| Closing assets | 5 243 | 409 | 386 | 6 038 |
| Closing liabilities | -4 602 | 342 | 336 | -3 924 |

**Effect of insurance contracts initially recognised in the year – Group**

The effect on the balance sheet for insurance contracts issued and reinsurance contracts held that are initially recognised in the period is presented as follows for the years ended 31 December:

| **2025** | | | Insurance contracts issued | Reinsurance contracts held |
|---|---|---|---|---|
| USD millions | Profitable contracts | Onerous contracts | Total | Total |
| Estimates of the present value of future cash inflows | -39 085 | -7 175 | -46 260 | -2 777 |
| Estimates of the present value of future cash outflows excluding insurance acquisition cash flows | 30 342 | 7 010 | 37 352 | 3 924 |
| Estimates of insurance acquisition cash flows | 2 104 | 603 | 2 707 | 0 |
| Risk adjustment | 907 | 220 | 1 127 | -125 |
| Contractual service margin | 5 732 | | 5 732 | -1 041 |
| **Loss/(income) recognised on initial recognition** | **0** | **659** | **659** | **-19** |

| 2024 | | | Insurance contracts issued | Reinsurance contracts held |
|---|---|---|---|---|
| USD millions | Profitable contracts | Onerous contracts | Total | Total |
| Estimates of the present value of future cash inflows | -34 769 | -6 778 | -41 547 | -5 129 |
| Estimates of the present value of future cash outflows excluding insurance acquisition cash flows | 25 028 | 6 501 | 31 529 | 6 606 |
| Estimates of insurance acquisition cash flows | 2 534 | 680 | 3 214 | 0 |
| Risk adjustment | 975 | 241 | 1 216 | -221 |
| Contractual service margin | 6 232 | | 6 232 | -1 268 |
| **Loss/(income) recognised on initial recognition** | 0 | 644 | 644 | -12 |

### Insurance contracts issued: impact of transition approaches adopted – Group

Insurance revenue for the period and a reconciliation of the opening and closing balance of the contractual service margin for insurance contracts issued by transition method are presented as follows for the years ended 31 December:

| **2025**<br>USD millions | Contracts using the modified retrospective approach | Contracts using the fair value approach | Other insurance contracts | Total |
|---|---|---|---|---|
| **Insurance revenue** | **-3 027** | **-10 181** | **-29 928** | **-43 136** |
| **Contractual service margin as of 1 January** | **3 178** | **11 102** | **6 341** | **20 621** |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services provided | -346 | -1 028 | -5 053 | -6 427 |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | | | 5 733 | 5 732 |
| Changes in estimates that adjust the contractual service margin | -185 | -145 | -754 | -1 084 |
| Finance income/expenses from insurance contracts issued | 40 | 365 | 402 | 807 |
| Effect of foreign exchange | 160 | 293 | 289 | 742 |
| Acquisitions and disposals | | | -2 | -2 |
| Other items | -23 | 13 | 10 | 0 |
| **Contractual service margin as of 31 December** | **2 824** | **10 600** | **6 966** | **20 390** |

| 2024<br>USD millions | Contracts using the modified retrospective approach | Contracts using the fair value approach | Other insurance contracts | Total |
|---|---|---|---|---|
| **Insurance revenue** | -3 200 | -11 299 | -31 099 | -45 598 |
| **Contractual service margin as of 1 January** | 3 860 | 13 297 | 5 802 | 22 959 |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services provided | -447 | -1 496 | -5 608 | -7 551 |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | | | 6 232 | 6 232 |
| Changes in estimates that adjust the contractual service margin | -168 | -700 | -301 | -1 169 |
| Finance income/expenses from insurance contracts issued | 39 | 417 | 419 | 875 |
| Effect of foreign exchange | -106 | -416 | -203 | -725 |
| Acquisitions and disposals | | | | 0 |
| Other items | | | | 0 |
| **Contractual service margin as of 31 December** | 3 178 | 11 102 | 6 341 | 20 621 |

**Insurance contracts issued: impact of transition approaches adopted – Group**

Allocation of reinsurance premium paid for the period and a reconciliation of the opening and closing balance of the contractual service margin for reinsurance contracts held by transition method are presented as follows for the years ended 31 December:

| **2025**<br>USD millions | Contracts using the modified retrospective approach | Contracts using the fair value approach | Other insurance contracts | Total |
|---|---|---|---|---|
| **Allocation of reinsurance premiums paid** | **87** | **201** | **2 523** | **2 811** |
| | | | | |
| **Contractual service margin as of 1 January** | **62** | **66** | **594** | **722** |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services received | 12 | -56 | -954 | **-998** |
| | | | | |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | | | 1 041 | **1 041** |
| Changes in estimates that adjust the contractual service margin | 19 | -21 | -22 | **-24** |
| | | | | |
| Finance income/expenses from reinsurance contracts held | 1 | | 63 | **63** |
| Effect of foreign exchange | 5 | -1 | 14 | **17** |
| Acquisitions and disposals | | | 1 | **1** |
| Other items | 1 | -2 | | **0** |
| **Contractual service margin as of 31 December** | **100** | **-14** | **738** | **824** |

| 2024<br>USD millions | Contracts using the modified retrospective approach | Contracts using the fair value approach | Other insurance contracts | Total |
|---|---|---|---|---|
| **Allocation of reinsurance premiums paid** | 137 | 547 | 2 628 | 3 312 |
| | | | | |
| **Contractual service margin as of 1 January** | 53 | 318 | 440 | 811 |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services received | -13 | -347 | -1 172 | -1 532 |
| | | | | |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | | | 1 268 | 1 268 |
| Changes in estimates that adjust the contractual service margin | 27 | 99 | 6 | 132 |
| | | | | |
| Finance income/expenses from reinsurance contracts held | | -4 | 72 | 68 |
| Effect of foreign exchange | -5 | | -20 | -25 |
| Acquisitions and disposals | | | | 0 |
| Other items | | | | 0 |
| **Contractual service margin as of 31 December** | 62 | 66 | 594 | 722 |

### Insurance contracts issued: remaining coverage and incurred claims – Property & Casualty Reinsurance

A reconciliation of the opening and closing balances of the liabilities for remaining coverage and of the liabilities for incurred claims is presented as follows for the years ended 31 December:

| 2025 | Liabilities for remaining coverage | | | |
|---|---|---|---|---|
| USD millions | Excluding loss component | Loss component | Liabilities for incurred claims | Total |
| Opening assets | -2 527 | 4 | 1 274 | -1 249 |
| Opening liabilities | -5 304 | 444 | 52 877 | 48 017 |
| **Net (assets)/liabilities for insurance contracts issued as of 1 January** | **-7 831** | **448** | **54 151** | **46 768** |
| | | | | |
| Expected incurred claims and other insurance service expenses | -13 778 | | | -13 778 |
| Changes in risk adjustment | -608 | | | -608 |
| Contractual service margin recognised for services provided | -3 219 | | | -3 219 |
| Experience adjustment for premium receipts related to current and past services | 106 | | | 106 |
| Recovery of insurance acquisition cash flows | -1 203 | | | -1 203 |
| **Insurance revenue** | **-18 703** | **0** | **0** | **-18 703** |
| | | | | |
| Incurred claims and other insurance service expenses | | -537 | 13 365 | 12 827 |
| Adjustments to liabilities for incurred claims | | | -471 | -471 |
| Losses and change of losses on onerous contracts | | 641 | | 641 |
| Experience adjustment and amortisation of insurance acquisition cash flows | 1 188 | | | 1 188 |
| **Insurance service expense** | **1 188** | **103** | **12 894** | **14 185** |
| | | | | |
| Investment components | (1 675) | | 1 675 | 0 |
| **Insurance service result** | **-19 191** | **103** | **14 569** | **-4 519** |
| | | | | |
| Finance income/expenses from insurance contracts issued | -204 | 14 | 2 263 | 2 073 |
| Effect of foreign exchange | -332 | 21 | 2 202 | 1 890 |
| **Total changes in profit or loss and other comprehensive income** | **-19 727** | **139** | **19 033** | **-555** |
| | | | | |
| Premiums received | 19 870 | | | 19 870 |
| Claims and other insurance service expenses paid, including investment components paid | | | -16 794 | -16 794 |
| Insurance acquisition cash flows | -1 281 | | | -1 281 |
| **Cash flows** | **18 589** | **0** | **-16 794** | **1 795** |
| | | | | |
| Other items | | | | 0 |
| **Other movements** | **0** | **0** | **0** | **0** |
| | | | | |
| **Net (assets)/liabilities for insurance contracts issued as of 31 December** | **-8 969** | **587** | **56 390** | **48 007** |
| Closing assets | -2 764 | 1 | 1 497 | -1 266 |
| Closing liabilities | -6 205 | 585 | 54 894 | 49 274 |

| 2024<br>USD millions | Liabilities for remaining coverage<br>Excluding loss component | Loss component | Liabilities for incurred claims | Total |
|---|---|---|---|---|
| Opening assets | -1 855 | 5 | 771 | -1 079 |
| Opening liabilities | -5 176 | 535 | 52 974 | 48 333 |
| **Net (assets)/liabilities for insurance contracts issued as of 1 January** | -7 031 | 540 | 53 745 | 47 254 |
| | | | | |
| Expected incurred claims and other insurance service expenses | -13 749 | | | -13 749 |
| Changes in risk adjustment | -713 | | | -713 |
| Contractual service margin recognised for services provided | -3 957 | | | -3 957 |
| Experience adjustment for premium receipts related to current and past services | -76 | | | -76 |
| Recovery of insurance acquisition cash flows | -1 275 | | | -1 275 |
| **Insurance revenue** | -19 770 | 0 | 0 | -19 770 |
| | | | | |
| Incurred claims and other insurance service expenses | | -467 | 13 455 | 12 988 |
| Adjustments to liabilities for incurred claims | | | 2 159 | 2 159 |
| Losses and change of losses on onerous contracts | | 386 | | 386 |
| Experience adjustment and amortisation of insurance acquisition cash flows | 1 260 | | | 1 260 |
| **Insurance service expense** | 1 260 | -81 | 15 614 | 16 793 |
| | | | | |
| Investment components | -1 465 | | 1 465 | 0 |
| **Insurance service result** | -19 975 | -81 | 17 079 | -2 977 |
| | | | | |
| Finance income/expenses from insurance contracts issued | -242 | 12 | 826 | 596 |
| Effect of foreign exchange | 169 | -23 | -1 332 | -1 186 |
| **Total changes in profit or loss and other comprehensive income** | -20 048 | -92 | 16 573 | -3 567 |
| | | | | |
| Premiums received | 20 547 | | | 20 547 |
| Claims and other insurance service expenses paid, including investment components paid | | | -16 170 | -16 170 |
| Insurance acquisition cash flows | -1 306 | | | -1 306 |
| **Cash flows** | 19 241 | 0 | -16 170 | 3 071 |
| | | | | |
| Other items | 7 | | 3 | 10 |
| **Other movements** | 7 | 0 | 3 | 10 |
| | | | | |
| **Net (assets)/liabilities for insurance contracts issued as of 31 December** | -7 831 | 448 | 54 151 | 46 768 |
| Closing assets | -2 527 | 4 | 1 274 | -1 249 |
| Closing liabilities | -5 304 | 444 | 52 877 | 48 017 |

### Insurance contracts issued: measurement components – Property & Casualty Reinsurance

A reconciliation of the opening and closing balances of insurance contract liabilities analysed by measurement component is presented as follows for the years ended 31 December:

| **2025**<br>USD millions | Estimates of the present value of future cash flows | Risk adjustment | Contractual service margin | Total |
|---|---|---|---|---|
| Opening assets | -1 442 | 55 | 138 | -1 249 |
| Opening liabilities | 44 998 | 1 592 | 1 427 | 48 017 |
| **Net (assets)/liabilities for insurance contracts issued as of 1 January** | **43 556** | **1 647** | **1 565** | **46 768** |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services provided | | | -3 219 | -3 219 |
| Changes in risk adjustment | | -655 | | -655 |
| Experience adjustments | -814 | | | -814 |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | -3 244 | 617 | 3 161 | 534 |
| Changes in estimates that adjust the contractual service margin | 147 | 1 | -147 | 0 |
| Changes in estimates that result in losses and reversal of losses on onerous contracts | 103 | 4 | | 107 |
| Changes that relate to past services: | | | | |
| Adjustments to liabilities for incurred claims | -277 | -194 | | -471 |
| **Insurance service result** | **-4 085** | **-228** | **-206** | **-4 519** |
| Finance income/expenses from insurance contracts issued | 1 819 | 90 | 164 | 2 073 |
| Effect of foreign exchange | 1 726 | 86 | 79 | 1 890 |
| **Total changes in profit or loss and other comprehensive income** | **-541** | **-52** | **38** | **-555** |
| Premiums received | 19 870 | | | 19 870 |
| Claims and other insurance service expenses paid, including investment components paid | -16 794 | | | -16 794 |
| Insurance acquisition cash flows | -1 281 | | | -1 281 |
| **Cash flows** | **1 795** | **0** | **0** | **1 795** |
| Other items | | | | 0 |
| **Other movements** | **0** | **0** | **0** | **0** |
| **Net (assets)/liabilities for insurance contracts issued as of 31 December** | **44 810** | **1 594** | **1 603** | **48 007** |
| Closing assets | -1 392 | 50 | 76 | -1 266 |
| Closing liabilities | 46 202 | 1 544 | 1 527 | 49 274 |

| 2024<br>USD millions | Estimates of the present value of future cash flows | Risk adjustment | Contractual service margin | Total |
|---|---|---|---|---|
| Opening assets | -1 307 | 94 | 134 | -1 079 |
| Opening liabilities | 44 594 | 1 828 | 1 911 | 48 333 |
| **Net (assets)/liabilities for insurance contracts issued as of 1 January** | 43 287 | 1 922 | 2 045 | 47 254 |
| | | | | |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services provided | | | -3 957 | -3 957 |
| Changes in risk adjustment | | -543 | | -543 |
| Experience adjustments | -1 022 | | | -1 022 |
| | | | | |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | -3 698 | 697 | 3 466 | 465 |
| Changes in estimates that adjust the contractual service margin | 150 | -21 | -129 | 0 |
| Changes in estimates that result in losses and reversal of losses on onerous contracts | -71 | -8 | | -79 |
| | | | | |
| Changes that relate to past services: | | | | |
| Adjustments to liabilities for incurred claims | 2 548 | -389 | | 2 159 |
| **Insurance service result** | -2 093 | -264 | -620 | -2 977 |
| | | | | |
| Finance income/expenses from insurance contracts issued | 349 | 40 | 207 | 596 |
| Effect of foreign exchange | -1 068 | -51 | -67 | -1 186 |
| **Total changes in profit or loss and other comprehensive income** | -2 812 | -275 | -480 | -3 567 |
| | | | | |
| Premiums received | 20 547 | | | 20 547 |
| Claims and other insurance service expenses paid, including investment components paid | -16 170 | | | -16 170 |
| Insurance acquisition cash flows | -1 306 | | | -1 306 |
| **Cash flows** | 3 071 | 0 | 0 | 3 071 |
| | | | | |
| Other items | 10 | | | 10 |
| **Other movements** | 10 | 0 | 0 | 10 |
| | | | | |
| **Net (assets)/liabilities for insurance contracts issued as of 31 December** | 43 556 | 1 647 | 1 565 | 46 768 |
| Closing assets | -1 442 | 55 | 138 | -1 249 |
| Closing liabilities | 44 998 | 1 592 | 1 427 | 48 017 |

### Insurance contracts issued initially recognised – Property & Casualty Reinsurance

The effect on the balance sheet for insurance contracts issued that are initially recognised in the period is presented as follows for the years ended 31 December:

| **2025** | | | Insurance contracts issued |
|---|---|---|---|
| USD millions | Profitable contracts | Onerous contracts | Total |
| Estimates of the present value of future cash inflows | -14 710 | -4 747 | -19 457 |
| Estimates of the present value of future cash outflows excluding insurance acquisition cash flows | 10 593 | 4 992 | 15 585 |
| Estimates of insurance acquisition cash flows | 506 | 121 | 627 |
| Risk adjustment | 449 | 168 | 617 |
| Contractual service margin | 3 161 | | 3 161 |
| **Loss/(income) recognised on initial recognition** | **0** | **534** | **534** |

| 2024 | | | Insurance contracts issued |
|---|---|---|---|
| USD millions | Profitable contracts | Onerous contracts | Total |
| Estimates of the present value of future cash inflows | -15 135 | -4 222 | -19 357 |
| Estimates of the present value of future cash outflows excluding insurance acquisition cash flows | 10 643 | 4 362 | 15 005 |
| Estimates of insurance acquisition cash flows | 499 | 155 | 654 |
| Risk adjustment | 527 | 170 | 697 |
| Contractual service margin | 3 466 | | 3 466 |
| **Loss/(income) recognised on initial recognition** | 0 | 465 | 465 |

### Insurance contracts issued: impact of transition approaches adopted – Property & Casualty Reinsurance

Insurance revenue for the period and a reconciliation of the opening and closing balance of the contractual service margin for insurance contracts issued by transition method are presented as follows for the years ended 31 December:

| **2025**<br>USD millions | Contracts using the modified retrospective approach | Contracts using the fair value approach | Other insurance contracts | Total |
|---|---|---|---|---|
| **Insurance revenue** | **-41** | **-281** | **-18 382** | **-18 703** |
| **Contractual service margin as of 1 January** | **53** | **31** | **1 481** | **1 565** |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services provided | -10 | -18 | -3 192 | -3 219 |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | | | 3 161 | 3 161 |
| Changes in estimates that adjust the contractual service margin | -1 | -20 | -126 | -147 |
| Finance income/expenses from insurance contracts issued | | 3 | 161 | 164 |
| Effect of foreign exchange | 2 | 3 | 74 | 79 |
| Other items | | | | 0 |
| **Contractual service margin as of 31 December** | **44** | **0** | **1 559** | **1 603** |

| 2024<br>USD millions | Contracts using the modified retrospective approach | Contracts using the fair value approach | Other insurance contracts | Total |
|---|---|---|---|---|
| **Insurance revenue** | -141 | -509 | -19 120 | -19 770 |
| **Contractual service margin as of 1 January** | 74 | 237 | 1 734 | 2 045 |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services provided | -20 | -116 | -3 821 | -3 957 |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | | | 3 466 | 3 466 |
| Changes in estimates that adjust the contractual service margin | 1 | -95 | -35 | -129 |
| Finance income/expenses from insurance contracts issued | 1 | 9 | 197 | 207 |
| Effect of foreign exchange | -3 | -4 | -60 | -67 |
| Other items | | | | 0 |
| **Contractual service margin as of 31 December** | 53 | 31 | 1 481 | 1 565 |

### Insurance contracts issued: remaining coverage and incurred claims – Life & Health Reinsurance

A reconciliation of the opening and closing balances of the liabilities for remaining coverage and of the liabilities for incurred claims is presented as follows for the years ended 31 December:

| 2025 | Liabilities for remaining coverage | | | |
|---|---|---|---|---|
| USD millions | Excluding loss component | Loss component | Liabilities for incurred claims | Total |
| Opening assets | -5 662 | 185 | 3 307 | -2 170 |
| Opening liabilities | 14 359 | 877 | 8 796 | 24 032 |
| **Net (assets)/liabilities for insurance contracts issued as of 1 January** | **8 697** | **1 062** | **12 103** | **21 862** |
| Expected incurred claims and other insurance service expenses | -14 168 | | | -14 168 |
| Changes in risk adjustment | -592 | | | -592 |
| Contractual service margin recognised for services provided | -1 743 | | | -1 743 |
| Experience adjustment for premium receipts related to current and past services | 348 | | | 348 |
| Recovery of insurance acquisition cash flows | -349 | | | -349 |
| **Insurance revenue** | **-16 504** | **0** | **0** | **-16 504** |
| Incurred claims and other insurance service expenses | | -227 | 14 663 | 14 435 |
| Adjustments to liabilities for incurred claims | | | -141 | -141 |
| Losses and change of losses on onerous contracts | | 580 | | 580 |
| Experience adjustment and amortisation of insurance acquisition cash flows | 370 | | | 370 |
| **Insurance service expense** | **370** | **353** | **14 521** | **15 244** |
| Investment components | -1 761 | | 1 761 | 0 |
| **Insurance service result** | **-17 896** | **353** | **16 283** | **-1 260** |
| Finance income/expenses from insurance contracts issued | 116 | 21 | 338 | 476 |
| Effect of foreign exchange | -98 | 115 | 643 | 660 |
| **Total changes in profit or loss and other comprehensive income** | **-17 877** | **489** | **17 264** | **-124** |
| Premiums received | 16 481 | | | 16 481 |
| Claims and other insurance service expenses paid, including investment components paid | | | -16 827 | -16 827 |
| Insurance acquisition cash flows | -348 | | | -348 |
| **Cash flows** | **16 132** | **0** | **-16 827** | **-695** |
| Other items | | | | 0 |
| **Other movements** | **0** | **0** | **0** | **0** |
| **Net (assets)/liabilities for insurance contracts issued as of 31 December** | **6 952** | **1 551** | **12 539** | **21 042** |
| Closing assets | -6 520 | 170 | 3 742 | -2 608 |
| Closing liabilities | 13 472 | 1 382 | 8 797 | 23 650 |

| 2024<br>USD millions | Liabilities for remaining coverage<br>Excluding loss component | Liabilities for remaining coverage<br>Loss component | Liabilities for incurred claims | Total |
|---|---|---|---|---|
| Opening assets | -5 959 | 71 | 3 259 | -2 629 |
| Opening liabilities | 19 620 | 695 | 8 700 | 29 015 |
| **Net (assets)/liabilities for insurance contracts issued as of 1 January** | 13 661 | 766 | 11 959 | 26 386 |
| | | | | |
| Expected incurred claims and other insurance service expenses | -13 897 | | | -13 897 |
| Changes in risk adjustment | -604 | | | -604 |
| Contractual service margin recognised for services provided | -2 226 | | | -2 226 |
| Experience adjustment for premium receipts related to current and past services | 6 | | | 6 |
| Recovery of insurance acquisition cash flows | -346 | | | -346 |
| **Insurance revenue** | -17 067 | 0 | 0 | -17 067 |
| | | | | |
| Incurred claims and other insurance service expenses | | -172 | 14 122 | 13 950 |
| Adjustments to liabilities for incurred claims | | | 182 | 182 |
| Losses and change of losses on onerous contracts | | 501 | | 501 |
| Experience adjustment and amortisation of insurance acquisition cash flows | 411 | | | 411 |
| **Insurance service expense** | 411 | 329 | 14 304 | 15 044 |
| | | | | |
| Investment components | -1 569 | | 1 569 | 0 |
| **Insurance service result** | -18 225 | 329 | 15 873 | -2 023 |
| | | | | |
| Finance income/expenses from insurance contracts issued | -186 | 16 | 277 | 107 |
| Effect of foreign exchange | -215 | -49 | -484 | -748 |
| **Total changes in profit or loss and other comprehensive income** | -18 626 | 296 | 15 666 | -2 664 |
| | | | | |
| Premiums received | 14 006 | | | 14 006 |
| Claims and other insurance service expenses paid, including investment components paid | | | -15 524 | -15 524 |
| Insurance acquisition cash flows | -357 | | | -357 |
| **Cash flows** | 13 649 | 0 | -15 524 | -1 875 |
| | | | | |
| Other items | 13 | | 2 | 15 |
| **Other movements** | 13 | 0 | 2 | 15 |
| | | | | |
| **Net (assets)/liabilities for insurance contracts issued as of 31 December** | 8 697 | 1 062 | 12 103 | 21 862 |
| Closing assets | -5 662 | 185 | 3 307 | -2 170 |
| Closing liabilities | 14 359 | 877 | 8 796 | 24 032 |

### Insurance contracts issued: measurement components – Life & Health Reinsurance

A reconciliation of the opening and closing balances of insurance contract liabilities analysed by measurement component is presented as follows for the years ended 31 December:

| 2025<br>USD millions | Estimates of the present value of future cash flows | Risk adjustment | Contractual service margin | Total |
|---|---|---|---|---|
| Opening assets | -7 691 | 696 | 4 825 | -2 170 |
| Opening liabilities | 5 608 | 5 518 | 12 906 | 24 032 |
| **Net (assets)/liabilities for insurance contracts issued as of 1 January** | **-2 083** | **6 214** | **17 731** | **21 862** |
| | | | | |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services provided | | | -1 743 | -1 743 |
| Changes in risk adjustment | | -603 | | -603 |
| Experience adjustments | 646 | | | 646 |
| | | | | |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | -1 455 | 379 | 1 126 | 50 |
| Changes in estimates that adjust the contractual service margin | 1 157 | -223 | -934 | 0 |
| Changes in estimates that result in losses and reversal of losses on onerous contracts | 515 | 15 | | 530 |
| | | | | |
| Changes that relate to past services: | | | | |
| Adjustments to liabilities for incurred claims | -141 | | | -141 |
| **Insurance service result** | **722** | **-431** | **-1 551** | **-1 260** |
| | | | | |
| Finance income/expenses from insurance contracts issued | -368 | 281 | 562 | 476 |
| Effect of foreign exchange | -94 | 175 | 579 | 660 |
| **Total changes in profit or loss and other comprehensive income** | **260** | **25** | **-409** | **-124** |
| | | | | |
| Premiums received | 16 481 | | | 16 481 |
| Claims and other insurance service expenses paid, including investment components paid | -16 827 | | | -16 827 |
| Insurance acquisition cash flows | -348 | | | -348 |
| **Cash flows** | **-695** | **0** | **0** | **-695** |
| | | | | |
| Other items | | | | 0 |
| **Other movements** | **0** | **0** | **0** | **0** |
| | | | | |
| **Net (assets)/liabilities for insurance contracts issued as of 31 December** | **-2 518** | **6 239** | **17 322** | **21 042** |
| Closing assets | -8 571 | 835 | 5 128 | -2 608 |
| Closing liabilities | 6 053 | 5 404 | 12 193 | 23 650 |

| 2024<br>USD millions | Estimates of the present value of future cash flows | Risk adjustment | Contractual service margin | Total |
|---|---|---|---|---|
| Opening assets | -9 009 | 823 | 5 557 | -2 629 |
| Opening liabilities | 8 498 | 6 160 | 14 357 | 29 015 |
| **Net (assets)/liabilities for insurance contracts issued as of 1 January** | -511 | 6 983 | 19 914 | 26 386 |
| | | | | |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services provided | | | -2 226 | -2 226 |
| Changes in risk adjustment | | -608 | | -608 |
| Experience adjustments | 128 | | | 128 |
| | | | | |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | -1 540 | 366 | 1 232 | 58 |
| Changes in estimates that adjust the contractual service margin | 1 589 | -408 | -1 181 | 0 |
| Changes in estimates that result in losses and reversal of losses on onerous contracts | 442 | 1 | | 443 |
| | | | | |
| Changes that relate to past services: | | | | |
| Adjustments to liabilities for incurred claims | 188 | -6 | | 182 |
| **Insurance service result** | 807 | -655 | -2 175 | -2 023 |
| | | | | |
| Finance income/expenses from insurance contracts issued | -534 | 49 | 592 | 107 |
| Effect of foreign exchange | 15 | -163 | -600 | -748 |
| **Total changes in profit or loss and other comprehensive income** | 288 | -769 | -2 183 | -2 664 |
| | | | | |
| Premiums received | 14 006 | | | 14 006 |
| Claims and other insurance service expenses paid, including investment components paid | -15 524 | | | -15 524 |
| Insurance acquisition cash flows | -357 | | | -357 |
| **Cash flows** | -1 875 | 0 | 0 | -1 875 |
| | | | | |
| Other items | 15 | | | 15 |
| **Other movements** | 15 | 0 | 0 | 15 |
| | | | | |
| **Net (assets)/liabilities for insurance contracts issued as of 31 December** | -2 083 | 6 214 | 17 731 | 21 862 |
| Closing assets | -7 691 | 696 | 4 825 | -2 170 |
| Closing liabilities | 5 608 | 5 518 | 12 906 | 24 032 |

### Insurance contracts issued initially recognised – Life & Health Reinsurance

The effect on the balance sheet for insurance contracts issued that are initially recognised in the period is presented as follows for the years ended 31 December:

| **2025** | | | Insurance contracts issued |
|---|---|---|---|
| USD millions | Profitable contracts | Onerous contracts | Total |
| Estimates of the present value of future cash inflows | -17 876 | -787 | -18 663 |
| Estimates of the present value of future cash outflows excluding insurance acquisition cash flows | 16 142 | 776 | 16 917 |
| Estimates of insurance acquisition cash flows | 257 | 34 | 291 |
| Risk adjustment | 351 | 27 | 379 |
| Contractual service margin | 1 126 | | 1 126 |
| **Loss/(income) recognised on initial recognition** | **0** | **50** | **50** |

| 2024 | | | Insurance contracts issued |
|---|---|---|---|
| USD millions | Profitable contracts | Onerous contracts | Total |
| Estimates of the present value of future cash inflows | -11 817 | -664 | -12 481 |
| Estimates of the present value of future cash outflows excluding insurance acquisition cash flows | 10 001 | 649 | 10 650 |
| Estimates of insurance acquisition cash flows | 252 | 39 | 291 |
| Risk adjustment | 332 | 34 | 366 |
| Contractual service margin | 1 232 | | 1 232 |
| **Loss/(income) recognised on initial recognition** | 0 | 58 | 58 |

### Insurance contracts issued: impact of transition approaches adopted – Life & Health Reinsurance

Insurance revenue for the period and a reconciliation of the opening and closing balance of the contractual service margin for insurance contracts issued by transition method are presented as follows for the years ended 31 December:

| **2025**<br>**USD millions** | Contracts using the modified retrospective approach | Contracts using the fair value approach | Other insurance contracts | Total |
|---|---|---|---|---|
| **Insurance revenue** | **-2 617** | **-9 719** | **-4 168** | **-16 504** |
| **Contractual service margin as of 1 January** | **2 989** | **11 015** | **3 727** | **17 731** |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services provided | -318 | -997 | -428 | -1 743 |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | | | 1 126 | 1 126 |
| Changes in estimates that adjust the contractual service margin | -187 | -134 | -614 | -934 |
| Finance income/expenses from insurance contracts issued | 39 | 360 | 164 | 562 |
| Effect of foreign exchange | 147 | 287 | 145 | 579 |
| Other items | -23 | 13 | 10 | 0 |
| **Contractual service margin as of 31 December** | **2 647** | **10 545** | **4 130** | **17 322** |

| 2024<br>USD millions | Contracts using the modified retrospective approach | Contracts using the fair value approach | Other insurance contracts | Total |
|---|---|---|---|---|
| **Insurance revenue** | -2 661 | -10 551 | -3 855 | -17 067 |
| **Contractual service margin as of 1 January** | 3 682 | 12 992 | 3 240 | 19 914 |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services provided | -378 | -1 345 | -503 | -2 226 |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | | | 1 232 | 1 232 |
| Changes in estimates that adjust the contractual service margin | -259 | -627 | -295 | -1 181 |
| Finance income/expenses from insurance contracts issued | 37 | 405 | 150 | 592 |
| Effect of foreign exchange | -93 | -410 | -97 | -600 |
| Other items | | | | 0 |
| **Contractual service margin as of 31 December** | 2 989 | 11 015 | 3 727 | 17 731 |

### Insurance contracts issued: remaining coverage and incurred claims – Corporate Solutions

A reconciliation of the opening and closing balances of the liabilities for remaining coverage and of the liabilities for incurred claims is presented as follows for the years ended 31 December:

| 2025<br>USD millions | Liabilities for remaining coverage<br>Excluding loss component | Liabilities for remaining coverage<br>Loss component | Liabilities for incurred claims | Total |
|---|---|---|---|---|
| Opening assets | -163 | 16 | -51 | -198 |
| Opening liabilities | -179 | 80 | 13 765 | 13 666 |
| **Net (assets)/liabilities for insurance contracts issued as of 1 January** | **-342** | **96** | **13 714** | **13 468** |
| | | | | |
| Expected incurred claims and other insurance service expenses | -4 542 | | | -4 542 |
| Changes in risk adjustment | -124 | | | -124 |
| Contractual service margin recognised for services provided | -1 581 | | | -1 581 |
| Experience adjustment for premium receipts related to current and past services | 182 | | | 182 |
| Recovery of insurance acquisition cash flows | -1 672 | | | -1 672 |
| **Insurance revenue** | **-7 737** | **0** | **0** | **-7 737** |
| | | | | |
| Incurred claims and other insurance service expenses | | -92 | 4 356 | 4 264 |
| Adjustments to liabilities for incurred claims | | | -359 | -359 |
| Losses and change of losses on onerous contracts | | 66 | | 66 |
| Experience adjustment and amortisation of insurance acquisition cash flows | 1 630 | | | 1 630 |
| **Insurance service expense** | **1 630** | **-26** | **3 997** | **5 601** |
| | | | | |
| Investment components | -91 | | 91 | 0 |
| **Insurance service result** | **-6 197** | **-26** | **4 088** | **-2 136** |
| | | | | |
| Finance income/expenses from insurance contracts issued | 65 | 2 | 700 | 767 |
| Effect of foreign exchange | -56 | 4 | 400 | 348 |
| **Total changes in profit or loss and other comprehensive income** | **-6 188** | **-20** | **5 188** | **-1 020** |
| | | | | |
| Premiums received | 8 181 | | | 8 181 |
| Claims and other insurance service expenses paid, including investment components paid | | | -5 090 | -5 090 |
| Insurance acquisition cash flows | -1 533 | | | -1 533 |
| **Cash flows** | **6 648** | **0** | **-5 090** | **1 558** |
| | | | | |
| Other items | | | | 0 |
| **Other movements** | **0** | **0** | **0** | **0** |
| | | | | |
| **Net (assets)/liabilities for insurance contracts issued as of 31 December** | **118** | **76** | **13 812** | **14 006** |
| Closing assets | 201 | 21 | -410 | -188 |
| Closing liabilities | -83 | 55 | 14 222 | 14 194 |

| 2024<br>USD millions | Liabilities for remaining coverage<br>Excluding loss component | <br>Loss component | Liabilities for incurred claims | Total |
|---|---|---|---|---|
| Opening assets | -362 | 3 | 100 | -259 |
| Opening liabilities | -153 | 152 | 13 729 | 13 728 |
| **Net (assets)/liabilities for insurance contracts issued as of 1 January** | -515 | 155 | 13 829 | 13 469 |
| Expected incurred claims and other insurance service expenses | -4 590 | | | -4 590 |
| Changes in risk adjustment | -159 | | | -159 |
| Contractual service margin recognised for services provided | -1 650 | | | -1 650 |
| Experience adjustment for premium receipts related to current and past services | 144 | | | 144 |
| Recovery of insurance acquisition cash flows | -1 828 | | | -1 828 |
| **Insurance revenue** | -8 083 | 0 | 0 | -8 083 |
| Incurred claims and other insurance service expenses | | -144 | 4 313 | 4 169 |
| Adjustments to liabilities for incurred claims | | | 384 | 384 |
| Losses and change of losses on onerous contracts | | 88 | | 88 |
| Experience adjustment and amortisation of insurance acquisition cash flows | 1 630 | | | 1 630 |
| **Insurance service expense** | 1 630 | -56 | 4 697 | 6 271 |
| Investment components | -71 | | 71 | 0 |
| **Insurance service result** | -6 524 | -56 | 4 768 | -1 812 |
| Finance income/expenses from insurance contracts issued | 25 | 5 | 241 | 271 |
| Effect of foreign exchange | 36 | -8 | -325 | -297 |
| **Total changes in profit or loss and other comprehensive income** | -6 463 | -59 | 4 684 | -1 838 |
| Premiums received | 8 048 | | | 8 048 |
| Claims and other insurance service expenses paid, including investment components paid | | | -4 799 | -4 799 |
| Insurance acquisition cash flows | -1 412 | | | -1 412 |
| **Cash flows** | 6 636 | 0 | -4 799 | 1 837 |
| Other items | | | | 0 |
| **Other movements** | 0 | 0 | 0 | 0 |
| **Net (assets)/liabilities for insurance contracts issued as of 31 December** | -342 | 96 | 13 714 | 13 468 |
| Closing assets | -163 | 16 | -51 | -198 |
| Closing liabilities | -179 | 80 | 13 765 | 13 666 |

### Insurance contracts issued: measurement components – Corporate Solutions

A reconciliation of the opening and closing balances of insurance contract liabilities analysed by measurement component is presented as follows for the years ended 31 December:

| **2025**<br>USD millions | Estimates of the present value of future cash flows | Risk adjustment | Contractual service margin | Total |
|---|---|---|---|---|
| Opening assets | -284 | 7 | 79 | -198 |
| Opening liabilities | 12 189 | 403 | 1 074 | 13 666 |
| **Net (assets)/liabilities for insurance contracts issued as of 1 January** | **11 905** | **410** | **1 153** | **13 468** |
| | | | | |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services provided | | | -1 581 | -1 581 |
| Changes in risk adjustment | | -130 | | -130 |
| Experience adjustments | -132 | | | -132 |
| | | | | |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | -1 641 | 131 | 1 555 | 45 |
| Changes in estimates that adjust the contractual service margin | -51 | 10 | 41 | 0 |
| Changes in estimates that result in losses and reversal of losses on onerous contracts | 20 | 1 | | 21 |
| | | | | |
| Changes that relate to past services: | | | | |
| Adjustments to liabilities for incurred claims | -294 | -65 | | -359 |
| **Insurance service result** | **-2 097** | **-53** | **15** | **-2 136** |
| | | | | |
| Finance income/expenses from insurance contracts issued | 652 | 27 | 87 | 767 |
| Effect of foreign exchange | 271 | 11 | 66 | 348 |
| **Total changes in profit or loss and other comprehensive income** | **-1 174** | **-15** | **168** | **-1 020** |
| | | | | |
| Premiums received | 8 181 | | | 8 181 |
| Claims and other insurance service expenses paid, including investment components paid | -5 090 | | | -5 090 |
| Insurance acquisition cash flows | -1 533 | | | -1 533 |
| **Cash flows** | **1 558** | **0** | **0** | **1 558** |
| | | | | |
| Other items | | | | 0 |
| **Other movements** | **0** | **0** | **0** | **0** |
| | | | | |
| **Net (assets)/liabilities for insurance contracts issued as of 31 December** | **12 290** | **395** | **1 321** | **14 006** |
| Closing assets | -223 | 5 | 31 | -188 |
| Closing liabilities | 12 513 | 391 | 1 290 | 14 194 |

| 2024<br>USD millions | Estimates of the present value of future cash flows | Risk adjustment | Contractual service margin | Total |
|---|---|---|---|---|
| Opening assets | -343 | 7 | 77 | -259 |
| Opening liabilities | 12 321 | 471 | 936 | 13 728 |
| **Net (assets)/liabilities for insurance contracts issued as of 1 January** | 11 978 | 478 | 1 013 | 13 469 |
| | | | | |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services provided | | | -1 650 | -1 650 |
| Changes in risk adjustment | | -114 | | -114 |
| Experience adjustments | -520 | | | -520 |
| | | | | |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | -1 779 | 151 | 1 684 | 56 |
| Changes in estimates that adjust the contractual service margin | -63 | -11 | 74 | 0 |
| Changes in estimates that result in losses and reversal of losses on onerous contracts | 31 | 1 | | 32 |
| | | | | |
| Changes that relate to past services: | | | | |
| Adjustments to liabilities for incurred claims | 482 | -98 | | 384 |
| **Insurance service result** | -1 849 | -71 | 108 | -1 812 |
| | | | | |
| Finance income/expenses from insurance contracts issued | 172 | 11 | 88 | 271 |
| Effect of foreign exchange | -233 | -8 | -56 | -297 |
| **Total changes in profit or loss and other comprehensive income** | -1 910 | -68 | 140 | -1 838 |
| | | | | |
| Premiums received | 8 048 | | | 8 048 |
| Claims and other insurance service expenses paid, including investment components paid | -4 799 | | | -4 799 |
| Insurance acquisition cash flows | -1 412 | | | -1 412 |
| **Cash flows** | 1 837 | 0 | 0 | 1 837 |
| | | | | |
| Other items | | | | 0 |
| **Other movements** | 0 | 0 | 0 | 0 |
| | | | | |
| **Net (assets)/liabilities for insurance contracts issued as of 31 December** | 11 905 | 410 | 1 153 | 13 468 |
| Closing assets | -284 | 7 | 79 | -198 |
| Closing liabilities | 12 189 | 403 | 1 074 | 13 666 |

### Insurance contracts issued initially recognised – Corporate Solutions

The effect on the balance sheet for insurance contracts issued that are initially recognised in the period is presented as follows for the years ended 31 December:

| **2025** | | | Insurance contracts issued |
|---|---|---|---|
| USD millions | Profitable contracts | Onerous contracts | Total |
| Estimates of the present value of future cash inflows | -6 265 | -1 526 | -7 791 |
| Estimates of the present value of future cash outflows excluding insurance acquisition cash flows | 3 379 | 1 124 | 4 503 |
| Estimates of insurance acquisition cash flows | 1 222 | 426 | 1 647 |
| Risk adjustment | 110 | 21 | 131 |
| Contractual service margin | 1 555 | | 1 555 |
| **Loss/(income) recognised on initial recognition** | **0** | **45** | **45** |

| 2024 | | | Insurance contracts issued |
|---|---|---|---|
| USD millions | Profitable contracts | Onerous contracts | Total |
| Estimates of the present value of future cash inflows | -7 558 | -1 307 | -8 865 |
| Estimates of the present value of future cash outflows excluding insurance acquisition cash flows | 4 105 | 979 | 5 084 |
| Estimates of insurance acquisition cash flows | 1 643 | 359 | 2 002 |
| Risk adjustment | 126 | 25 | 151 |
| Contractual service margin | 1 684 | | 1 684 |
| **Loss/(income) recognised on initial recognition** | 0 | 56 | 56 |

### Insurance contracts issued: impact of transition approaches adopted – Corporate Solutions

Insurance revenue for the period and a reconciliation of the opening and closing balance of the contractual service margin for insurance contracts issued by transition method are presented as follows for the years ended 31 December:

| **2025**<br>USD millions | Contracts using the modified retrospective approach | Contracts using the fair value approach | Other insurance contracts | Total |
|---|---|---|---|---|
| **Insurance revenue** | **-59** | **-122** | **-7 555** | **-7 737** |
| **Contractual service margin as of 1 January** | **47** | **37** | **1 069** | **1 153** |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services provided | -16 | -15 | -1 550 | -1 581 |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | | 0 | 1 554 | 1 555 |
| Changes in estimates that adjust the contractual service margin | | 3 | 38 | 41 |
| Finance income/expenses from insurance contracts issued | 1 | 2 | 85 | 87 |
| Effect of foreign exchange | 4 | 3 | 59 | 66 |
| Other items | | | | 0 |
| **Contractual service margin as of 31 December** | **36** | **30** | **1 255** | **1 321** |

| 2024<br>USD millions | Contracts using the modified retrospective approach | Contracts using the fair value approach | Other insurance contracts | Total |
|---|---|---|---|---|
| **Insurance revenue** | -104 | -163 | -7 816 | -8 083 |
| **Contractual service margin as of 1 January** | 72 | 59 | 882 | 1 013 |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services provided | -28 | -30 | -1 592 | -1 650 |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | | | 1 684 | 1 684 |
| Changes in estimates that adjust the contractual service margin | 8 | 7 | 59 | 74 |
| Finance income/expenses from insurance contracts issued | 1 | 2 | 85 | 88 |
| Effect of foreign exchange | -6 | -1 | -49 | -56 |
| Other items | | | | 0 |
| **Contractual service margin as of 31 December** | 47 | 37 | 1 069 | 1 153 |

### Insurance contracts issued: remaining coverage and incurred claims – Group items

A reconciliation of the opening and closing balances of the liabilities for remaining coverage and of the liabilities for incurred claims is presented as follows for the years ended 31 December:

| 2025<br>USD millions | Liabilities for remaining coverage<br>Excluding loss component | Liabilities for remaining coverage<br>Loss component | Liabilities for incurred claims | Total |
|---|---|---|---|---|
| Opening assets | -314 | 68 | 15 | -231 |
| Opening liabilities | 391 | 486 | 703 | 1 580 |
| **Net (assets)/liabilities for insurance contracts issued as of 1 January** | **77** | **554** | **718** | **1 349** |
| Expected incurred claims and other insurance service expenses | -669 | | | -669 |
| Changes in risk adjustment | -8 | | | -8 |
| Contractual service margin recognised for services provided | -69 | | | -69 |
| Experience adjustment for premium receipts related to current and past services | 37 | | | 37 |
| Recovery of insurance acquisition cash flows | -126 | | | -126 |
| **Insurance revenue** | **-835** | **0** | **0** | **-835** |
| Incurred claims and other insurance service expenses | | -81 | 763 | 682 |
| Adjustments to liabilities for incurred claims | | | 42 | 42 |
| Losses and change of losses on onerous contracts | | 63 | | 63 |
| Experience adjustment and amortisation of insurance acquisition cash flows | 152 | | | 152 |
| **Insurance service expense** | **152** | **-19** | **805** | **938** |
| Investment components | -234 | | 234 | 0 |
| **Insurance service result** | **-918** | **-19** | **1 039** | **103** |
| Finance income/expenses from insurance contracts issued | -51 | 13 | 11 | -27 |
| Effect of foreign exchange | 63 | 19 | 88 | 170 |
| **Total changes in profit or loss and other comprehensive income** | **-906** | **14** | **1 138** | **245** |
| Premiums received | 971 | | | 971 |
| Claims and other insurance service expenses paid, including investment components paid | | | -1 106 | -1 106 |
| Insurance acquisition cash flows | -201 | | | -201 |
| **Cash flows** | **770** | **0** | **-1 106** | **-336** |
| Acquisitions and disposals | -14 | -28 | -61 | -103 |
| Other items | | | | 0 |
| **Other movements** | **-15** | **-28** | **-61** | **-104** |
| **Net (assets)/liabilities for insurance contracts issued as of 31 December** | **-74** | **540** | **689** | **1 155** |
| Closing assets | -361 | 94 | 12 | -256 |
| Closing liabilities | 287 | 446 | 677 | 1 411 |

| 2024<br>USD millions | Liabilities for remaining coverage<br>Excluding loss component | <br>Loss component | Liabilities for incurred claims | Total |
|---|---|---|---|---|
| Opening assets | -202 | 70 | -24 | -156 |
| Opening liabilities | 57 | 473 | 760 | 1 290 |
| **Net (assets)/liabilities for insurance contracts issued as of 1 January** | -145 | 543 | 736 | 1 134 |
| Expected incurred claims and other insurance service expenses | -1 088 | | | -1 088 |
| Changes in risk adjustment | -13 | | | -13 |
| Contractual service margin recognised for services provided | -46 | | | -46 |
| Experience adjustment for premium receipts related to current and past services | 12 | | | 12 |
| Recovery of insurance acquisition cash flows | -199 | | | -199 |
| **Insurance revenue** | -1 334 | 0 | 0 | -1 334 |
| Incurred claims and other insurance service expenses | | -87 | 1 159 | 1 072 |
| Adjustments to liabilities for incurred claims | | | -11 | -11 |
| Losses and change of losses on onerous contracts | | 97 | | 97 |
| Experience adjustment and amortisation of insurance acquisition cash flows | 264 | | | 264 |
| **Insurance service expense** | 264 | 10 | 1 148 | 1 422 |
| Investment components | -105 | | 105 | 0 |
| **Insurance service result** | -1 175 | 10 | 1 253 | 88 |
| Finance income/expenses from insurance contracts issued | -17 | 13 | 16 | 12 |
| Effect of foreign exchange | -17 | -12 | -51 | -80 |
| **Total changes in profit or loss and other comprehensive income** | -1 209 | 11 | 1 218 | 20 |
| Premiums received | 1 804 | | | 1 804 |
| Claims and other insurance service expenses paid, including investment components paid | | | -1 236 | -1 236 |
| Insurance acquisition cash flows | -373 | | | -373 |
| **Cash flows** | 1 431 | 0 | -1 236 | 195 |
| Acquisitions and disposals | | | | 0 |
| Other items | | | | 0 |
| **Other movements** | 0 | 0 | 0 | 0 |
| **Net (assets)/liabilities for insurance contracts issued as of 31 December** | 77 | 554 | 718 | 1 349 |
| Closing assets | -314 | 68 | 15 | -231 |
| Closing liabilities | 391 | 486 | 703 | 1 580 |

## Insurance contracts issued: measurement components – Group items

A reconciliation of the opening and closing balances of insurance contract liabilities analysed by measurement component is presented as follows for the years ended 31 December:

| **2025**<br>USD millions | Estimates of the present value of future cash flows | Risk adjustment | Contractual service margin | Total |
|---|---|---|---|---|
| Opening assets | -325 | 15 | 79 | -231 |
| Opening liabilities | 1 409 | 50 | 121 | 1 580 |
| **Net (assets)/liabilities for insurance contracts issued as of 1 January** | **1 084** | **65** | **200** | **1 349** |
| | | | | |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services provided | | | -69 | -69 |
| Changes in risk adjustment | | -9 | | -9 |
| Experience adjustments | 76 | | | 76 |
| | | | | |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | -68 | 17 | 80 | 30 |
| Changes in estimates that adjust the contractual service margin | 73 | -16 | -58 | 0 |
| Changes in estimates that result in losses and reversal of losses on onerous contracts | 33 | | | 33 |
| | | | | |
| Changes that relate to past services: | | | | |
| Adjustments to liabilities for incurred claims | 42 | | | 42 |
| **Insurance service result** | **156** | **-8** | **-46** | **103** |
| | | | | |
| Finance income/expenses from insurance contracts issued | -33 | 1 | 4 | -27 |
| Effect of foreign exchange | 143 | 6 | 21 | 170 |
| **Total changes in profit or loss and other comprehensive income** | **266** | **0** | **-21** | **245** |
| | | | | |
| Premiums received | 971 | | | 971 |
| Claims and other insurance service expenses paid, including investment components paid | -1 106 | | | -1 106 |
| Insurance acquisition cash flows | -201 | | | -201 |
| **Cash flows** | **-336** | **0** | **0** | **-336** |
| | | | | |
| Acquisitions and disposals | -100 | -1 | -2 | -103 |
| Other items | | | | 0 |
| **Other movements** | **-100** | **-1** | **-2** | **-104** |
| | | | | |
| **Net (assets)/liabilities for insurance contracts issued as of 31 December** | **914** | **64** | **178** | **1 155** |
| Closing assets | -376 | 10 | 110 | -256 |
| Closing liabilities | 1 290 | 54 | 68 | 1 411 |

| 2024<br>USD millions | Estimates of the present value of future cash flows | Risk adjustment | Contractual service margin | Total |
|---|---|---|---|---|
| Opening assets | -223 | 15 | 52 | -156 |
| Opening liabilities | 1 223 | 43 | 24 | 1 290 |
| **Net (assets)/liabilities for insurance contracts issued as of 1 January** | 1 000 | 58 | 76 | 1 134 |
| | | | | |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services provided | | | -46 | -46 |
| Changes in risk adjustment | | -13 | | -13 |
| Experience adjustments | 61 | | | 61 |
| | | | | |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | -42 | 24 | 83 | 65 |
| Changes in estimates that adjust the contractual service margin | -89 | -1 | 90 | 0 |
| Changes in estimates that result in losses and reversal of losses on onerous contracts | 31 | 1 | | 32 |
| | | | | |
| Changes that relate to past services: | | | | |
| Adjustments to liabilities for incurred claims | -11 | | | -11 |
| **Insurance service result** | -50 | 11 | 127 | 88 |
| | | | | |
| Finance income/expenses from insurance contracts issued | 7 | -1 | 6 | 12 |
| Effect of foreign exchange | -68 | -3 | -9 | -80 |
| **Total changes in profit or loss and other comprehensive income** | -111 | 7 | 124 | 20 |
| | | | | |
| Premiums received | 1 804 | | | 1 804 |
| Claims and other insurance service expenses paid, including investment components paid | -1 236 | | | -1 236 |
| Insurance acquisition cash flows | -373 | | | -373 |
| **Cash flows** | 195 | 0 | 0 | 195 |
| | | | | |
| Acquisitions and disposals | | | | 0 |
| Other items | | | | 0 |
| **Other movements** | 0 | 0 | 0 | 0 |
| | | | | |
| **Net (assets)/liabilities for insurance contracts issued as of 31 December** | 1 084 | 65 | 200 | 1 349 |
| Closing assets | -325 | 15 | 79 | -231 |
| Closing liabilities | 1 409 | 50 | 121 | 1 580 |

### Insurance contracts issued initially recognised – Group items

The effect on the balance sheet for insurance contracts issued that are initially recognised in the period is presented as follows for the years ended 31 December:

| **2025** | | | Insurance contracts issued |
|---|---|---|---|
| USD millions | Profitable contracts | Onerous contracts | Total |
| Estimates of the present value of future cash inflows | -821 | -115 | -937 |
| Estimates of the present value of future cash outflows excluding insurance acquisition cash flows | 550 | 118 | 668 |
| Estimates of insurance acquisition cash flows | 178 | 23 | 201 |
| Risk adjustment | 13 | 4 | 17 |
| Contractual service margin | 80 | | 80 |
| **Loss/(income) recognised on initial recognition** | **0** | **30** | **30** |

| 2024 | | | Insurance contracts issued |
|---|---|---|---|
| USD millions | Profitable contracts | Onerous contracts | Total |
| Estimates of the present value of future cash inflows | -978 | -606 | -1 584 |
| Estimates of the present value of future cash outflows excluding insurance acquisition cash flows | 682 | 527 | 1 209 |
| Estimates of insurance acquisition cash flows | 200 | 133 | 333 |
| Risk adjustment | 13 | 11 | 24 |
| Contractual service margin | 83 | | 83 |
| **Loss/(income) recognised on initial recognition** | 0 | 65 | 65 |

### Insurance contracts issued: impact of transition approaches adopted – Group items

Insurance revenue for the period and a reconciliation of the opening and closing balance of the contractual service margin for insurance contracts issued by transition method are presented as follows for the years ended 31 December:

| **2025**<br>USD millions | Contracts using the modified retrospective approach | Contracts using the fair value approach | Other insurance contracts | Total |
|---|---|---|---|---|
| **Insurance revenue** | **-315** | **-80** | **-440** | **-835** |
| **Contractual service margin as of 1 January** | **85** | **7** | **108** | **200** |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services provided | -1 | 1 | -68 | -69 |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | | | 80 | 80 |
| Changes in estimates that adjust the contractual service margin | 4 | | -62 | -58 |
| Finance income/expenses from insurance contracts issued | | | 4 | 4 |
| Effect of foreign exchange | 10 | 1 | 10 | 21 |
| Acquisitions and disposals | | | -2 | -2 |
| Other items | | | | 0 |
| **Contractual service margin as of 31 December** | **98** | **10** | **70** | **178** |

| 2024<br>USD millions | Contracts using the modified retrospective approach | Contracts using the fair value approach | Other insurance contracts | Total |
|---|---|---|---|---|
| **Insurance revenue** | -293 | -217 | -824 | -1 334 |
| **Contractual service margin as of 1 January** | 29 | 7 | 40 | 76 |
| Changes that relate to current services: | | | | |
| Contractual service margin recognised for services provided | -21 | -1 | -24 | -46 |
| Changes that relate to future services: | | | | |
| Contracts initially recognised in period | | | 83 | 83 |
| Changes in estimates that adjust the contractual service margin | 81 | 2 | 7 | 90 |
| Finance income/expenses from insurance contracts issued | | | 6 | 6 |
| Effect of foreign exchange | -4 | -1 | -4 | -9 |
| Acquisitions and disposals | | | | 0 |
| Other items | | | | 0 |
| **Contractual service margin as of 31 December** | 85 | 7 | 108 | 200 |

# 4 Other re/insurance disclosures

**Expected recognition of CSM in profit or loss for insurance contracts issued and reinsurance contracts held**
The following tables set out when the Group expects to recognise the remaining contractual service margin in profit or loss after the reporting date for the years ended 31 December.

| **2025** | | | | | Contractual service margin | Insurance contracts issued | Insurance contracts held |
|---|---|---|---|---|---|---|---|
| USD millions | Property & Casualty Reinsurance | Life & Health Reinsurance | Corporate Solutions | Group items | Consolidation | Total | Total |
| 1 year | 1 113 | 1 375 | 735 | 32 | -15 | 3 241 | -356 |
| 2 years | 252 | 1 227 | 217 | 10 | -7 | 1 699 | -64 |
| 3 years | 98 | 1 118 | 132 | 9 | -5 | 1 352 | -39 |
| 4 years | 43 | 1 030 | 80 | 8 | -3 | 1 159 | -30 |
| 5 years | 27 | 936 | 51 | 8 | -2 | 1 020 | -26 |
| 6–10 years | 48 | 3 720 | 80 | 43 | 3 | 3 894 | -79 |
| 11 and more years | 21 | 7 915 | 25 | 67 | -4 | 8 026 | -230 |
| **Total** | **1 603** | **17 322** | **1 321** | **178** | **-33** | **20 390** | **-824** |

| 2024 | | | | | Contractual service margin | Insurance contracts issued | Insurance contracts held |
|---|---|---|---|---|---|---|---|
| USD millions | Property & Casualty Reinsurance | Life & Health Reinsurance | Corporate Solutions | Group items | Consolidation | Total | Total |
| 1 year | 1 159 | 1 458 | 701 | 43 | -16 | 3 345 | -388 |
| 2 years | 189 | 1 280 | 169 | 28 | -5 | 1 661 | -52 |
| 3 years | 76 | 1 159 | 100 | 7 | -3 | 1 339 | -14 |
| 4 years | 40 | 1 060 | 60 | 6 | -2 | 1 164 | -17 |
| 5 years | 25 | 966 | 35 | 6 | -1 | 1 031 | -15 |
| 6–10 years | 50 | 3 777 | 67 | 39 | -1 | 3 932 | -65 |
| 11 and more years | 26 | 8 031 | 21 | 71 | | 8 149 | -171 |
| **Total** | 1 565 | 17 731 | 1 153 | 200 | -28 | 20 621 | -722 |

### Maturity analysis of the remaining undiscounted contractual net cash flows for insurance contracts in a liability position

The following tables present a maturity analysis for insurance contracts issued and reinsurance contracts held, reflecting the dates on which the cash flows are expected to occur.

| **2025**<br>USD millions | Insurance contracts issued that are liabilities | Reinsurance contracts held that are liabilities | Total |
|---|---|---|---|
| Due within one year | 12 006 | 4 930 | 16 937 |
| Due between one and two years | 12 391 | -7 | 12 384 |
| Due between two and three years | 9 947 | -164 | 9 784 |
| Due between three and four years | 7 385 | -82 | 7 302 |
| Due between four and five years | 5 687 | -40 | 5 648 |
| Due after five years | 31 360 | -145 | 31 215 |
| **Total** | **78 777** | **4 493** | **83 270** |

| 2024<br>USD millions | Insurance contracts issued that are liabilities | Reinsurance contracts held that are liabilities | Total |
|---|---|---|---|
| Due within one year | 10 201 | 4 517 | 14 718 |
| Due between one and two years | 12 780 | 133 | 12 913 |
| Due between two and three years | 9 429 | -17 | 9 412 |
| Due between three and four years | 7 086 | -47 | 7 039 |
| Due between four and five years | 5 383 | -43 | 5 340 |
| Due after five years | 31 813 | 14 | 31 827 |
| **Total** | 76 692 | 4 557 | 81 249 |

The amounts from portfolios of insurance contracts issued that are liabilities and are payable on demand primarily relate to certain surety portfolios of the Corporate Solutions specialty business. The payable on demand amounts for these portfolios are USD 1.5 billion and USD 1.4 billion as of 31 December 2025 and 2024, respectively. The corresponding carrying amounts are USD 94 million and USD 58 million as of 31 December 2025 and 2024, respectively. The comparative information has been revised to include minor portfolios within Corporate Solutions specialty business. Payable on demand represents the aggregate of all individual risk exposures that exceed the carrying amount based on actuarial loss expectations.

Refer to Note 11 Risk disclosures, page 104, for further information on how the Group manages liquidity risk.

### Total investment result and net insurance finance result

The tables below present an analysis of total investment result and net insurance finance result recognised in profit or loss and other comprehensive income for the years ended 31 December.

| **2025**<br>USD millions | Recognised in profit or loss | Recognised in OCI | Total |
|---|---|---|---|
| Net investment income | 4 385 | | 4 385 |
| Investment gains/losses | 435 | | 435 |
| Foreign currency translation | | 10 | 10 |
| Cash flow hedges | | | 0 |
| Cost of hedging | | | 0 |
| Net unrealised investment gains/losses on fixed income securities | | 513 | 513 |
| Net unrealised investment gains/losses on equity investments | | 31 | 31 |
| Share of other comprehensive income of equity-method investments | | 6 | 6 |
| **Total investment return** | **4 820** | **560** | **5 380** |
| Finance income/expenses from insurance contracts issued | -2 652 | -277 | -2 929 |
| Finance income/expenses from reinsurance contracts held | 150 | 65 | 215 |
| **Total insurance finance result** | **-2 502** | **-212** | **-2 714** |

| 2024<br>USD millions | Recognised in profit or loss | Recognised in OCI | Total |
|---|---|---|---|
| Net investment income | 4 226 | | 4 226 |
| Investment gains/losses | 434 | | 434 |
| Foreign currency translation | | -467 | -467 |
| Cash flow hedges | | -10 | -10 |
| Cost of hedging | | 5 | 5 |
| Net unrealised investment gains/losses on fixed income securities | | -516 | -516 |
| Net unrealised investment gains/losses on equity investments | | -325 | -325 |
| Share of other comprehensive income of equity-method investments | | -2 | -2 |
| **Total investment return** | 4 660 | -1 315 | 3 345 |
| Finance income/expenses from insurance contracts issued | -2 632 | 1 311 | -1 321 |
| Finance income/expenses from reinsurance contracts held | 167 | -84 | 83 |
| **Total insurance finance result** | -2 465 | 1 227 | -1 238 |

### Risk adjustment

As of 31 December 2025 and 2024, the level of risk adjustment net of reinsurance held as measured by the Group corresponds to a confidence level on the ultimate loss distribution of 78% and 79%, respectively.

## Discount rates

For cash flows that do not vary based on the returns on underlying items, the Group determines the IFRS 17 discount rates using a bottom-up approach based on government bond yields, extrapolated towards an ultimate forward rate set by the Group, which reflects long-term real interest rate and inflation expectations. Although the ultimate forward rate is subject to revision, it is expected to be stable and would change only as a result of significant changes to long-term expectations. The tables below set out the yield curves used to discount the cash flows of insurance contracts for major currencies as of 31 December 2025 and 2024.

**2025**

| Currency | 1 year | 5 years | 10 years | 20 years | 30 years | 50 years |
|---|---|---|---|---|---|---|
| AUD | 4.002% | 4.347% | 4.868% | 5.350% | 5.504% | 5.019% |
| CAD | 2.435% | 3.041% | 3.518% | 3.884% | 4.001% | 4.009% |
| CNY | 1.292% | 1.627% | 1.897% | 2.425% | 2.313% | 2.936% |
| EUR | 2.068% | 2.611% | 3.191% | 3.772% | 4.008% | 4.054% |
| GBP | 3.643% | 3.978% | 4.677% | 5.306% | 5.464% | 4.563% |
| JPY | 0.914% | 1.555% | 2.082% | 3.069% | 3.551% | 3.861% |
| USD | 3.525% | 3.766% | 4.230% | 5.086% | 5.076% | 4.623% |

2024

| Currency | 1 year | 5 years | 10 years | 20 years | 30 years | 50 years |
|---|---|---|---|---|---|---|
| AUD | 4.037% | 3.983% | 4.466% | 4.954% | 5.090% | 4.730% |
| CAD | 3.005% | 2.992% | 3.282% | 3.384% | 3.377% | 3.512% |
| CNY | 1.055% | 1.455% | 1.703% | 2.047% | 1.968% | 2.676% |
| EUR | 2.237% | 2.376% | 2.745% | 2.972% | 3.041% | 3.318% |
| GBP | 4.322% | 4.277% | 4.671% | 5.279% | 5.265% | 4.376% |
| JPY | 0.420% | 0.727% | 1.123% | 1.987% | 2.415% | 2.825% |
| USD | 4.222% | 4.457% | 4.639% | 5.046% | 4.826% | 4.331% |

## Direct allocation of assets to groups of re/insurance contracts

IFRS requires disclosures for groups of re/insurance contracts for which the option to recognise components of re/insurance finance income or expenses directly in other comprehensive income (OCI) at the transition date has been exercised and to which a portfolio of assets is directly allocated, with fair value changes on those assets also recognised directly in OCI. There are no material circumstances where Swiss Re directly allocates assets to groups of re/insurance contracts based on the transition method used.

# 5 Claims development tables

**Basis of presentation for claims development information**
Claims development information is presented on a gross basis, by underwriting year and by business segment. Incurred and cumulative claims paid are shown in the claims development tables on a nominal basis.

The Group provides no claims development information for the Life & Health Reinsurance segment, as the uncertainty about the amount and timing of the claims payments is typically resolved within one year. The Group also provides no claims development information for the Group items segment, as its reserves are not material.

For Property & Casualty Reinsurance and Corporate Solutions, the Group discloses data for six underwriting years and reporting periods. The Group decided not to disclose previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applies IFRS 17.

The current reporting period estimate of outstanding claims for underwriting years older than the number of years shown in the claims development tables is presented as a subtotal of the total undiscounted outstanding claim assets or liabilities.

The information is presented at current balance sheet foreign exchange rates as of the date of these financial statements to permit an analysis of claims development excluding the impact of foreign exchange movements.

**Insurance contracts issued – Property & Casualty Reinsurance**
Incurred claims and allocated claim adjustment expenses, insurance contracts issued

| USD millions | Reporting year | | | | | |
|---|---|---|---|---|---|---|
| **Underwriting year** | 2020 | 2021 | 2022 | 2023 | 2024 | **2025** |
| 2020 | 9 382 | 15 229 | 15 676 | 15 547 | 15 954 | 16 002 |
| 2021 | | 8 788 | 16 383 | 16 667 | 17 360 | 17 502 |
| 2022 | | | 9 543 | 15 463 | 16 560 | 16 524 |
| 2023 | | | | 8 368 | 15 154 | 15 190 |
| 2024 | | | | | 8 659 | 15 162 |
| 2025 | | | | | | 8 423 |
| **Total** | | | | | | **88 803** |

Cumulative claims paid and allocated claims adjustment expenses, insurance contracts issued

| USD millions | Reporting year | | | | | |
|---|---|---|---|---|---|---|
| **Underwriting year** | 2020 | 2021 | 2022 | 2023 | 2024 | **2025** |
| 2020 | 595 | 4 312 | 7 420 | 9 457 | 10 897 | 12 056 |
| 2021 | | 835 | 5 179 | 8 811 | 10 942 | 12 494 |
| 2022 | | | 680 | 4 886 | 8 338 | 10 368 |
| 2023 | | | | 723 | 4 595 | 7 710 |
| 2024 | | | | | 763 | 4 427 |
| 2025 | | | | | | 642 |
| **Total** | | | | | | **47 698** |

| | |
|---|---|
| Undiscounted outstanding claim (assets)/liabilities, insurance contracts issued – underwriting years from 2020 to 2025 | 41 105 |
| Undiscounted outstanding claim (assets)/liabilities, insurance contracts issued – underwriting years before 2020 | 23 469 |
| **Total undiscounted outstanding claim (assets)/liabilities, insurance contracts issued** | **64 573** |

## Insurance contracts issued – Corporate Solutions

### Incurred claims and allocated claim adjustment expenses, insurance contracts issued

| USD millions | Reporting year | | | | | |
|---|---|---|---|---|---|---|
| **Underwriting year** | 2020 | 2021 | 2022 | 2023 | 2024 | **2025** |
| 2020 | 1 694 | 2 743 | 2 773 | 2 628 | 2 700 | 2 711 |
| 2021 | | 1 827 | 3 159 | 3 242 | 3 396 | 3 422 |
| 2022 | | | 1 888 | 3 170 | 3 190 | 3 132 |
| 2023 | | | | 1 926 | 3 528 | 3 420 |
| 2024 | | | | | 2 113 | 3 838 |
| 2025 | | | | | | 2 171 |
| **Total** | | | | | | **18 694** |

### Cumulative claims paid and allocated claims adjustment expenses, insurance contracts issued

| USD millions | Reporting year | | | | | |
|---|---|---|---|---|---|---|
| **Underwriting year** | 2020 | 2021 | 2022 | 2023 | 2024 | **2025** |
| 2020 | 204 | 762 | 1 242 | 1 558 | 1 783 | 1 975 |
| 2021 | | 173 | 884 | 1 587 | 2 102 | 2 581 |
| 2022 | | | 179 | 999 | 1 589 | 1 911 |
| 2023 | | | | 214 | 1 023 | 1 824 |
| 2024 | | | | | 251 | 1 261 |
| 2025 | | | | | | 294 |
| **Total** | | | | | | **9 845** |

| | |
|---|---|
| Undiscounted outstanding claim (assets)/liabilities, insurance contracts issued – underwriting years from 2020 to 2025 | 8 849 |
| Undiscounted outstanding claim (assets)/liabilities, insurance contracts issued – underwriting years before 2020 | 5 700 |
| **Total undiscounted outstanding claim (assets)/liabilities, insurance contracts issued** | **14 549** |

### Reconciliation to the net liability for incurred claims, insurance contracts issued

The following table reconciles the claims development information to the Group's net liabilities for incurred claims for insurance contracts issued. The components not included in the undiscounted outstanding claims liabilities are presented below as reconciling items. Life & Health Reinsurance and Group items are excluded from the claims development information and, together with other immaterial items, are disclosed in Exclusions and other effects.

| USD millions | **2025** |
|---|---|
| Property & Casualty Reinsurance | 64 573 |
| Corporate Solutions | 14 549 |
| **Total undiscounted outstanding claim (assets)/liabilities, insurance contracts issued** | **79 122** |
| Consolidation | -3 836 |
| Effect of discounting | -11 997 |
| Risk adjustment for non-financial risk | 1 461 |
| Commissions and other expenses | 1 317 |
| Exclusions and other effects | 14 101 |
| **Net (asset)/liability for incurred claims, insurance contracts issued** | **80 169** |

# 6 Investments

**Investment result**

Net investment income

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

| **2025**<br>USD millions | Investment income from financial assets measured at:<br>Fair value through other comprehensive income | Fair value through other comprehensive income (designated) | Fair value through profit or loss | Fair value through profit or loss (designated) | Amortised cost | Other | Total |
|---|---|---|---|---|---|---|---|
| Fixed income securities | 3 276 | | 272 | 3 | | | 3 551 |
| Equity investments | | 4 | 2 | | | | 7 |
| Investment property | | | | | | 247 | 247 |
| Mortgages and other loans | | | 3 | | 497 | | 500 |
| Share in earnings of equity-method investments | | | | | | 33 | 33 |
| Cash and cash equivalents | | | 14 | | 86 | | 100 |
| Other | | | 199 | | 129 | | 327 |
| **Gross investment income** | **3 276** | **4** | **490** | **3** | **712** | **280** | **4 765** |
| Investment expenses | | | | | | -380 | -380 |
| **Net investment income** | **3 276** | **4** | **490** | **3** | **712** | **-101** | **4 385** |

| 2024<br>USD millions | Investment income from financial assets measured at:<br>Fair value through other comprehensive income | Fair value through other comprehensive income (designated) | Fair value through profit or loss | Fair value through profit or loss (designated) | Amortised cost | Other | Total |
|---|---|---|---|---|---|---|---|
| Fixed income securities | 3 023 | | 289 | 2 | 4 | | 3 318 |
| Equity investments | | 11 | 1 | | | | 12 |
| Investment property | | | | | | 257 | 257 |
| Mortgages and other loans | | | 1 | | 402 | | 403 |
| Share in earnings of equity-method investments | | | | | | 44 | 44 |
| Cash and cash equivalents | | | 15 | | 139 | | 154 |
| Other | | | 235 | | 196 | -9 | 422 |
| **Gross investment income** | 3 023 | 11 | 541 | 2 | 741 | 292 | 4 610 |
| Investment expenses | | | | | | -384 | -384 |
| **Net investment income** | 3 023 | 11 | 541 | 2 | 741 | -92 | 4 226 |

Interest revenue from financial assets measured at amortised cost and fair value through other comprehensive income, calculated using the effective interest method, amounted to USD 4 017 million and USD 3 767 million for the years ended 31 December 2025 and 2024, respectively. Thereof, USD 75 million and USD 52 million were recognised in Other income in the income statement for the years ended 31 December 2025 and 2024, respectively.

## Investment gains/losses

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

| **2025**<br>USD millions | Investment gains/losses from financial assets measured at: Fair value through other comprehensive income | Fair value through other comprehensive income (elected) | Fair value through profit or loss | Fair value through profit or loss (designated) | Amortised cost | Other | Total |
|---|---|---|---|---|---|---|---|
| Un/realised gains/losses on: | | | | | | | |
| Fixed income securities | -151 | | 16 | -10 | | | -145 |
| Equity investments | | 7 | 19 | | | | 26 |
| Investment property | | | | | | 21 | 21 |
| Equity-method investments | | | | | | 209 | 209 |
| Insurance-related derivatives | | | -114 | | | | -114 |
| Other | | | 21 | | -9 | | 12 |
| Impairment-related gains/losses from: | | | | | | | |
| Change in expected credit losses | 3 | | | | -12 | | -9 |
| Other impairments[1] | | | | | | -19 | -19 |
| Reversals of other impairments[2] | | | | | | 32 | 32 |
| Foreign exchange gains/losses | | | | | | 422 | 422 |
| **Investment gains/losses** | **-148** | **7** | **-58** | **-10** | **-21** | **665** | **435** |

| 2024<br>USD millions | Investment gains/losses from financial assets measured at: Fair value through other comprehensive income | Fair value through other comprehensive income (elected) | Fair value through profit or loss | Fair value through profit or loss (designated) | Amortised cost | Other | Total |
|---|---|---|---|---|---|---|---|
| Un/realised gains/losses on: | | | | | | | |
| Fixed income securities | 27 | | 47 | 15 | | | 89 |
| Equity investments | | | 11 | | | | 11 |
| Investment property | | | | | | 11 | 11 |
| Equity-method investments | | | | | | | 0 |
| Insurance-related derivatives | | | 3 | | | | 3 |
| Other | | | 115 | | 1 | | 116 |
| Impairment-related gains/losses from: | | | | | | | |
| Change in expected credit losses | 15 | | | | -7 | | 8 |
| Other impairments[1] | | | | | | -71 | -71 |
| Reversals of other impairments[2] | | | | | | 20 | 20 |
| Foreign exchange gains/losses | | | | | | 247 | 247 |
| **Investment gains/losses** | 42 | 0 | 176 | 15 | -6 | 207 | 434 |

[1] Other impairments of USD 14 million and USD 71 million relate to investment property, and USD 5 million and nil relate to equity-method investments, for the years ended 31 December 2025 and 2024, respectively.
[2] Reversals of other impairments relate to investment property.

Change in expected credit losses related to financial assets presented within Other assets is recognised in Other expenses and amounted to nil and losses of USD 41 million for the years ended 31 December 2025 and 2024, respectively.

## Carrying amounts of investments and other liabilities

### Total investments by measurement category

As of 31 December, the carrying amounts of financial assets, by measurement category, and non-financial assets were as follows:

| **2025** | Financial assets by measurement category | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| USD million | Fair value through other comprehensive income[1] | Fair value through other comprehensive income (designated) | Fair value through profit or loss | Fair value through profit or loss (designated) | Amortised cost[2] | Non-financial assets | Reclassified to assets held for sale | Total |
| Cash and cash equivalents | | | 260 | | 2 438 | | -7 | 2 691 |
| **Investments** | | | | | | | | |
| Fixed income securities | 85 419 | | 3 038 | 127 | | | -148 | 88 436 |
| Equity investments | | 603 | 166 | | | | | 769 |
| Mortgages and other loans | | | 11 | | 7 954 | | | 7 965 |
| Investment property | | | | | | 2 648 | | 2 648 |
| Other invested assets, thereof: | | | 5 859 | | 3 356 | 366 | | 9 581 |
| Derivative financial instruments | | | 588 | | | | | 588 |
| Reverse repurchase agreements | | | | | 2 359 | | | 2 359 |
| Securities borrowing | | | | | 433 | | | 433 |
| Equity-method investments | | | | | | 366 | | 366 |
| Private equity funds | | | 3 601 | | | | | 3 601 |
| Other[3] | | | 1 670 | | 564 | | | 2 234 |
| **Total investments** | **85 419** | **603** | **9 074** | **127** | **11 310** | **3 014** | **-148** | **109 399** |

| 2024 | Financial assets by measurement category | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| USD million | Fair value through other comprehensive income[1] | Fair value through other comprehensive income (designated) | Fair value through profit or loss | Fair value through profit or loss (designated) | Amortised cost[2] | Non-financial assets | Reclassified to assets held for sale | Total |
| Cash and cash equivalents | | | 219 | | 3 903 | | -31 | 4 091 |
| **Investments** | | | | | | | | |
| Fixed income securities | 80 778 | | 2 769 | 132 | 119 | | -183 | 83 615 |
| Equity investments | | 633 | 126 | | | | | 759 |
| Mortgages and other loans | | | 8 | | 8 237 | | | 8 245 |
| Investment property | | | | | | 2 415 | | 2 415 |
| Other invested assets, thereof: | | | 4 939 | | 3 525 | 292 | | 8 756 |
| Derivative financial instruments | | | 1 443 | | | | | 1 443 |
| Reverse repurchase agreements | | | | | 2 682 | | | 2 682 |
| Securities borrowing | | | | | 290 | | | 290 |
| Equity-method investments | | | | | | 292 | | 292 |
| Private equity funds | | | 3 339 | | | | | 3 339 |
| Other | | | 157 | | 553 | | | 710 |
| **Total investments** | 80 778 | 633 | 7 842 | 132 | 11 881 | 2 707 | -183 | 103 790 |

[1] The carrying amount of financial assets measured at fair value through other comprehensive income corresponds to fair value, and the allowance for ECL is recognised in Other comprehensive income.
[2] The carrying amount of financial assets measured at amortised cost is net of ECL allowances.
[3] Includes an equity ETF of USD 1.5bn structured with a total return swap, measured at fair value through profit and loss.

Financial assets measured at amortised cost with a carrying amount of USD 2 196 million and USD 2 068 million as of 31 December 2025 and 2024, respectively, were included in Other assets.

Financial assets measured at fair value through profit and loss and financial assets designated at fair value through profit and loss with a carrying amount of USD 773 million and USD 625 million as of 31 December 2025 and 2024, respectively, were included in Other assets.

Refer to Note 11 Risk disclosures, page 104, for further information on how the Group manages market risk.

### Other liabilities by measurement category

As of 31 December, the carrying amounts of financial liabilities, by measurement category, and non-financial liabilities were as follows:

| **2025** USD millions | Financial liabilities by measurement category: Fair value through profit or loss | Amortised cost | Non-financial liabilities | Reclassified to assets held for sale | Total |
|---|---|---|---|---|---|
| **Other liabilities** | | | | | |
| Derivative financial instruments | 718 | | | | 718 |
| Repurchase agreements | | 76 | | | 76 |
| Securities lending | | 3 | | | 3 |
| Securities sold short | 619 | | | | 619 |
| Other | | 2 367 | 2 685 | -18 | 5 034 |
| **Other liabilities** | **1 336** | **2 446** | **2 685** | **-18** | **6 450** |

| 2024 USD millions | Financial liabilities by measurement category: Fair value through profit or loss | Amortised cost | Non-financial liabilities | Reclassified to assets held for sale | Total |
|---|---|---|---|---|---|
| **Other liabilities** | | | | | |
| Derivative financial instruments | 1 293 | | | | 1 293 |
| Repurchase agreements | | 49 | | | 49 |
| Securities lending | | 19 | | | 19 |
| Securities sold short | 315 | | | | 315 |
| Other | 4 | 2 391 | 3 550 | -73 | 5 872 |
| **Other liabilities** | 1 612 | 2 459 | 3 550 | -73 | 7 548 |

### Risk concentration of fixed income securities, and mortgages and other loans

As of 31 December, the risk concentration of fixed income securities, by country of issuance, was as follows:

| USD millions | 2025 | 2024 |
|---|---|---|
| Debt securities issued by governments and government agencies: | | |
| US Treasury and other US government corporations and agencies | 13 671 | 15 403 |
| US Agency securitised products | 5 481 | 5 474 |
| States of the United States and political subdivisions of the states | 1 125 | 1 061 |
| United Kingdom | 3 585 | 2 645 |
| Canada | 3 293 | 2 775 |
| France | 2 752 | 1 803 |
| Japan | 2 198 | 2 482 |
| Germany | 2 153 | 1 410 |
| Australia | 2 149 | 1 881 |
| Other | 10 340 | 8 860 |
| **Total** | **46 746** | 43 794 |
| Corporate debt securities[1] | 35 956 | 34 634 |
| Securitised products | 5 882 | 5 370 |
| Reclassified to assets held for sale | -148 | -183 |
| **Fixed income securities** | **88 436** | 83 615 |

[1] Includes corporate debt securities of USD 22 041 million and USD 21 359 million issued in the US as of 31 December 2025 and 2024, respectively. There are no other significant risk concentrations.

As of 31 December, the risk concentration of mortgages and other loans, by country of issuance, was as follows:

| USD millions | 2025 | 2024 |
|---|---|---|
| United States | 3 274 | 2 842 |
| United Kingdom | 2 848 | 2 466 |
| Australia | 409 | 319 |
| Germany | 385 | 359 |
| France | 263 | 177 |
| Other | 787 | 2 083 |
| **Mortgages and other loans** | **7 965** | 8 245 |

## Equity instruments designated at FVOCI

The Group has designated certain equity investments as measured at FVOCI because it intends to hold them long term.

As of 31 December 2025 and 2024, the fair value of equity investments designated at FVOCI amounted to USD 603 million and USD 633 million, respectively. Thereof, USD 126 million and USD 576 million were unlisted investments, predominantly in insurance companies.

For the years ended 31 December 2025 and 2024, dividend income recognised on equity investments designated at FVOCI and held at the end of the reporting period amounted to USD 2 million and USD 5 million, respectively.

### Derecognition of equity instruments designated at FVOCI

During the years ended 31 December 2025 and 2024, equity instruments designated at FVOCI with a fair value of USD 420 million and USD 102 million , respectively, were derecognised due to being redeemed or sold.

Dividend income recognised for those instruments amounted to USD 3 million and USD 6 million for the years ended 31 December 2025 and 2024, respectively. Corresponding cumulative losses of USD 359 million and gains of USD 3 million, respectively, were reclassified from other comprehensive income to retained earnings.

## Maturity analysis for financial assets and financial liabilities

### Maturity analysis for financial assets

As of 31 December, the carrying amounts of fixed income securities and mortgages and other loans, by remaining maturity, were as follows:

| | **2025** | | 2024 | |
|---|---|---|---|---|
| USD millions | Fixed income securities | Mortgages and other loans | Fixed income securities | Mortgages and other loans |
| Due within one year | 18 790 | 1 250 | 16 861 | 1 175 |
| Due between one and five years | 25 668 | 2 950 | 27 344 | 4 090 |
| Due between five and ten years | 16 515 | 1 648 | 14 777 | 1 341 |
| Due after ten years | 23 295 | 2 057 | 21 272 | 1 639 |
| Securitised products with no fixed maturity | 4 316 | 61 | 3 544 | |
| Reclassified to assets held for sale | -148 | | -183 | |
| **Total carrying amount** | **88 436** | **7 965** | 83 615 | 8 245 |

### Maturity analysis for financial liabilities

As of 31 December, the total undiscounted cash flows of insurance contracts without significant risk transfer, by remaining maturity, were as follows:

| | **2025** | 2024 |
|---|---|---|
| USD millions | Insurance contracts without significant risk transfer | Insurance contracts without significant risk transfer |
| Due within one year | 138 | 89 |
| Due between one and five years | 66 | 95 |
| Due between five and ten years | 28 | 52 |
| Due after ten years | 121 | 89 |
| **Total undiscounted cash flows** | **353** | 325 |

Insurance contracts without significant risk transfer are presented within Other liabilities.

Refer to Note 11 Risk disclosures, page 104, for further information on how the Group manages liquidity risk.

## Offsetting of financial assets and financial liabilities

As of 31 December, offsetting of derivatives, financial assets and financial liabilities was as follows:

| **2025**<br>USD millions | Gross amounts of recognised financial assets | Amounts set off in the balance sheet | Net amounts of financial assets presented on the balance sheet | Related financial liabilities not set off in the balance sheet | Related collateral not set off in the balance sheet | Net amount |
|---|---|---|---|---|---|---|
| Derivative financial instruments – assets | 588 | | 588 | -216 | -243 | 130 |
| Reverse repurchase agreements | 4 339 | -1 980 | 2 359 | | -2 359 | 0 |
| Securities borrowing | 455 | -21 | 433 | | -433 | 0 |
| **Total** | **5 382** | **-2 001** | **3 380** | **-216** | **-3 035** | **130** |

| **2025**<br>USD millions | Gross amounts of recognised financial liabilities | Amounts set off in the balance sheet | Net amounts of financial liabilities presented on the balance sheet | Related financial assets not set off in the balance sheet | Related collateral not set off in the balance sheet | Net amount |
|---|---|---|---|---|---|---|
| Derivative financial instruments – liabilities | -718 | | -718 | 216 | 400 | -101 |
| Repurchase agreements | -1 656 | 1 580 | -76 | | 76 | 0 |
| Securities lending | -424 | 421 | -3 | | 3 | 0 |
| **Total** | **-2 798** | **2 001** | **-797** | **216** | **479** | **-101** |

| 2024<br>USD millions | Gross amounts of recognised financial assets | Amounts set off in the balance sheet | Net amounts of financial assets presented on the balance sheet | Related financial liabilities not set off in the balance sheet | Related collateral not set off in the balance sheet | Net amount |
|---|---|---|---|---|---|---|
| Derivative financial instruments – assets | 1 443 | | 1 443 | -821 | -347 | 275 |
| Reverse repurchase agreements | 3 884 | -1 202 | 2 682 | | -2 682 | 0 |
| Securities borrowing | 292 | -2 | 290 | | -290 | 0 |
| **Total** | 5 619 | -1 204 | 4 415 | -821 | -3 319 | 275 |

| 2024<br>USD millions | Gross amounts of recognised financial liabilities | Amounts set off in the balance sheet | Net amounts of financial liabilities presented on the balance sheet | Related financial assets not set off in the balance sheet | Related collateral not set off in the balance sheet | Net amount |
|---|---|---|---|---|---|---|
| Derivative financial instruments – liabilities | -1 293 | | -1 293 | 821 | 230 | -242 |
| Repurchase agreements | -851 | 802 | -49 | | 49 | 0 |
| Securities lending | -421 | 402 | -19 | | 19 | 0 |
| **Total** | -2 565 | 1 204 | -1 361 | 821 | 298 | -242 |

The Group reports net amounts of financial assets and liabilities on the balance sheet if i) it has a legally enforceable right to set off the recognised amounts in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy of the Group and all the counterparties; and ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. To reduce credit risk exposure between counterparties, the Group enters into various netting agreements, including repurchase and reverse repurchase transactions, securities borrowing and securities lending arrangements. The Group meets offsetting requirements for some repurchase and reverse repurchase arrangements and for some securities lending and securities borrowing arrangements. Generally, International Swaps and Derivatives Association (ISDA) agreements related to derivative financial instruments do not meet the criteria for offsetting under IAS 32 Financial instruments – Presentation as they normally foresee the right to offset the assets and liabilities only in the event of bankruptcy or similar events. Upon occurrence of a default event, the non-defaulting party sets off the obligation against all outstanding transactions and collateral received under the agreement, which substantially reduces credit risk exposure. In addition, there is no intention by the Group to realise the derivative assets and to settle the derivative liabilities simultaneously or to settle them on a net basis.

Collateral pledged or received between two counterparties with a master netting arrangement or similar arrangement in place, but not subject to balance sheet netting, is disclosed at fair value. The fair values represent the gross carrying value amounts at the reporting date for each financial instrument received or pledged by the Group. The net amounts of the financial assets and liabilities presented on the balance sheet are recognised in Other invested assets and Other liabilities, respectively.

## Transferred assets and collateral

### Collateral pledged by the Group excluding securities lending and repurchase agreements

As of 31 December 2025 and 2024, financial assets (excluding cash and cash equivalents) and investments in consolidated Swiss Re funds with a carrying value of USD 13 833 million and USD 13 751 million, respectively, were placed on deposit with regulatory agencies or posted to secure certain reinsurance, derivative and debt liabilities.

As of 31 December 2025 and 2024, a real estate portfolio with a carrying value of USD 247 million and USD 196 million, respectively, served as collateral for a credit facility.

### Financial assets transferred by the Group for securities lending and repurchase agreements

As of 31 December, securities transferred to unrelated parties under securities lending transactions and repurchase agreements, in which the counterparties obtain the right to sell or repledge the assets, by class of financial asset, were as follows:

| USD millions | **2025** | 2024 |
|---|---|---|
| Cash equivalents | 352 | 484 |
| Fixed income securities | 18 093 | 17 138 |
| **Total investments** | **18 446** | 17 622 |
| Corresponding liabilities recognised for the obligation to return cash collateral | 79 | 68 |

### Non-cash collateral received by the Group with the right to sell or repledge in the absence of default by the owner

The Group holds equity securities as well as government and corporate debt securities as collateral.

As of 31 December 2025 and 2024, the fair value of financial assets accepted as collateral and other securities received where the Group is permitted to sell or repledge was USD 23 927 million and USD 22 811 million, respectively. Thereof, USD 2 440 million and USD 2 387 million was sold or repledged as of 31 December 2025 and 2024, respectively. Securities received are not recognised in the balance sheet and the Group is obliged to return equivalent securities.

### Investment property

A reconciliation of the opening and closing balances for the carrying amount of investment property is presented as follows for the years ended 31 December:

| USD millions | 2025 | 2024 |
|---|---|---|
| **Gross carrying amount as of 1 January** | **3 648** | 3 759 |
| Additions | | |
| From purchases | | 61 |
| From subsequent expenditure recognised as an asset | 106 | 86 |
| Disposals | -197 | -140 |
| Transfer to and from owner-occupied property | | 20 |
| Effect of foreign exchange | 336 | -162 |
| Other movements | 11 | 24 |
| **Gross carrying amount on 31 December** | **3 905** | 3 648 |
| | | |
| **Cumulative depreciation and impairment as of 1 January** | **-1 233** | -1 273 |
| Depreciation | -64 | -61 |
| Impairments[1] | -14 | -67 |
| Reversals of impairments[1] | 32 | 20 |
| Disposals | 123 | 105 |
| Transfer to and from owner-occupied property | | -14 |
| Effect of foreign exchange | -116 | 57 |
| Other movements | 16 | |
| **Cumulative depreciation and impairment as of 31 December** | **-1 256** | -1 233 |
| | | |
| **Carrying amount** | **2 648** | 2 415 |
| **Fair value** | **6 155** | 5 380 |

[1] Impairment losses and reversals of impairment losses recognised for the years ended 31 December 2025 and 2024 were driven by updated appraisals.

As of 31 December 2025, the Group classified investment properties as held for sale. The investment properties are allocated to the Property & Casualty Reinsurance business segment.

### Amounts recognised in profit or loss

Rental income and direct operating expenses recognised in relation to investment property for the years ended 31 December were as follows:

| USD millions | 2025 | 2024 |
|---|---|---|
| Rental income from investment property | 247 | 257 |
| Direct operating expenses arising from investment property that generated rental income during the period | -66 | -63 |
| **Total amount recognised in profit or loss** | **181** | 194 |

## Leases as a lessor

The Group, as a lessor, enters into lease and sublease agreements, mainly for residential, industrial and office space.

The Group manages risk associated with the residual value of its leased properties through careful property selection as well as diversification by geographical region and property type. Lease contracts for residential real estate in Switzerland and Germany are usually open-ended. Cash flows for such contracts have been projected taking into consideration the average turnover rate in the region.

### Operating leases

As of 31 December, the total minimum undiscounted lease payments to be received from operating leases related to investment property for the next five years and thereafter were as follows:

| USD millions | **2025** | 2024 |
|---|---|---|
| Due within one year | 222 | 215 |
| Due between one year and two years | 217 | 182 |
| Due between two years and three years | 198 | 172 |
| Due between three years and four years | 166 | 158 |
| Due between four years and five years | 138 | 131 |
| Due after five years | 620 | 548 |
| **Total undiscounted cash flows** | **1 562** | 1 406 |

Lease contracts for residential real estate in the US with a lease term of one year or less have been excluded from the projected cash flows in the table above due to their short-term nature. Rental income for those leases for the years ended 31 December 2025 and 2024 was USD 17 million and USD 17 million, respectively.

As of 31 December, income from operating leases was as follows:

| USD millions | **2025** | 2024 |
|---|---|---|
| Lease income | 247 | 257 |

### Finance leases

As of 31 December, the components of income from finance leases were as follows:

| USD millions | **2025** | 2024 |
|---|---|---|
| Finance leases | | |
| Realised gains or losses at inception | 5 | |
| Finance income on the net investment in the lease | 2 | 2 |

The following table sets out the total undiscounted lease payments to be received from finance leases for the next five years and thereafter, and provides a reconciliation between the total undiscounted lease receivables and the net investment in the lease:

| USD millions | **2025** | 2024 |
|---|---|---|
| Due within one year | 7 | 6 |
| Due between one year and two years | 9 | 7 |
| Due between two years and three years | 9 | 6 |
| Due between three years and four years | 9 | 6 |
| Due between four years and five years | 9 | 6 |
| Due after five years | 5 | 10 |
| **Total undiscounted cash flows** | **47** | 41 |
| Impact of discounting | -6 | -7 |
| **Net investment in lease** | **41** | 34 |

# 7 Expected credit loss

The Group's financial assets and liabilities, including insurance contracts without significant risk transfer, are exposed to credit risk. Credit risk is defined as the potential financial loss that may arise from diminished creditworthiness or default of counterparties of Swiss Re or of third parties.

For financial instruments with low credit risk at the reporting date, the Group assumes that the credit risk has not increased significantly since the initial recognition and considers them as Stage 1 of the three-stage model. Low credit risk is defined as being equivalent to "investment grade" (better than or equal to BBB- or equivalent). Most of the Group's fixed income securities and loans are low credit risk financial instruments. For financial instruments other than those with low credit risk at the reporting date, the Group reviews the following quantitative indicators to determine if a significant increase in credit risk has incurred: 1) a credit rating downgrade since initial recognition; 2) days past due payments; and 3) whether the asset's fair value is significantly lower than its amortised cost. While these three quantitative factors are indicative of increased credit risk, an asset with contractual payments that are more than 90 days past due is generally considered defaulted.

In addition, qualitative indicators of the probability of default, such as changes to: 1) regulatory and market environments; 2) external market indicators of credit risk for a particular or similar financial instrument; 3) the issuer's financial condition and operational activities; 4) price indicators of credit risk; and 5) the existence of covenant waivers, are considered where appropriate.

A financial asset is credit-impaired and therefore considered as stage 3 of the three-stage model, when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Indicators that a financial asset is credit-impaired include the event of default and other observable data about events indicating significant financial difficulties on the issuer side or about the market environment the issuer operates in. A financial asset's gross carrying amount is written off when all or part of the financial asset is expected to be uncollectible. Indicators that there is no reasonable expectation of recovery are, among others, a lack of assets or sources of income of the borrower that could generate sufficient cash flows to repay the amounts. Although the Group expects no significant recovery from amounts written off, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Debt modifications can lead to a substantial change in the terms and conditions, resulting in a derecognition of an existing financial asset and the recognition of a newly purchased financial asset that might meet the criteria of a POCI (purchased or originated credit-impaired). If the modification does not result in derecognition, the Group determines whether the asset's credit risk has increased significantly by comparing the risk of default at the reporting date based on modified contractual terms of the financial asset with the risk of default at initial recognition based on the unmodified contractual terms.

The loss allowance recognition of either 12-months or lifetime expected credit loss (ECL) depends on whether there has been a significant increase in credit risk for the financial instrument since initial recognition. The Group estimates the lifetime ECL based on the present value of all possible cash shortfalls over the remaining expected life of the financial asset, which is the difference between the contractual cash flows that are due under the contract and the cash flows that the holder expects to receive. The 12-months ECL is defined as a portion of the lifetime ECL that results from default events on a financial instrument that are possible within the 12-months after the reporting date.

The Group applies the simplified approach to trade receivables, lease receivables and contract assets. For these assets, lifetime ECL is recognised. The Group estimates the lifetime ECL based on a probability of default using a days past due provision matrix.

The Group considers quantitative and qualitative information to determine whether the credit risk has significantly increased since initial recognition. In addition, an analysis based on the Group's historical experience and credit risk assessments, including forward-looking information, are used. Forward-looking information includes macroeconomic forecasts provided by Swiss Re Institute to calculate the credit loss of the financial assets. These forecasts cover a number of macroeconomic variables (eg GDP growth rate, equity returns and interest rates) and reflect the Group's view as to the most likely development of those variables. The macroeconomic factors are used to bridge the gap between historical loss experience and current expectations since these variables are linked to the default and rating behaviour of counterparties. Further, the use of macroeconomic factors involves relating the performance of the assets to macroeconomic factors by forecasting the assets' underlying profit or loss into probability of default outcomes using prescribed scenarios. Swiss Re Institute provides more than one economic scenario to meet a range of possible outcomes for the measurement of ECL. For each scenario, the associated ECL is multiplied by the weighting allocated to that scenario.

No significant changes to estimation techniques or assumptions were made during the reporting period.

### Baseline macroeconomic outlook

The Group expects global economic growth to remain broadly stable over the next 12–18 months, with regional differences persisting. In the US, economic activity is anticipated to be slightly above trend, with AI-related investment and fiscal support providing upside potential to the 2026 growth outlook. Growth in the euro area and China is expected to moderate in 2026, while fiscal tightening in the UK poses mild downside risks. Inflation paths continue to diverge. In the US, price pressures are likely to stay elevated, driven by the gradual pass-through of tariffs into core goods prices and persistent services inflation. In contrast, inflation is projected to remain muted in the euro area and China. Monetary policy is likely to reflect these disparities. The Group expects further Federal Reserve and Bank of England interest rate cuts towards neutral levels, while the European Central Bank is likely to stay on hold and the Bank of Japan to tighten further as domestic inflation remains elevated. Fiscal strains and persistent inflation in some markets could add upward pressure on long-dated government bond yields.

### Alternative scenarios

The distribution of risks is expected to tilt to the downside, driven by fragmented global trade, geopolitical tensions, the potential for disruptive policy changes and financial market vulnerabilities. Alongside the expected baseline macroeconomic outlook, the Group monitors three alternative scenarios intended to capture 5–10% tail outcomes based on today's economic environment.

Downside 1 comprises a stagflationary environment, bringing a reacceleration of inflation, rising interest rates, and economic contractions. As a result, financial conditions tighten and risk assets perform poorly.

Downside 2 comprises a global recession, which would generate unfavourable macro and financial conditions, with sharp contractions in economic growth, falling interest rates, abrupt tightening in financial conditions and significant financial market losses.

The upside scenario comprises a tech-driven productivity revival, which would see economies' potential growth shift upwards, resulting in stronger economic activity and higher interest rates, while financial conditions remain benign and risk assets benefit.

The macroeconomic assumptions as of 31 December were as follows:

| | | **2025** (Forecasts for 2026) | | | | 2024 (Forecasts for 2025) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Baseline | Upside | Downside 1 | Downside 2 | Baseline | Upside | Downside 1 | Downside 2 |
| Likelihood | | 75% | 5% | 10% | 10% | 76% | 8% | 8% | 8% |
| Real GDP growth, annual average, % | USD | 2.0 | 3.6 | -0.5 | -1.9 | 2.2 | 3.2 | -0.1 | -1.0 |
| | GBP | 1.2 | 2.5 | -0.9 | -2.5 | 1.2 | 2.2 | -0.4 | -1.7 |
| | EUR | 1.3 | 2.5 | -0.9 | -2.8 | 0.9 | 2.0 | -0.3 | -1.7 |
| Yield, 10-year govt. bond, year-end, % | USD | 4.2 | 5.4 | 5.5 | 2.2 | 4.2 | 5.3 | 5.7 | 2.5 |
| | GBP | 4.7 | 5.5 | 6.0 | 1.8 | 4.5 | 4.7 | 5.3 | 1.8 |
| | EUR | 2.9 | 4.2 | 4.8 | 1.5 | 2.3 | 3.7 | 4.3 | 0.3 |
| Equity markets, year-end, % change | USD | 13.0 | 25.0 | -20.0 | -35.0 | 10.0 | 20.0 | -15.0 | -25.0 |
| | GBP | 10.0 | 20.0 | -20.0 | -40.0 | 6.0 | 20.0 | -15.0 | -25.0 |
| | EUR | 7.5 | 20.0 | -20.0 | -40.0 | 9.0 | 20.0 | -15.0 | -25.0 |

### Maximum exposure to credit risk

For fair value through other comprehensive income instruments and instruments measured at amortised cost, the maximum exposure to credit risk is represented by the carrying amount. For loan commitments and financial guarantees, the maximum exposure to credit risk equals the nominal amount.

The following table presents the maximum exposure to credit risk by class of financial instrument, without taking into account collateral held or other credit enhancements, as of 31 December:

| USD millions | 2025<br>Financial assets, excluding held for sale | <br>Financial assets held for sale | 2024<br>Financial assets, excluding held for sale | <br>Financial assets held for sale |
|---|---|---|---|---|
| **Financial assets at fair value through other comprehensive income** | | | | |
| Fixed income securities | 85 271 | 148 | 80 595 | 183 |
| **Total financial assets measured at fair value through other comprehensive income** | **85 271** | **148** | 80 595 | 183 |
| **Financial assets at amortised cost:** | | | | |
| Cash and cash equivalents | 2 431 | 7 | 3 872 | 31 |
| Fixed income securities | | | 119 | |
| Mortgages and other loans | 7 954 | | 8 237 | |
| Other invested assets[1] | 187 | | 175 | |
| Financial assets included in Other assets | 1 998 | 1 | 1 623 | |
| **Total financial assets measured at amortised cost** | **12 572** | **8** | 14 026 | 31 |
| **Total on-balance sheet financial assets subject to ECL** | **97 843** | **156** | 94 621 | 214 |

[1] Excludes derivative financial instruments. Refer to Note 9 Derivative financial instruments and hedge accounting, page 97.

In addition, financial assets at amortised cost amounting to USD 3 260 million and USD 3 774 million as of 31 December 2025 and 2024, respectively, are excluded from the expected credit loss calculation due to either full collateralisation or the short time to settlement of receivables.

The maximum exposure for off-balance sheet items is best represented by the nominal amount. The nominal amount for loan commitments was USD 187 million and USD 134 million as of 31 December 2025 and 2024, respectively. The nominal amount for financial guarantees was USD 13 million and USD 13 million as of 31 December 2025 and 2024, respectively. Loss allowances for loan commitments and financial guarantee contracts are measured at an amount equal to lifetime ECL.

## Reconciliation of allowance for expected credit loss

| **2025**<br>USD millions | Stage 1 | Stage 2 | Stage 3 | Simplified approach | Total |
|---|---|---|---|---|---|
| **Loss allowance as of 1 January** | **48** | **21** | **20** | **5** | **94** |
| Net purchase of financial assets and loan issuance | | | | | |
| Fixed income securities FVOCI | 23 | -1 | -5 | | 17 |
| Mortgages and other loans | 2 | -1 | -10 | | -9 |
| Other | 1 | | | | 1 |
| Remeasurements | | | | | |
| Fixed income securities FVOCI | -27 | -1 | 7 | | -20 |
| Mortgages and other loans | 1 | -3 | 23 | | 21 |
| Other | -1 | | | | -1 |
| Stage transfers | | | | | |
| Fixed income securities FVOCI | -3 | | 3 | | |
| Mortgages and other loans | -1 | -7 | 8 | | |
| Other | | | | | |
| Write-offs | | | | | |
| Fixed income securities FVOCI | | | | | |
| Mortgages and other loans | | | | | |
| Other | | | | | |
| Effect of foreign exchange | 2 | | 1 | | 3 |
| **Loss allowance on 31 December** | **46** | **8** | **47** | **5** | **106** |

| 2024<br>USD millions | Stage 1 | Stage 2 | Stage 3 | Simplified approach | Total |
|---|---|---|---|---|---|
| **Loss allowance as of 1 January** | 71 | 19 | 30 | 6 | 126 |
| Net purchase of financial assets and loan issuance | | | | | |
| Fixed income securities FVOCI | 20 | -2 | -1 | | 17 |
| Mortgages and other loans | | -1 | | | -1 |
| Other | 1 | | | -1 | 0 |
| Remeasurements | | | | | |
| Fixed income securities FVOCI | -38 | 1 | 5 | | -32 |
| Mortgages and other loans | -2 | 3 | 7 | | 8 |
| Other | -1 | | 42 | | 41 |
| Stage transfers | | | | | |
| Fixed income securities FVOCI | -1 | 1 | | | 0 |
| Mortgages and other loans | -1 | | 1 | | 0 |
| Other | | | | | 0 |
| Write-offs | | | | | |
| Fixed income securities FVOCI | | | | | 0 |
| Mortgages and other loans | | | -22 | | -22 |
| Other[1] | | | -42 | | -42 |
| Effect of foreign exchange | -1 | | | | -1 |
| **Loss allowance on 31 December** | 48 | 21 | 20 | 5 | 94 |

[1] The contractual amount outstanding on financial assets that were written off during the reporting period and still subject to enforcement activity was USD 50 million as of 31 December 2024.

## Credit risk concentration of financial assets

The following table provides a credit quality analysis for financial assets at their respective gross carrying amounts as of 31 December:

| **2025**<br>USD millions | AAA | AA | A | BBB | Non-investment grade | Total gross carrying amount[1] | ECL allowance | Net of loss allowance |
|---|---|---|---|---|---|---|---|---|
| **Financial assets measured at FVOCI** | | | | | | | | |
| Stage 1[2] | 9 549 | 31 001 | 20 533 | 22 042 | 2 082 | 85 207 | -39 | |
| Stage 2 | | 15 | | 18 | 154 | 187 | -5 | |
| Stage 3 | | | | | 25 | 25 | -18 | |
| **Total financial assets measured at FVOCI** | **9 549** | **31 016** | **20 533** | **22 060** | **2 261** | **85 419** | **-61** | |
| Of which assets held for sale | | | | | | 148 | | |
| **Financial assets measured at AC** | | | | | | | | |
| Stage 1 | 1 181 | 2 081 | 2 732 | 3 938 | 1 615 | 11 546 | -7 | 11 540 |
| Stage 2 | | | 39 | 167 | 264 | 470 | -4 | 466 |
| Stage 3 | | | | 17 | 112 | 129 | -28 | 100 |
| Simplified approach | | | | | 479 | 479 | -5 | 473 |
| **Total financial assets measured at AC** | **1 181** | **2 081** | **2 770** | **4 121** | **2 470** | **12 624** | **-44** | **12 579** |
| Of which assets held for sale | | | | | | 8 | | 8 |

| 2024<br>USD millions | AAA | AA | A | BBB | Non-investment grade | Total gross carrying amount[1] | ECL allowance | Net of loss allowance |
|---|---|---|---|---|---|---|---|---|
| **Financial assets measured at FVOCI** | | | | | | | | |
| Stage 1 | 7 985 | 27 266 | 23 314 | 20 297 | 1 793 | 80 655 | -43 | |
| Stage 2 | | | | 4 | 104 | 108 | -6 | |
| Stage 3 | | | | | 15 | 15 | -12 | |
| **Total financial assets measured at FVOCI** | 7 985 | 27 266 | 23 314 | 20 301 | 1 912 | 80 778 | -61 | |
| Of which assets held for sale | | | | | | 183 | | |
| **Financial assets measured at AC** | | | | | | | | |
| Stage 1 | 780 | 1 191 | 4 929 | 3 320 | 2 974 | 13 194 | -5 | 13 189 |
| Stage 2 | | | 21 | 181 | 311 | 513 | -15 | 498 |
| Stage 3 | | | | | 23 | 23 | -8 | 15 |
| Simplified approach | | | | | 360 | 360 | -5 | 355 |
| **Total financial assets measured at AC** | 780 | 1 191 | 4 950 | 3 501 | 3 668 | 14 090 | -33 | 14 057 |
| Of which assets held for sale | | | | | | 31 | | 31 |

[1] Reflects the carrying amount for financial assets measured at FVOCI and the gross carrying amount for financial assets measured at amortised cost.
[2] Following a change in credit rating methodology, the stage 1 financial assets measured at FVOCI balances as of 31 December 2025 reflect a reallocation among the investment-grade categories AAA, AA and A, with an increase in AAA and AA-rated instruments and a decrease in A-rated instruments. The change did not have any impact on the probability of default calibration or allowance for expected credit loss.

### Effect of collateral on the maximum exposure to credit risk of credit-impaired financial assets

The maximum exposure to credit risk associated with financial assets held at fair value through other comprehensive income corresponds to the fair value, and for financial assets held at amortised cost corresponds to the gross carrying amount, net of loss allowances. The table below also shows the maximum exposure to credit risk after considering the effects of collateral and other credit enhancements, as of 31 December.

| **2025**<br>USD millions | Maximum exposure to credit risk | Collateral and other credit enhancements | Maximum exposure to credit risk after collateral and credit enhancements |
|---|---|---|---|
| **Financial assets at fair value through other comprehensive income** | | | |
| Fixed income securities | 25 | 11 | 14 |
| **Total financial assets measured at fair value through other comprehensive income** | **25** | **11** | **14** |
| **Financial assets at amortised cost:** | | | |
| Mortgages and other loans | 100 | 102 | |
| **Total financial assets measured at amortised cost** | **100** | **102** | **0** |

| 2024<br>USD millions | Maximum exposure to credit risk | Collateral and other credit enhancements | Maximum exposure to credit risk after collateral and credit enhancements |
|---|---|---|---|
| **Financial assets at fair value through other comprehensive income** | | | |
| Fixed income securities | 15 | 8 | 7 |
| **Total financial assets measured at fair value through other comprehensive income** | 15 | 8 | 7 |
| **Financial assets at amortised cost:** | | | |
| Mortgages and other loans | 15 | | 15 |
| **Total financial assets measured at amortised cost** | 15 | 0 | 15 |

### Financial assets designated at fair value through profit or loss

Certain financial assets otherwise measured at amortised cost or at fair value through other comprehensive income have been designated as measured at fair value through profit or loss as of 31 December.

| USD millions | **2025** | 2024 |
|---|---|---|
| **Designated financial assets** | | |
| Maximum exposure to credit risk | 127 | 132 |
| Fair value change caused by changes in credit risk | 2 | -1 |
| Cumulative fair value change caused by changes in credit risk | 9 | 1 |

The changes in fair value attributable to changes in credit risk are determined based on changes in the prices of credit default swaps referenced to similar obligations of the same borrower.

# 8 Fair value disclosures

**Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities measured at fair value and assets and liabilities not measured at fair value but for which the fair value is disclosed are categorised within the fair value hierarchy. This three-level hierarchy is based on the observability of the inputs used in the fair value measurement. The levels of the fair value hierarchy are defined as follows:

Level 1 inputs are unadjusted, quoted prices in active markets for identical assets or liabilities that the Group has the ability to access. Level 1 inputs are the most persuasive evidence of fair value and are to be used whenever possible. The types of instruments categorised within level 1 include active government and government agency securities, corporate debt securities, active listed equities, certain exchange-traded derivative instruments and most exchange-traded funds.

Level 2 inputs are market-based inputs that are directly or indirectly observable, but not considered level 1 quoted prices. Level 2 inputs consist of i) quoted prices for similar assets or liabilities in active markets; ii) quoted prices for identical assets or liabilities in non-active markets (eg markets which have few transactions and where prices are not current, or price quotations vary substantially); iii) inputs other than quoted prices that are observable (eg interest rates, yield curves, volatilities, prepayment speeds, credit risks and default rates); iv) inputs derived from, or corroborated by, observable market data; and v) quoted prices provided by third-party brokers. The types of instruments that trade in markets that are not considered to be active include most government and government agency securities, certain investment-grade corporate debt securities, securitised products, certain over-the-counter (OTC) and non-exchange-traded derivative instruments and less liquid listed equities.

Level 3 inputs are unobservable inputs. These inputs generally reflect the Group's own assumptions about market pricing using the best internal and external information available. Certain financial instruments are categorised within level 3 of the fair value hierarchy because they trade infrequently and therefore have little or no price transparency. Such instruments include less liquid corporate debt securities and certain securitised products, private equity and private equity funds. Certain OTC derivatives trade in less liquid markets with limited pricing information and the determination of fair value for these derivatives is inherently more difficult. When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit considerations. Such adjustments are generally based on available market evidence. In the absence of such evidence, management's best estimate is used.

In certain situations, the Group uses inputs to measure the fair value of asset or liability positions that fall into different levels of the fair value hierarchy. In these situations, the Group will determine the appropriate level based on the lowest level input that is significant to the determination of the fair value.

**Valuation techniques**

Cash and cash equivalents mainly consist of publicly traded money market funds (MMFs), which are valued using net asset value (NAV). Valuations of NAV are derived from public exchanges. MMFs are therefore classified as level 1 instruments.

Fixed income securities mainly comprise debt securities issued by governments and government agencies, corporate debt securities including insurance-linked securities, and securitised products, of which the majority are mortgage- and asset-backed securities, as well as collateralised loans.

Debt securities issued by governments and government agencies, which have quoted market prices in active markets, are categorised as level 1 instruments within the fair value hierarchy. Securities, which are not observed to have active markets, are generally classified as level 2 instruments. They are valued using independent pricing providers (vendors). Pricing providers utilise a variety of observable market data in the valuation process, including executed trade information and quotes (ie broker, interdealer broker, exchange and clearing house). Valuations provided by vendors are generally based on executable trade information as most of the Group's government holdings are traded in a transparent and liquid market.

Corporate debt securities mainly include US and European investment-grade positions, which are priced by utilising inputs from third-party pricing providers (vendors). Pricing providers utilise observable market inputs where available in the valuation process, with emphasis placed on executed trades, executable dealer quotes (price, yields and spread) and dealer indications. Instruments where valuation is derived from executable trade information are categorised as level 1 instruments. Where market data (direct executable) is not available for a specific instrument, valuations are developed based on a variety of pricing techniques, including utilising an implied and interpolated issuer curve, which is developed using observable quotes and traded prices as proxies, incorporating considerations of the security's credit rating, maturity, liquidity, seniority and call features. Other modelling techniques (eg relative yield analysis, peer proxy/comparable) utilise observable inputs and option-adjusted spreads and incorporate considerations of the security's seniority, maturity and the issuer's corporate structure. When pricing is based on indirect observable data, or direct observable data in markets that are not considered active, instruments are categorised within level 2, or level 3 when unobservable inputs are required. Most of the level 3 instruments are valued based on bid-market indications provided by third-party pricing vendors.

Fair values of mortgage- and asset-backed securities are obtained both from third-party pricing vendors, quoted prices and internal valuation models; some of which may be based on the prices of comparable securities with similar structural and collateral features. For both, residential mortgage-backed securities (RMBS) and commercial mortgage-backed securities (CMBS), cash flows are derived based on the transaction-specific information, which incorporates priority in the deal structure, and are generally adjusted to reflect benchmark yields, market prepayment data, collateral performance (default rates and loss severity) for specific vintage and geography, credit enhancements and ratings. For certain RMBS and CMBS with low levels of market liquidity, judgements may be required to determine comparable securities based on the loan type and deal-specific performance. The factors specifically considered in the valuation of CMBS include borrower-specific statistics in a specific region, such as debt service coverage and loan-to-value ratios, as well as the type of commercial property. Asset-backed securities also includes debt securitised by credit card, student loan and auto loan receivables. Pricing inputs for these securities focus on capturing, where relevant, collateral quality and performance, payment patterns and delinquencies. Consequently, the majority of mortgage- and asset-backed securities are categorised within level 2 of the fair value hierarchy.

Equity investments primarily include private equity investments. The fair value of such instruments is mainly derived by internal valuation models (eg Discounted Cash Flow model and Financial Statement modelling) utilising judgmental assumptions in defining inputs. Consequently, equity investments are mainly classified within level 3 of the fair value hierarchy.

The Group holds both exchange-traded and OTC interest rate, foreign exchange, credit and equity derivative contracts for hedging and trading purposes. The fair values of exchange-traded derivatives measured using observable exchange prices are classified as level 1. Long-dated contracts may require adjustments to the exchange-traded prices, which would trigger reclassification to level 2 in the fair value hierarchy. OTC derivatives are generally valued by the Group based on the internal models, which are consistent with industry standards and practices, and use both observable (dealer, broker or market consensus prices, spot and forward rates, interest rate and credit curves and volatility indices) and unobservable inputs (adjustments for liquidity, inputs derived from the observable data based on the Group's judgements and assumptions). The Group's OTC interest rate derivatives primarily include interest rate swaps, futures, options, caps and floors and are valued based on discounted cash flow models, which generally utilise as inputs observable market yield curves and volatility assumptions. The Group's OTC foreign exchange derivatives primarily include forward spot and option contracts and are generally valued based on discounted cash flow models, utilising as main inputs observable foreign exchange forward curves. The Group's investments in equity derivatives primarily include OTC equity option contracts on single or baskets of market indices and equity options on individual or baskets of equity securities, which are valued using internally developed models (such as the Black-Scholes type option pricing model and various simulation models) calibrated with the inputs, which include underlying spot prices, dividend curves, volatility surfaces, yield curves and correlations between underlying assets. The Group's OTC credit derivatives can include index and single-name credit default swaps. Plain vanilla credit derivatives, such as index and single-name credit default swaps, are valued by the Group based on the models consistent with the industry valuation standards for these credit contracts, and primarily utilise observable inputs published by market data sources, such as credit spreads and recovery rates. These valuation techniques warrant classification of plain vanilla OTC derivatives as level 2 financial instruments in the fair value hierarchy.

Mortgages and other loans are mainly categorised within level 3 of the fair value hierarchy due to their individually tailored nature. This results in the absence of directly observable exit prices and/or only limited indirect observable inputs. For middle market loans, certain commercial mortgage loans and infrastructure loans, which are included in mortgage loans and other loans, respectively, the fair value can be estimated using discounted cash flow models, which are based on discount curves and spread inputs that require management's judgement.

Other invested assets mainly include the Group's private equity funds and hedge fund investments, which are made directly or via ownership of funds. Valuation of direct private equity investments requires significant management judgement due to the absence of quoted market prices and the lack of liquidity. Initial valuation is based on the acquisition cost and is further refined based on the available market information for the public companies that are considered comparable to the Group's holdings in the private companies being valued, and the private company-specific performance indicators; both historic and projected. Subsequent valuations also reflect business or asset appraisals, as well as market transaction data for private and public benchmark companies and the actual companies being valued, such as financing rounds, and mergers and acquisitions activity. The Group's holdings in private equity funds and hedge funds are generally valued utilising NAV, subject to adjustments, as deemed necessary, for restrictions on redemption (lock-up periods and amount limitations on redemptions). Consequently, the majority of the Group's private equity funds and hedge funds are categorised within level 3 of the fair value hierarchy.

Other assets measured at fair value include insurance-linked mortgage loans. The fair value of those assets is derived from discounted best estimate cash flows utilising lapse rates and mortality rates applied in valuing the related insurance liabilities. Consequently, insurance-linked mortgage loans are categorised within level 3 of the fair value hierarchy.

Other assets measured at amortised cost but for which the fair value is disclosed include insurance contracts without significant risk transfer, which are categorised within level 3 of the fair value hierarchy. The fair value is derived from discounted best estimate cash flows utilising unobservable inputs such as biometric assumptions and lapse rates that are essential to project future cash flows.

Investment property is fair valued primarily by independent external appraisers based on proprietary discounted cash flow models that incorporate applicable risk premium adjustments to discount yields and projected market rental income streams based on market-specific data. These fair value measurements are classified in level 3 in the fair value hierarchy.

Other liabilities measured at fair value mainly include securities sold short. The value as well as fair value levelling of those liabilities follows the respective fair values and levelling categorisation of the underlying assets sold short.

Other liabilities measured at amortised cost but for which a fair value is disclosed include insurance contracts without significant risk transfer, which are categorised within level 3 of the fair value hierarchy. The fair value is derived from discounted best estimate cash flows utilising unobservable inputs such as biometric assumptions and lapse rates that are essential to project future cash flows.

Debt positions, which are fair valued based on executable broker quotes or the discounted cash flow method using observable inputs, are priced by utilising inputs from third-party pricing providers (vendors) and classified within level 1 or level 2. The fair value of the majority of the Group's level 3 debt positions is judged to be the value of their updated cash flows discounted by a risk-adjusted market curve plus credit spread, if any, due to the highly tailored nature of the obligation.

### Valuation process for assets and liabilities categorised within level 3 of the fair value hierarchy

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 Financial 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 to add assurance that 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 Pricing and Valuation Committee. Summary results are regularly reported to Executive management, through the Asset Valuation Committee, and the Board of Directors at Group and legal entity level.

## Allocation of assets and liabilities to levels of the fair value hierarchy

As of 31 December, the allocation of assets and liabilities by level of input was as follows:

| 2025<br>USD millions | Quoted prices in active markets for identical assets and liabilities (level 1) | Significant other observable inputs (level 2) | Significant unobservable inputs (level 3) | Total |
|---|---|---|---|---|
| **Assets measured at fair value on a recurring basis** | | | | |
| Cash and cash equivalents | 260 | | | 260 |
| Fixed income securities[1] | 31 209 | 56 614 | 613 | 88 436 |
| Equity investments | 615 | 17 | 137 | 769 |
| Derivative financial instruments | 17 | 532 | 39 | 588 |
| Mortgages and other loans | | | 11 | 11 |
| Other invested assets | 1 576 | 96 | 3 599 | 5 271 |
| Other assets[2] | 271 | | 502 | 773 |
| **Total assets measured at fair value on a recurring basis** | **33 949** | **57 258** | **4 901** | **96 108** |
| | | | | |
| **Assets not measured at fair value but for which the fair value is disclosed** | | | | |
| Fixed income securities | | | | 0 |
| Mortgages and other loans | | 39 | 7 779 | 7 818 |
| Investment property | | | 6 155 | 6 155 |
| Other invested assets | | 150 | 41 | 191 |
| Other assets | | | 877 | 877 |
| **Total assets not measured at fair value but for which the fair value is disclosed** | **0** | **189** | **14 851** | **15 040** |
| | | | | |
| **Liabilities measured at fair value on a recurring basis** | | | | |
| Derivative financial instruments | -5 | -676 | -37 | -718 |
| Other liabilities | -83 | -536 | | -619 |
| **Total liabilities measured at fair value on a recurring basis** | **-88** | **-1 212** | **-37** | **-1 336** |
| | | | | |
| **Liabilities not measured at fair value but for which the fair value is disclosed** | | | | |
| Long-term debt | -1 559 | -5 112 | -2 056 | -8 726 |
| Short-term debt | | -291 | -1 709 | -2 000 |
| Other liabilities | | | -272 | -272 |
| **Total liabilities not measured at fair value but for which the fair value is disclosed** | **-1 559** | **-5 403** | **-4 037** | **-10 998** |

[1] Excludes USD 148 million of fixed income securities categorised within levels 1, 2 and 3, and classified as held for sale.
[2] Includes unit-linked and insurance-linked mortgage loan investments.

| 2024<br>USD millions | Quoted prices in active markets for identical assets and liabilities (level 1) | Significant other observable inputs (level 2) | Significant unobservable inputs (level 3) | Total |
|---|---|---|---|---|
| **Assets measured at fair value on a recurring basis** | | | | |
| Cash and cash equivalents | 212 | 7 | | 219 |
| Fixed income securities[1] | 31 787 | 51 133 | 576 | 83 496 |
| Equity investments | 159 | 12 | 588 | 759 |
| Derivative financial instruments | 1 | 1 400 | 42 | 1 443 |
| Mortgages and other loans | | | 8 | 8 |
| Other invested assets | 39 | 105 | 3 352 | 3 496 |
| Other assets[2] | 264 | | 361 | 625 |
| **Total assets measured at fair value on a recurring basis** | 32 462 | 52 657 | 4 927 | 90 046 |
| **Assets not measured at fair value but for which the fair value is disclosed** | | | | |
| Fixed income securities | | | 121 | 121 |
| Mortgages and other loans | | 37 | 8 013 | 8 050 |
| Investment property | | | 5 380 | 5 380 |
| Other invested assets | | 145 | 34 | 179 |
| Other assets | | | 695 | 695 |
| **Total assets not measured at fair value but for which the fair value is disclosed** | 0 | 182 | 14 243 | 14 425 |
| **Liabilities measured at fair value on a recurring basis** | | | | |
| Derivative financial instruments | -3 | -1 243 | -47 | -1 293 |
| Other liabilities | -169 | -146 | -4 | -319 |
| **Total liabilities measured at fair value on a recurring basis** | -172 | -1 389 | -51 | -1 612 |
| **Liabilities not measured at fair value but for which the fair value is disclosed** | | | | |
| Long-term debt | -760 | -2 321 | -3 669 | -6 750 |
| Short-term debt | | -1 025 | -2 858 | -3 883 |
| Other liabilities | | | -314 | -314 |
| **Total liabilities not measured at fair value but for which the fair value is disclosed** | -760 | -3 346 | -6 841 | -10 947 |

[1] Excludes USD 183 million of fixed income securities categorised within levels 1 and 2 and classified as held for sale.
[2] Includes unit-linked and insurance-linked mortgage loan investments.

### Transfers between levels

Level transfers are mainly driven by changes in the observability of valuation inputs used. Levelling information for the majority of fixed income securities is sourced from an external provider. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

For the years ended 31 December, level transfers for assets and liabilities measured at fair value on a recurring basis were as follows:

| **2025** | | | **Transfers from** | | | **Transfers to** |
|---|---|---|---|---|---|---|
| USD millions | level 1 | level 2 | level 3 | level 1 | level 2 | level 3 |
| **Assets** | | | | | | |
| Fixed income securities[1] | 9 903 | 12 729 | 276 | 12 552 | 10 177 | 179 |
| Equity investments | | | | | | |
| Other invested assets | | 3 | | | | 3 |
| **Liabilities** | | | | | | |
| Other liabilities | 209 | 50 | | 50 | 209 | |

[1] Excludes transfers of fixed income securities classified as held for sale from level 1 to level 2 and level 2 to level 1, amounting to USD 9 million and USD 71 million, respectively.

| 2024 | | | **Transfers from** | | | **Transfers to** |
|---|---|---|---|---|---|---|
| USD millions | level 1 | level 2 | level 3 | level 1 | level 2 | level 3 |
| **Assets** | | | | | | |
| Fixed income securities[1] | 6 475 | 11 631 | 82 | 11 378 | 6 557 | 253 |
| Equity investments | 8 | 100 | | 100 | 8 | |
| Other invested assets | | 22 | | | | 22 |
| **Liabilities** | | | | | | |
| Other liabilities | 312 | 174 | | 174 | 312 | |

[1] Excludes transfers of fixed income securities classified as held for sale between level 1 and 2 amounting to USD 2 million.

## Assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3)

The following tables show a reconciliation of the opening and closing balances for recurring fair value measurements in level 3 of the fair value hierarchy and analyse the total gains and losses recognised in net income and OCI for the years ended 31 December:

| **2025**<br>USD millions | Fixed income securities | Equity investments | Derivative financial instruments | Mortgages and other loans | Other invested assets | Other assets | Total assets | Derivative financial instruments | Total liabilities |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as of 1 January** | **576** | **588** | **42** | **8** | **3 352** | **361** | **4 927** | **-47** | **-47** |
| Realised/unrealised gains/losses: | | | | | | | | | |
| Included in net income[1] | 2 | 5 | 39 | -6 | 4 | 177 | 222 | 56 | 56 |
| Included in other comprehensive income[2] | 26 | -36 | | | | | -10 | | 0 |
| Purchases | 299 | 1 | | 15 | 432 | 24 | 771 | -51 | -51 |
| Sales | -33 | -427 | | -6 | -261 | -98 | -825 | | 0 |
| Settlements | -148 | | -43 | -1 | | -5 | -197 | 7 | 7 |
| Transfers into level | 179 | | | | 3 | | 183 | | 0 |
| Transfers out of level | -276 | | | | | | -276 | | 0 |
| Effect of foreign exchange | 3 | 6 | 1 | | 70 | 42 | 121 | -2 | -2 |
| Reclassified to held for sale | -14 | | | | | | -14 | | 0 |
| **Closing balance as of 31 December** | **613** | **137** | **39** | **11** | **3 599** | **502** | **4 901** | **-37** | **-37** |

| 2024<br>USD millions | Fixed income securities | Equity investments | Derivative financial instruments | Mortgages and other loans | Other invested assets | Other assets | Total assets | Derivative financial instruments | Total liabilities |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as of 1 January** | 728 | 898 | 30 | 8 | 3 182 | 470 | 5 316 | -51 | -51 |
| Realised/unrealised gains/losses: | | | | | | | | | |
| Included in net income[1] | | -1 | 54 | -2 | 10 | -6 | 55 | 32 | 32 |
| Included in other comprehensive income[2] | 7 | -330 | | | | | -323 | | 0 |
| Purchases | 11 | 23 | 7 | 5 | 563 | 36 | 645 | -74 | -74 |
| Sales | -224 | | | -2 | -393 | -115 | -734 | | 0 |
| Settlements | -116 | | -49 | -1 | | | -166 | 44 | 44 |
| Transfers into level | 253 | | | | 22 | | 275 | | 0 |
| Transfers out of level | -82 | | | | | | -82 | | 0 |
| Effect of foreign exchange | -1 | -2 | | | -32 | -24 | -59 | 2 | 2 |
| Reclassified to held for sale | | | | | | | 0 | | 0 |
| **Closing balance as of 31 December** | 576 | 588 | 42 | 8 | 3 352 | 361 | 4 927 | -47 | -47 |

[1] Fair value changes from level 3 assets and liabilities, except from Other assets, are reported in Investment gains/losses. Fair value changes from Other assets are reported in Other income or Other expenses.
[2] Fair value changes from fixed income securities and equity investments are reported in Net unrealised investment gains/losses on fixed income securities and Net unrealised investment gains/losses on equity investments, respectively.

## Gains and losses on assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3)

The gains and losses relating to the assets and liabilities measured at fair value using significant unobservable inputs (level 3) for the years ended 31 December were as follows:

| USD millions | **2025** | 2024 |
|---|---|---|
| Gains/losses included in net income for the period | 278 | 87 |
| Whereof change in unrealised gains/losses relating to assets and liabilities still held at the reporting date | 171 | -18 |

### Significant unobservable inputs for financial instruments measured at fair value level 3

The table below sets out information about unobservable inputs used in measuring fair values for financial instruments measured at fair value and categorised within level 3 of the fair value hierarchy as of 31 December:

| USD millions | 2025 | | | | 2024 |
|---|---|---|---|---|---|
| Type of financial instrument | Fair value | Valuation technique | Significant unobservable input | Range (weighted average[3]) | Fair value |
| **Assets** | | | | | |
| **Fixed income securities** | **613** | | | | 576 |
| Securitised products | 126 | Discounted cash flow model | Credit spread | -364–39 068bps (2 044bps) | 203 |
| Private placement corporate debt[1] | 487 | Discounted cash flow model | Credit spread | 0–426bps (113bps) | 373 |
| **Equity investments** | **137** | | | | 588 |
| Private equity[2] | 137 | Discounted cash flow model/Peer multiples approach/Market capitalisation method | Financial statements multiples/Cash flow projections/ Earnings projections | | 588 |
| **Other invested assets** | **3 599** | | | | 3 352 |
| Private equity funds[2] | 3 598 | Net asset value | n/a | | 3 330 |
| **Other assets** | **502** | | | | 361 |
| Insurance-linked mortgage loans | 321 | Discounted cash flow model | Lapse rate<br>Mortality rate | 3.1–8.4% (7.0%)<br>0.0–1.3% (0.7%) | 360 |

[1] Excludes USD 14 million classified as held for sale in 2025.
[2] The range and weighted average of the inputs is not disclosed as there is a dispersion of values given the diverse nature of the investments
[3] Unobservable inputs are weighted by the relative fair value of the instruments.

### Sensitivity of recurring level 3 measurements to changes in unobservable inputs

The significant unobservable input used in the fair value measurement of the Group's securitised products is credit spread. A significant increase (decrease) in this input in isolation would result in a significantly lower (higher) fair value measurement. The significant unobservable input used in the fair value measurement of the Group's private placement corporate debt securities is credit spread. A significant increase (decrease) in this input in isolation would result in a significantly lower (higher) fair value measurement. However, changing any of the unobservable inputs to reflect reasonably possible alternative scenarios would not lead to a significant change in the corresponding fair values.

The significant unobservable input used in the fair value measurement of the Group's private equity is dependent on the valuation technique utilised. These comprise financial statements multiples, cash flow and/or earnings projections. A significant increase (decrease) in these inputs in isolation would result in a significantly higher (lower) fair value measurement. However, changing any of the unobservable inputs to reflect reasonably possible alternative scenarios would not lead to a significant change in the corresponding fair values.

The significant unobservable input used in the fair value measurement of the Group's private equity funds is net asset value. A significant increase (decrease) in this input in isolation would result in a significantly and proportionally higher (lower) fair value measurement; ie a 10% increase (decrease) in the net asset value would result in a corresponding 10% increase (decrease) of the fair value.

The significant unobservable inputs used in the fair value measurement of the Group's insurance-linked mortgage loans are mortality rates and lapse rates. A significant increase (decrease) in the mortality rates in isolation would result in a significantly lower (higher) fair value measurement. A significant increase (decrease) in the lapse rates in isolation would result in a significantly lower (higher) fair value measurement. However, changing any of the unobservable inputs to reflect reasonably possible alternative scenarios would not lead to a significant change in the corresponding fair values.

# 9 Derivative financial instruments and hedge accounting

The Group uses a variety of derivative financial instruments including swaps, options, forwards and exchange-traded financial futures in its trading and hedging strategies, in line with the Group's overall risk management strategy. The objectives include managing exposure to price, foreign currency, credit risk and/or interest rate risk on planned or anticipated investment purchases, existing assets or liabilities, as well as locking in attractive investment conditions for future available funds.

The fair values represent the gross carrying value amounts at the reporting date for each class of derivative contract held or issued by the Group. The gross fair values are not an indication of credit risk, as many over-the-counter transactions are contracted and documented under ISDA master agreements or their equivalent. Management believes that such agreements provide for legally enforceable set-off in the event of default, which substantially reduces credit exposure.

### Fair values and notional amounts of derivative financial instruments

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

| **2025**<br>USD millions | Maturity by nominal amount<br>Due within one year | <br>Due between one and five years | <br>Due after five years | Notional amount assets/liabilities |
|---|---|---|---|---|
| **Derivatives designated as hedging instruments** | | | | |
| Fair value hedges | | | | |
| Interest rate contracts | | 316 | 1 820 | 2 135 |
| Hedge of net investment in foreign operations | | | | |
| Foreign exchange contracts | 11 080 | | | 11 080 |
| **Total** | **11 080** | **316** | **1 820** | **13 215** |

| 2024<br>USD millions | Maturity by nominal amount<br>Due within one year | <br>Due between one and five years | <br>Due after five years | Notional amount assets/liabilities |
|---|---|---|---|---|
| **Derivatives designated as hedging instruments** | | | | |
| Fair value hedges | | | | |
| Interest rate contracts | | 276 | 863 | 1 139 |
| Hedge of net investment in foreign operations | | | | |
| Foreign exchange contracts | 8 094 | | | 8 094 |
| **Total** | 8 094 | 276 | 863 | 9 233 |

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

| **2025**<br>USD millions | Fair value assets<br>Due within one year | Fair value assets<br>Due between one and five years | Fair value assets<br>Due after five years | Total fair value assets | Fair value liabilities<br>Due within one year | Fair value liabilities<br>Due between one and five years | Fair value liabilities<br>Due after five years | Total fair value liabilities | Carrying value assets/liabilities |
|---|---|---|---|---|---|---|---|---|---|
| **Derivatives not designated as hedging instruments** | | | | | | | | | |
| Interest rate contracts | | 102 | 163 | 265 | -3 | -56 | -173 | -233 | 32 |
| Foreign exchange contracts | 170 | 22 | 20 | 212 | -232 | -17 | -13 | -262 | -51 |
| Equity contracts | 14 | 48 | 6 | 68 | -50 | -48 | | -99 | -31 |
| Credit contracts | | | | 0 | -1 | | | -1 | -1 |
| Other contracts | 10 | | 29 | 39 | -34 | -2 | -1 | -37 | 2 |
| **Total** | **193** | **171** | **219** | **583** | **-320** | **-124** | **-187** | **-631** | **-48** |
| **Derivatives designated as hedging instruments** | | | | | | | | | |
| Hedge of net investment in foreign operations | | | | | | | | | |
| Foreign exchange contracts | 5 | | | 5 | -86 | | | -86 | -81 |
| **Total** | **5** | **0** | **0** | **5** | **-86** | **0** | **0** | **-86** | **-81** |
| **Total net amount of derivative financial instruments**[1] | | | | **588** | | | | **-718** | **-129** |

| 2024<br>USD millions | Fair value assets<br>Due within one year | Fair value assets<br>Due between one and five years | Fair value assets<br>Due after five years | Total fair value assets | Fair value liabilities<br>Due within one year | Fair value liabilities<br>Due between one and five years | Fair value liabilities<br>Due after five years | Total fair value liabilities | Carrying value assets/liabilities |
|---|---|---|---|---|---|---|---|---|---|
| **Derivatives not designated as hedging instruments** | | | | | | | | | |
| Interest rate contracts | 1 | 757 | 194 | 952 | -27 | -747 | -2 | -776 | 176 |
| Foreign exchange contracts | 158 | 78 | 14 | 250 | -296 | -32 | -16 | -344 | -94 |
| Equity contracts | | 36 | 9 | 45 | -45 | -80 | | -125 | -80 |
| Credit contracts | 4 | 1 | | 5 | -1 | | | -1 | 4 |
| Other contracts | 10 | 2 | 30 | 42 | -43 | -4 | | -47 | -5 |
| **Total** | 173 | 874 | 247 | 1 294 | -412 | -863 | -18 | -1 293 | 1 |
| **Derivatives designated as hedging instruments** | | | | | | | | | |
| Hedge of net investment in foreign operations | | | | | | | | | |
| Foreign exchange contracts | 149 | | | 149 | | | | 0 | 149 |
| **Total** | 149 | 0 | 0 | 149 | 0 | 0 | 0 | 0 | 149 |
| **Total net amount of derivative financial instruments**[1] | | | | 1 443 | | | | -1 293 | 150 |

[1] Net amount of derivative financial instruments held in an asset position represents the maximum exposure to credit risk.

The fair value assets are included in Other invested assets.

The fair value liabilities are included in Other liabilities.

Refer to Note 11 Risk disclosures, page 104 for further information on how the Group manages liquidity risk.

## Non-hedging activities

The Group primarily uses derivative financial instruments for risk management and trading strategies. Gains and losses of derivative financial instruments not designated as hedging instruments are recorded in Investment gains/losses and Financing costs in the income statement.

For the years ended 31 December 2025 and 2024, the gains and losses of derivative financial instruments not designated as hedging instruments were as follows:

| USD millions | 2025 | 2024 |
|---|---|---|
| **Derivatives not designated as hedging instruments** | | |
| Interest rate contracts | -166 | -16 |
| Foreign exchange contracts | 441 | 79 |
| Equity contracts | -57 | -46 |
| Credit contracts | -13 | 4 |
| Other contracts | 93 | 93 |
| **Total** | **299** | 114 |

## Hedging activities

The Group designates certain derivative financial instruments as hedging instruments. The designation of derivative financial instruments is primarily used for overall portfolio and risk management strategies.

The Group periodically assesses whether the hedging relationship meets the hedge effectiveness requirements. One such requirement is the existence of an economic relationship between the hedging instrument and the hedged item, or in other words, that the hedging instrument and the hedged item are expected to generally move in opposite directions. The Group applies a range of qualitative and quantitative methods to capture the relevant characteristics of the hedging relationship, including the sources of hedge ineffectiveness. These methods primarily include the critical terms method (a qualitative assessment of the critical terms of the hedged item and the hedging instrument), the simple scenario analysis method (hypothetical derivative method) and the linear regression analysis method. The method used depends primarily on the complexity of the relationship between the hedged item and the hedging instrument.

The Group also carefully considers the economic relationship between hedged items and hedging instruments and ensures that the hedge ratio is aligned with the requirements of the economic hedging strategy (or risk management strategy) and the hedging objective.

### Fair value hedges

The Group enters into interest rate swaps to hedge interest rate risk exposure to changes in fair values of certain fixed income securities and its issued long-term debt positions in respect to the underlying benchmark interest rates. These derivative instruments are designated as hedging instruments in qualifying fair value hedges. The Group designates the hedged items only to the extent of benchmark interest rates because the changes in fair values of these instruments are significantly influenced by changes in underlying benchmark interest rates. The main sources of ineffectiveness are the differences between the repricing dates of the swaps and the debt positions as well as the differences in payment and maturity dates for the swaps and fixed income securities. The Group has established a hedge ratio of 1:1, as the underlying risk of the hedging instrument is identical to the hedged risk component.

In 2025, the group has discontinued the hedging relationship on its fixed income securities measured at FVOCI and related interest rate swaps, due to a change in risk management objective following market developments and updates to its balance sheet position.

For the years ended 31 December, the gains and losses used as a basis for calculating hedge ineffectiveness attributable to the hedged risks were as follows:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| USD millions | Investment gains/ losses | Interest expenses | Investment gains/ losses | Interest expenses |
| **Interest rate contracts** | | | | |
| Gains/losses on derivatives | 1 | 3 | 2 | 40 |
| Gains/losses on hedged items | -1 | -4 | -2 | -40 |

As of 31 December 2025 and 2024, the carrying values of the hedge liabilities and the cumulative amounts of fair value hedging adjustments included therein, recognised in the balance sheet, were as follows:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| USD millions | Carrying value | Cumulative basis adjustment | Carrying value | Cumulative basis adjustment |
| **Assets** | | | | |
| Fixed income securities | | | 32 | |
| **Liabilities** | | | | |
| Short-term debt | | | | |
| Long-term debt | -1 983 | 145 | -970 | 132 |

## Cash flow hedges

In 2023, the Group entered into a forward bond purchase contract to reduce the exposure from the interest rate fluctuations on the future purchase price of seasoned bonds forecasted to take place in 2024. These derivative instruments are designated as cash flow hedging instruments. The Group has established a hedge ratio of 1:1, as the underlying risk of the hedging instrument is identical to the hedged risk component.

As of 31 December 2025 and 2024, the cash flow hedge reserve amounted to nil and nil, respectively. The forecast transaction took place in the first quarter of 2024 and the associated bonds were subsequently sold. For the year ended 31 December 2024, a loss of USD 7 million was recorded in Other comprehensive income – Cash flow hedges. The remaining cash flow hedge reserves amounting to a net gain of USD 5 million were reclassified to the income statement.

## Hedges of the net investment in foreign operations

The Group designates derivative and non-derivative financial instruments as hedges of the foreign currency exposure arising from its net investment in certain foreign operations. To minimise hedge ineffectiveness, the Group excludes the forward and time value of option elements from the designated derivative hedging instruments. These elements are recorded in Other comprehensive income – Cost of hedging. Hedge effectiveness is assessed based on the critical terms of the hedged item and the hedging instrument. Ineffectiveness for hedges of the net investment in foreign operations is unlikely to occur unless the hedged net assets fall below the designated hedged amount. The exceptions are hedges where the hedging currency is not the same as the currency of the foreign operation, where the currency basis may cause ineffectiveness. Ineffectiveness in the hedges of the Group's net investments is recognised in the income statement when the cumulative gain or loss on the hedging instrument exceeds the cumulative change in fair value of the hedged item, both calculated from inception of the hedge (over-hedge). The Group has established a hedge ratio of 1:1, as the underlying risk of the hedging instrument is identical to the hedged risk component.

For the years ended 31 December, the gains and losses used as a basis for calculating hedge ineffectiveness attributable to the hedged risks were as follows:

| USD millions | 2025 | 2024 |
|---|---|---|
| Change in value of hedged items | 1 260 | -542 |
| Change in value of hedging instruments | -1 259 | 553 |
| Hedging gain/losses recognised in Other comprehensive income – Foreign currency translation | -1 260 | 542 |
| Hedge ineffectiveness recognised in the income statement | 1 | 11 |

As of 31 December 2025 and 2024, the total foreign currency translation reserve amounted to a net loss of USD 984 million and a net gain of USD 268 million, respectively. For the year ended 31 December 2025, a net loss previously recognized in OCI amounting to USD 7 million was reclassified to the income statement upon the disposal of an associate, as well as the sale of iptiQ's European P&C business.

# 10 Debt

The Group enters into long- and short-term debt arrangements to obtain funds for general corporate use and specific transaction financing. The Group defines short-term debt as debt having a maturity at the balance sheet date of not greater than one year, and long-term debt as having a maturity of greater than one year. For subordinated debt positions, maturity is defined as the next optional redemption date (notwithstanding that optional redemption could be subject to regulatory consent). Financing costs are classified accordingly.

Long-term debt and short-term debt are measured at amortised cost.

The Group's debt as of 31 December was as follows:

| USD millions | **2025** | 2024 |
|---|---|---|
| Senior debt | 2 003 | 2 151 |
| Subordinated debt | | 1 729 |
| **Short-term debt** | **2 003** | 3 880 |
| Senior debt | 904 | 1 179 |
| Subordinated debt | 7 351 | 5 143 |
| **Long-term debt** | **8 255** | 6 322 |
| **Total carrying value** | **10 258** | 10 202 |
| **Total fair value** | **10 726** | 10 633 |

As of 31 December, operational debt, ie debt related to operational leverage, amounted to:

| USD millions | **2025** | 2024 |
|---|---|---|
| Operational debt | 1 725 | 1 666 |
| Thereof limited- or non-recourse | 1 629 | 1 561 |

Operational leverage is subject to asset/liability matching and is excluded from rating agency financial leverage calculations.

### Maturity analysis of long-term debt

As of 31 December, long-term debt as reported above had the following maturities:

| | **2025** | | 2024 | |
|---|---|---|---|---|
| USD millions | Carrying value | Undiscounted cash flows[1] | Carrying value | Undiscounted cash flows[1] |
| Due between one and five years | 3 130 | 3 503 | 2 149 | 2 520 |
| Due between five and ten years | 2 437 | 3 277 | 2 296 | 3 208 |
| Due after ten years | 2 689 | 5 531 | 1 877 | 3 802 |
| **Total** | **8 255** | **12 310** | 6 322 | 9 530 |

[1] Undiscounted cash flows reflect interest and principal payments. Floating interest rates are assumed to remain constant as of the reporting date.

Refer to Note 11 Risk disclosures, page 104, for further information on how the Group manages liquidity risk.

## Senior long-term debt

| 2025<br>Maturity | Instrument | Issued in | Currency | Nominal in millions | Interest rate | Book value in USD millions |
|---|---|---|---|---|---|---|
| 2027 | Senior notes | 2015 | CHF | 250 | 0.75% | 314 |
| 2030 | Senior notes[1] | 2000 | USD | 156 | 7.75% | 181 |
| 2042 | Senior notes | 2012 | USD | 322 | 4.25% | 316 |
| Various | Payment undertaking agreements | Various | USD | 89 | Various | 93 |
| **Total senior long-term debt as of 31 December 2025** | | | | | | **904** |
| Total senior long-term debt as of 31 December 2024 | | | | | | 1 179 |

[1] Assumed in the acquisition of GE Insurance Solutions.

## Subordinated long-term debt

| 2025<br>Maturity | Instrument | Issued in | Currency | Nominal in millions | Interest rate | Next call in | Book value in USD millions |
|---|---|---|---|---|---|---|---|
| 2031 | Subordinated fixed rate reset callable loan note[1] | 2025 | SGD | 450 | 3.80% | 2029 | 348 |
| 2033 | Subordinated fixed rate reset callable loan note[1] | 2025 | EUR | 750 | 3.94% | 2031 | 874 |
| 2035 | Subordinated fixed-to-floating rate callable loan note[1] | 2024 | USD | 750 | 5.75% | 2034 | 745 |
| 2046 | Subordinated fixed-to-floating rate callable loan note[1] | 2025 | USD | 750 | 6.24% | 2045 | 743 |
| 2049 | Guaranteed subordinated fixed rate reset step-up callable note | 2019 | USD | 766 | 5.00% | 2029 | 763 |
| 2050 | Guaranteed subordinated fixed rate reset step-up callable note | 2019 | EUR | 539 | 2.53% | 2030 | 631 |
| 2052 | Guaranteed subordinated fixed rate reset step-up callable note | 2020 | EUR | 800 | 2.71% | 2032 | 795 |
| 2052 | Subordinated fixed-to-floating rate non-step-up callable loan note[1] | 2022 | USD | 800 | 5.68% | 2027 | 800 |
| 2056 | Subordinated fixed rate non-step-up callable loan note[1] | 2022 | USD | 23 | 6.10% | 2031 | 23 |
| 2057 | Subordinated private placement (amortising, limited recourse) | 2007 | GBP | 1 211 | 6.48% | | 1 629 |
| **Total subordinated long-term debt as of 31 December 2025** | | | | | | | **7 351** |
| Total subordinated long-term debt as of 31 December 2024 | | | | | | | 5 143 |

[1] From affiliated companies.

## Changes in liabilities arising from financing activities

| 2025<br>USD millions | Short-term debt issued | Long-term debt issued | Total |
|---|---|---|---|
| **Balance as of 1 January** | **3 880** | **6 322** | **10 202** |
| Financing cash flows | -1 803 | 1 834 | 31 |
| Reclassifications from long-term to short-term debt | 312 | -312 | 0 |
| Non-cash settlements[1] | -500 | 0 | -500 |
| Effect of foreign exchange | 118 | 407 | 524 |
| Other | -4 | 5 | 1 |
| **Balance as of 31 December** | **2 003** | **8 255** | **10 258** |

| 2024<br>USD millions | Short-term debt issued | Long-term debt issued | Total |
|---|---|---|---|
| **Balance as of 1 January** | 3 038 | 8 157 | 11 195 |
| Financing cash flows | -1 525 | 690 | -835 |
| Reclassifications from long-term to short-term debt | 2 363 | -2 363 | 0 |
| Non-cash settlements[1] | 0 | 0 | 0 |
| Effect of foreign exchange | -2 | -192 | -194 |
| Other | 6 | 30 | 36 |
| **Balance as of 31 December** | 3 880 | 6 322 | 10 202 |

[1] Reflects loan repayments to an affiliated company.

### Financing costs

Financing costs for the years ended 31 December were as follows:

| USD millions | 2025 | 2024 |
|---|---|---|
| Senior debt | 34 | 51 |
| Subordinated debt | 349 | 311 |
| **Interest expense on long-term debt** | **382** | 362 |
| | | |
| Interest expense on short-term debt | 164 | 191 |
| Net impact of hedging | 1 | |
| Other | 87 | 147 |
| **Total financing costs** | **634** | 700 |

### Long-term debt issued in 2025

On 26 March 2025, Swiss Re Subordinated Finance Plc, a subsidiary of Swiss Re Ltd, issued six-year guaranteed subordinated fixed rate reset notes, which are callable from 26 December 2029. The notes have an aggregate face value of SGD 450 million, with a fixed coupon of 3.75% until the reset date on 26 March 2030. The notes are guaranteed on a subordinated basis by Swiss Re Ltd. Swiss Re Subordinated Finance Plc on-lent the issuance proceeds to Swiss Reinsurance Company Ltd effective 26 March 2025 under a subordinated loan agreement on substantially the same terms as the external issuance.

On 26 March 2025, Swiss Re Subordinated Finance Plc, a subsidiary of Swiss Re Ltd, issued eight-year guaranteed subordinated fixed rate reset notes, which are callable from 26 December 2031. The notes have an aggregate face value of EUR 750 million, with a fixed coupon of 3.89% until the reset date on 26 March 2032. The notes are guaranteed on a subordinated basis by Swiss Re Ltd. Swiss Re Subordinated Finance Plc on-lent the issuance proceeds to Swiss Reinsurance Company Ltd effective 26 March 2025 under a subordinated loan agreement on substantially the same terms as the external issuance.

On 1 April 2025, Swiss Re Subordinated Finance Plc, a subsidiary of Swiss Re Ltd, issued 21-year guaranteed subordinated fixed-to-floating rate notes, which are callable from 1 January 2045. The notes have an aggregate face value of USD 750 million, with a fixed coupon of 6.19% until the reset date on 1 April 2045. The notes are guaranteed on a subordinated basis by Swiss Re Ltd. Swiss Re Subordinated Finance Plc on-lent the issuance proceeds to Swiss Reinsurance Company Ltd effective 1 April 2025 under a subordinated loan agreement on substantially the same terms as the external issuance.

# 11 Risk disclosures

**Regulatory framework**

The Group is subject to regulatory requirements in each of the jurisdictions in which it conducts business, which impose obligations related to maintaining a certain level of capital to cover the risk of default and insolvency by reinsurance and insurance companies and meet unforeseen liabilities arising from economic shocks or catastrophic events. The Group manages its capital so that its regulated subsidiaries comply with all regulatory and solvency requirements in the countries in which the Group operates.

The Group uses an internal risk model to determine regulatory capital requirements under economic solvency frameworks such as Swiss Solvency Test (SST) and Solvency II, which forms the basis for regulatory reporting. In addition, the Group and its regulated legal entities domiciled in Switzerland are supervised by FINMA and subject to minimum solvency requirements in Switzerland.

Swiss Re's Board of Directors has defined an SST capitalisation target range of 200–250% for the Swiss Re Group[1]. The minimum requirement imposed by FINMA is 100%.

**Insurance risk**

As described in Note 1 Organisation and summary of material accounting policies, page 9, re/insurance contracts give rise to insurance risk. Insurance risk management involves identifying, assessing and controlling risks that the Group takes through its underwriting activities. In addition, the Group monitors and controls accumulated insurance exposures to ensure that they remain within the defined risk tolerance level. The Group 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.

The Group is exposed to insurance and financial risks that are calculated in its internal risk model, as well as other risks that are not explicitly part of the economic capital requirement but are actively monitored and controlled due to their significance for the Group. These include operational, liquidity, model, valuation, regulatory, political, strategic and sustainability risks. Climate change-related risks are not a standalone risk category but a driver of established risk categories. They are reflected in risk categories if they are relevant for current risk-taking (eg natural catastrophe risk, man-made risk, mortality trend risk, sustainability risk, emerging risk).

Property and casualty risk is mainly driven by underlying risks inherent in the business the Group underwrites, in particular costing and reserving risk, natural catastrophes, man-made risk and economic/social inflation and changes in settlement patterns. These insurance risks arise 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 the Group underwrites, such as inflation or uncertainty in pricing and reserving. Property re/insurance for natural catastrophe risks is a core business activity for the Group. The Group's scenario analysis indicates that climate change-related physical risks will lead to moderate increases in expected losses for key weather-related perils over the long term. To reflect such changing physical risks, the Group regularly adjusts its proprietary natural catastrophe models, incorporating the latest scientific findings and loss experience. These adjustments are relatively modest compared to other loss drivers.

Life and health insurance risk arises from coverage provided for mortality (death), longevity (annuity) and morbidity (critical illness and income protection). 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. The Group's limit framework for life and health exposures includes risk limits for key risks, such as life (mortality trend and longevity combined), lethal pandemic, mortality trend, lapse, critical illness and income protection. Market exposure limits are in place for catastrophe and stop-loss business. The Group does not consider climate change to be a financially material risk for its life and health portfolios.

[1] Swiss Reinsurance Company Group and Swiss Re Group share a similar risk profile. SST capitalisation target range as well as SST ratios and sensitivities presented for Swiss Reinsurance Company Group and Swiss Re Group are the same (refer to section SST sensitivity methods, parameters and assumptions for more information).

### Concentration of insurance risk

As of 31 December, the net insurance liabilities net of reinsurance held and excluding payables/receivables by region were as follows:

| USD millions | 2025 | 2024 |
|---|---|---|
| Americas[1] | 40 179 | 40 283 |
| EMEA[2] | 26 952 | 26 327 |
| Asia-Pacific | 11 819 | 11 618 |
| **Total** | **78 951** | 78 228 |

[1] 2025 includes USD 120 million reclassified as held for sale
[2] 2024 includes USD 791 million reclassified as held for sale.

The amounts presented above are allocated by region based on the underlying contract cedents' location. Insurance risks are well diversified across regions and business lines.

In Life & Health Reinsurance, the largest amount of net insurance liabilities recognised in the balance sheet relates to mortality business in the US. In Property & Casualty Reinsurance, risks are spread across all regions, particularly the US and EMEA.

For more information on adverse risk scenarios, refer to the insurance stresses in disclosure Insurance SST ratio sensitivities. The Group's largest natural catastrophe exposure lies in the scenarios Atlantic Hurricane and Californian Earthquake. Its largest adverse risk in life and health is lethal pandemic.

## Financial market risk

The Group maintains finance market risk standards, which define the risk governance and control framework for the management of the market risk within the Group. Market risk is the risk of loss arising from market changes that affect the economic value of investments or contracts. The Group regularly monitors and reports on key financial market 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 presented and discussed with those responsible for the relevant business line in Group discussion forums. The reporting process is complemented by regular risk discussions between key units that take financial market risk and the corresponding business teams responsible for writing transactions.

### Risk concentration of financial instruments

Refer to the disclosure Carrying amounts of investments and other liabilities in Note 6 Investments, page 73, for information on risk concentration by asset class.

Refer to the disclosure Risk concentration of fixed income securities, and mortgages and other loans in Note 6 Investments, page 73, for information on risk concentration by country.

## Credit risk

Credit risk arises when the Group enters into financial instruments or insurance contracts that grant the Group the contractual right to receive future cash flows from external counterparties. Credit risk is defined as the potential financial loss that may arise from diminished creditworthiness or default of counterparties of the Group or of third parties.

The Group maintains credit risk standards, which define the risk governance and control framework for management of the credit risk within the Group. The Group regularly monitors and reports on country and counterparty credit quality, credit exposures and limits. In addition, the Group 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, thus providing the necessary transparency to implement specific exposure management strategies for individual counterparties, industry sectors and geographic regions.

### Exposure to credit risk from insurance contracts

The Group determines the amount arising from re/insurance contracts that is subject to credit risk from the net future cashflows that the Group expects to receive.

As of 31 December 2025 and 2024, the maximum exposure to credit risk related to insurance contracts issued was USD 20 266 million and USD 19 525 million, respectively. The maximum exposure to credit risk from reinsurance held was USD 3 376 million and USD 3 113 million, respectively.

The largest exposure to credit risk is in the Group's long-term business, mainly Life & Health assumed business.

### Credit risk quality of reinsurance contracts held that are assets

As of 31 December, the credit risk quality of net reinsurance contracts held was as follows:

| USD millions | **2025** | 2024 |
|---|---|---|
| AA | 431 | 427 |
| A | 1 449 | 553 |
| BBB | 1 062 | 1 803 |
| Non-investment grade | 434 | 330 |
| **Total** | **3 376** | 3 113 |

### Credit risk from financial instruments

Refer to the disclosure Risk concentration of fixed income securities, and mortgages and other loans in Note 6 Investments, page 73, for information on risk concentration by country.

Refer to the disclosures in Note 7 Expected credit loss, page 83, for more information on credit risk related to financial instruments, including risk concentration by credit quality.

## Liquidity risk

The Group's exposure to liquidity risk arises primarily from two sources: the need to cover potential extreme loss events and regulatory constraints that limit the flow of funds within the organisation.

The Group's liquidity policy is to maintain access to sufficient liquidity in the form of unencumbered liquid assets, cash and pre-funded facilities to meet potential funding requirements arising from a range of possible stress events. To address regulatory restrictions on intra-group funding, liquidity is managed at a legal entity level. The amount of liquidity required to be held is determined by internal liquidity stress tests, which estimate the potential funding requirements stemming from extreme loss events.

Refer to the disclosure Maturity analysis of the remaining undiscounted contractual net cash flows for insurance contracts in a liability position in Note 4 Other re/insurance disclosures, page 67, for more information on liquidity risk related to re/insurance contracts.

Refer to the disclosure Maturity analysis for financial assets in Note 6 Investments, page 73, for more information on liquidity risk related to financial instruments.

Refer to the disclosure Maturity analysis of long-term debt in Note 10 Debt, page 101, and Maturity of lease liabilities in Note 16 Leases, page 113, for more information on liquidity risk related to non-derivative financial liabilities.

Refer to the disclosure Fair values and notional amounts of derivative financial instruments in Note 9 Derivative financial instruments and hedge accounting, page 97, for more information on liquidity risk related to derivative financial liabilities.

## Currency risk

The primary objectives of the Group's foreign exchange risk management are to minimise the impact of foreign exchange rate fluctuations on consolidated IFRS shareholders' equity and earnings while maintaining an adequate capital position. The Group does not have significant exposure to a single currency.

## Insurance and financial market SST ratio sensitivities

### SST sensitivity methods, parameters and assumptions

The sensitivity of the solvency ratio under SST is a representation of the financial markets and insurance sensitivities used by the Group for internal control and management decision-making. The Group periodically (at least once per quarter) determines how strongly the solvency ratio reacts to key market parameters and other pre-defined stress scenarios.

The sensitivity analysis method is fully integrated into the official calculation engine, ICAM (Internal Capital Adequacy Model), which is approved by FINMA. This integration ensures that all sensitivity calculations are performed exclusively within ICAM, using its core features. In this process, shocks are applied within the model, and the resulting outputs are subsequently consolidated. The model takes account of the accumulation and diversification between individual risks.

The process involves collecting results of the baseline (non-stressed) official calculation and additional inputs needed to assess the sensitivity to stressed scenarios (eg magnitude of the interest rate shock).

Key assumptions used for sensitivity analysis are as follows:
- All shocks are assumed to be instantaneous (on a specific portfolio), independent (no cross-correlations across the different sensitivity scenarios) and point-in-time (no reinvestments or forecasting).
- The results are net of insurance hedges. Linear financial derivatives (or hedges) are included. Non-linear financial derivatives are excluded from the impact analysis (due to valuation complexity).
- No management actions are assumed to take place when these shocks are applied.
- For interest rates and credit spreads, the shocks are assumed to be parallel shifts to the respective curves. Convexity impact is included.
- Risk-bearing capital and the associated sensitivity impacts are modelled on the basis of a defined set of model currencies.
- The sensitivities reflect a net view after mitigation measures.

Swiss Reinsurance Company Group and Swiss Re Group share a similar risk profile, and the SST sensitivities for both the entities are similar in direction and magnitude. Swiss Reinsurance Company Group has a marginally lower SST ratio under the Swiss Solvency Test framework. Key notable differences originate from a limited number of equity investments held at the Swiss Re Group level and differences in the capital structure. With very similar standalone insurance risks, Swiss Re Group has marginally higher standalone Financial Market risk. Due to these similarities, SST ratios and sensitivities presented for Swiss Reinsurance Company Group and Swiss Re Group are the same.

### Insurance SST ratio sensitivities

The sensitivities of the solvency ratio under SST are a presentation of the insurance sensitivities used by the Group for the internal control of these risks. Specific sensitivities to IFRS equity in accordance with IFRS 7 and IFRS 17 have therefore not been calculated.

The SST model input parameters differ by risk factor. For the insurance stresses, the input parameters are risk-bearing capital, market value margin, shortfall, reserves, sum at risk (for lethal pandemic) and 99.5% net value at risk per scenario.

The tables below provide details on the impact on the SST ratio of insurance peak scenarios with a return period of 200 years. As of 1 January 2026 and 2025, the Group SST ratio was 250% and 257%, respectively.

| **Impact on SST ratio**[1] | **SST 2026** |
|---|---|
| Atlantic hurricane | -48pp |
| Californian earthquake | -31pp |
| European windstorm | -21pp |
| Japanese earthquake | -19pp |
| Lethal pandemic | -21pp |

| Impact on SST ratio[1] | SST 2025 |
|---|---|
| Atlantic hurricane | -43pp |
| Californian earthquake | -28pp |
| European windstorm | -17pp |
| Japanese earthquake | -15pp |
| Lethal pandemic | -23pp |

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

For the SST 2026, the largest natural catastrophe exposure for the Group derives from the Atlantic hurricane scenario, which translates into a 48 percentage point decrease in the SST ratio, with a USD 7.6 billion loss. The lethal pandemic loss is estimated to be USD 3.6 billion, which translates into a 21 percentage point impact on the SST ratio.

### Financial market SST ratio sensitivities

The sensitivities of the solvency ratio under SST are a presentation of the market risk sensitivities used by the Group for the internal control of these risks. Specific sensitivities to IFRS equity in accordance with IFRS 7 and IFRS 17 have therefore not been calculated.

The SST model input parameters differ by risk factor. For the Financial Market sensitivities, the input parameters are market value by asset class, risk-bearing capital, market value margin, shortfall, global tax rate and expected loss premium.

The Group uses 99% tail value-at-risk to measure its risk concentrations. Risk concentrations are also measured via value-at-risk calculations for sensitivities to key financial market parameters. The financial risk sensitivities below are shown in terms of their impact on the SST ratio. As of 1 January 2026 and 2025, the Group SST ratio was 250% and 257%, respectively.

| Impact on SST ratio | | **SST 2026** |
|---|---|---|
| Interest rates | +50bps | 4pp |
| Interest rates | -50bps | -5pp |
| Credit spreads | +50bps | -7pp |
| Credit spreads | -50bps | 7pp |
| Equity values | +25% | 2pp |
| Equity values | -25% | -2pp |
| Real estate values | +25% | 8pp |
| Real estate values | -25% | -8pp |

| Impact on SST ratio | | SST 2025 |
|---|---|---|
| Interest rates | +50bps | 7pp |
| Interest rates | -50bps | -8pp |
| Credit spreads | +50bps | -6pp |
| Credit spreads | -50bps | 6pp |
| Equity values | +25% | 1pp |
| Equity values | -25% | -2pp |
| Real estate values | +25% | 7pp |
| Real estate values | -25% | -8pp |

Among the financial market sensitivities shown above, the Group SST 2026 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.

# 12 Shareholder's equity

### Issued capital
On 31 December 2025, Swiss Reinsurance Company Ltd (the "Company") had fully paid-in share capital of CHF 34 405 256.50. It was divided into 344 052 565 registered shares, each with a par value of CHF 0.10, held directly by Swiss Re Ltd. One share carries one vote. The Company is a wholly owned subsidiary of Swiss Re Ltd.

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

| Number | 2025 | 2024 |
|---|---|---|
| **Shares issued** | | |
| **Balance as of 1 January** | **344 052 565** | 344 052 565 |
| Issuance of common shares | | |
| Cancellation of shares bought back | | |
| **Balance as of 31 December** | **344 052 565** | 344 052 565 |

### Capital management and dividends
Swiss Reinsurance Company Group's capital management priorities are aligned with those of the Swiss Re Group, which are to: ensure superior capitalisation at all times and maximise financial flexibility; grow the regular dividend with long-term earnings and, at a minimum maintain it; deploy capital for business growth where it meets the strategy and profitability targets; complement the ordinary dividend with a sustainable annual share buyback, subject to meeting annual profitability targets; and, finally, repatriate excess capital to shareholders.

Dividends are declared in US dollars in line with the Group's reporting, and main business currency, and are paid in US dollars following the Annual General Meeting at which the relevant dividend is declared and approved. During the years ended 31 December 2025 and 31 December 2024, Swiss Reinsurance Company Ltd paid dividends corresponding to a total distribution of USD 1 800 million and USD 1 600 million, respectively.

## 13 Assets held for sale

On 30 December 2025, the Group entered into an agreement to sell the iptiQ American carrier business to Wilton Re, in line with its strategic decision to withdraw from iptiQ. The transaction is expected to close mid-2026, subject to customary closing conditions, including regulatory approvals.

Wilton Re, a provider of in-force and reinsurance solutions in the North American life insurance industry, acquires the risk carriers Elips Life Insurance Company and Lumico Life Insurance Company.

An expected loss of USD 94 million on the disposal of the net assets was recognised in the Group items segment in the fourth quarter of 2025. The loss has been reflected in the Other expenses line in the income statement and a corresponding balance has been established as Unallocated impairment under IFRS 5 and as provision under IAS 37. These balances are included within Assets held for sale and Liabilities held for sale respectively. The loss will be adjusted based on the final purchase price and the carrying amount of the disposal group to be determined as of the closing of the transaction. As of 31 December 2025, items in Other comprehensive income related to the disposal group amounted to USD 15 million and will be recognised in the income statement upon disposal.

The major classes of assets and liabilities held for sale as of 31 December are listed below. Certain intra-group transactions are scheduled to take place prior to closing the transaction, which are anticipated to result in an increase in the assets of the disposal group. As of 31 December 2025, these transactions had not been executed and consequently are not reflected in the assets and liabilities presented below. The Group will account for these transactions in the period in which they occur. However, the recognised loss considers the estimated impact of these planned transactions.

| USD millions | 2025 |
|---|---|
| **Assets** | |
| Cash and cash equivalents | 7 |
| | |
| **Investments** | |
| Fixed income securities | 148 |
| **Total investments** | **148** |
| | |
| Insurance contracts issued that are assets | 12 |
| Reinsurance contracts held that are assets | 0 |
| Income taxes recoverable | 0 |
| Deferred tax assets | 43 |
| Other assets | 1 |
| Unallocated impairment under IFRS 5 | -81 |
| **Total assets held for sale** | **131** |
| | |
| **Liabilities** | |
| Insurance contracts issued that are liabilities | 132 |
| Income taxes payable | 1 |
| Other liabilities | 18 |
| **Total liabilities held for sale** | **151** |

Refer to Note 14 Disposals, page 111 for comparative information related to the classification of the iptiQ EMEA P&C business as held for sale in 2024.

## 14 Disposals

On 1 July 2025, the Group completed the sale of the iptiQ European P&C business to Allianz Direct, following receipt of all required regulatory approvals. The agreement to sell the subsidiary was entered into in the fourth quarter of 2024 in line with the Group's strategic decision to withdraw from iptiQ.

Allianz Direct, the pan-European online insurer of Allianz Group, took over the risk carrier based in Luxembourg (iptiQ EMEA P&C S.A.), more than 100 employees currently working in Switzerland, Germany, Spain, the Netherlands and Italy, and all distribution agreements.

An expected loss on disposal of USD 77 million was recognised in the Group items segment when classifying the disposal group as held for sale in the fourth quarter of 2024. An additional loss of USD 8 million was recognised in 2025 based on the final purchase price of USD 151 million paid in cash, the carrying amount of the disposal group as of the closing of the transaction and items in Other comprehensive income recognised in the income statement upon disposal. The loss from the disposal has been reflected in the Other expenses line in the income statement.

The major classes of assets and liabilities held for sale as of 31 December 2024 and disposed on 1 July 2025 are listed below. Assets and liabilities disposed of during 2025 are presented on an unconsolidated basis. Assets and liabilities held for sale in the 2024 comparative period are shown on a consolidated basis to align with the presentation on the balance sheet.

| USD millions | **2025** | 2024 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | 129 | 31 |
| | | |
| **Investments** | | |
| Fixed income securities | 225 | 183 |
| **Total investments** | **225** | 183 |
| | | |
| Insurance contracts issued that are assets | | 1 |
| Reinsurance contracts held that are assets | 949 | 38 |
| Income taxes recoverable | 10 | 10 |
| Deferred tax assets | | 54 |
| Other assets | 13 | 133 |
| Unallocated impairment under IFRS 5 | -80 | -73 |
| **Total assets** | **1 247** | 377 |
| | | |
| **Liabilities** | | |
| Insurance contracts issued that are liabilities | 1 026 | 762 |
| Reinsurance contracts held that are liabilities | 83 | 4 |
| Income taxes payable | 3 | 2 |
| Deferred tax liabilities | | 47 |
| Other liabilities | 15 | 73 |
| **Total liabilities** | **1 127** | 888 |

# 15 Other income and expenses

## Other income

For the years ended 31 December, other income was as follows:

| USD millions | 2025 | 2024 |
|---|---|---|
| Income related to insurance contracts without significant risk transfer | 310 | 205 |
| Revenue from other services | 80 | 48 |
| Other | 90 | 81 |
| **Total** | **480** | 334 |

## Operating and other expenses by functional area and nature

For the years ended 31 December, operating and other expenses by functional area and nature are presented as follows:

| USD millions | 2025 | 2024 |
|---|---|---|
| **Operating and other expenses by functional area** | | |
| Insurance service result | 2 532 | 2 463 |
| Investment result | 203 | 208 |
| Other expenses | 2 149 | 2 392 |
| **Total operating and other expenses by functional area** | **4 884** | 5 063 |
| | | |
| **Operating and other expenses by nature** | | |
| Personnel | 1 947 | 1 850 |
| Consulting, contractors, tax & audit, legal, business outsourcing | 155 | 153 |
| IT | 178 | 201 |
| Office space | 67 | 71 |
| Marketing | 36 | 33 |
| Impairments on goodwill and intangible assets | | 111 |
| Unallocated impairment under IFRS 5[1] | 81 | 77 |
| Expenses related to insurance contracts without significant risk transfer | 55 | 206 |
| Other[2] | 2 365 | 2 361 |
| **Total operating and other expenses by nature** | **4 884** | 5 063 |

[1] For more details on the transactions, refer to Note 13 Assets held for sale, page 110, and Note 14 Disposals, page 111.
[2] Includes expenses related to non-income taxes, travel expenses, various fees, other administration and operating expenses as well as recharges from entities under common control in the Swiss Re Group.

# 16 Leases

As part of its normal business operations, the Group, as a lessee, enters into a number of lease agreements, mainly for office space. Certain lease agreements include rental payments adjusted periodically for inflation. Renewal or termination options that are reasonably certain of exercise by the lessee are included in the lease term. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

### Right-of-use assets and lease liabilities

Right-of-use assets and lease liabilities as of 31 December were as follows:

| USD millions | **2025** | 2024 |
|---|---|---|
| Right-of-use assets | 149 | 163 |
| Lease liabilities | 273 | 292 |

Additions to right-of-use assets were USD 14 million and USD 21 million for the years ended 31 December 2025 and 2024, respectively.

Lease right-of-use assets are included in Other assets and lease liabilities are included in Other liabilities on the balance sheet.

### Expenses related to lease contracts

Expenses related to lease contracts for the years ended 31 December were as follows:

| USD millions | **2025** | 2024 |
|---|---|---|
| Depreciation expense of right-of-use assets | 31 | 32 |
| Interest expense on lease liabilities | 13 | 14 |
| Other lease expenses | 4 | 5 |
| **Total lease expenses** | **48** | 51 |

### Maturity of lease liabilities

As of 31 December, the total undiscounted cash flows due to leases for the next five years and thereafter were as follows:

| USD millions | **2025** | 2024 |
|---|---|---|
| Due within one year | 56 | 54 |
| Due between one and two years | 51 | 54 |
| Due between two and three years | 46 | 48 |
| Due between three and four years | 42 | 43 |
| Due between four and five years | 38 | 39 |
| Due after five years | 114 | 141 |
| **Total undiscounted cash flows** | **348** | 379 |
| Impact of discounting | -74 | -87 |
| **Total lease liability** | **273** | 292 |

Refer to Note 11 Risk disclosures, page 104 for further information on how the Group manages liquidity risk.

### Reconciliation of lease liabilities

A reconciliation of the opening and closing balances for the lease liabilities is presented as follows for the years ended 31 December:

| USD millions | **2025** | 2024 |
|---|---|---|
| **Balance as of 1 January** | **292** | 251 |
| Transactions under common control | | 77 |
| Lease liabilities recognised in period | 14 | 21 |
| Cash outflows for leases | -58 | -56 |
| Effect of foreign exchange | 17 | -10 |
| Other | 9 | 9 |
| **Balance as of 31 December** | **273** | 292 |

# 17 Goodwill

A reconciliation of the opening to closing gross carrying amounts and the closing net carrying amount of goodwill is presented as follows as of 31 December:

| **2025**<br>USD millions | Property & Casualty Reinsurance | Life & Health Reinsurance | Corporate Solutions | Group items | Total |
|---|---|---|---|---|---|
| **Gross carrying amount as of 1 January** | **1 999** | **2 243** | **186** | **29** | **4 457** |
| Disposals | | | | -29 | -29 |
| Other changes | | | | | 0 |
| Effect of foreign exchange | 2 | | | | 2 |
| **Gross carrying amount as of 31 December** | **2 001** | **2 243** | **186** | **0** | **4 430** |
| | | | | | |
| **Accumulated impairment as of 1 January** | **-108** | **-452** | **-2** | **-29** | **-591** |
| Goodwill impairment for the period | | | | | 0 |
| Disposals | | | | 29 | 29 |
| Other changes | | | | | 0 |
| Effect of foreign exchange | | | | | 0 |
| **Accumulated impairment as of 31 December** | **-108** | **-452** | **-2** | **0** | **-562** |
| **Net carrying amount as of 31 December** | **1 894** | **1 791** | **184** | **0** | **3 868** |

| 2024<br>USD millions | Property & Casualty Reinsurance | Life & Health Reinsurance | Corporate Solutions | Group items | Total |
|---|---|---|---|---|---|
| **Gross carrying amount as of 1 January** | 2 011 | 2 243 | 186 | 29 | 4 469 |
| Disposals | | | | | 0 |
| Other changes | -12 | | | | -12 |
| Effect of foreign exchange | | | | | 0 |
| **Gross carrying amount as of 31 December** | 1 999 | 2 243 | 186 | 29 | 4 457 |
| | | | | | |
| **Accumulated impairment as of 1 January** | -108 | -452 | -2 | 0 | -562 |
| Goodwill impairment for the period | | | | -29 | -29 |
| Disposals | | | | | 0 |
| Other changes | | | | | 0 |
| Effect of foreign exchange | | | | | 0 |
| **Accumulated impairment as of 31 December** | -108 | -452 | -2 | -29 | -591 |
| **Net carrying amount as of 31 December** | 1 891 | 1 791 | 184 | 0 | 3 866 |

### Impairment test

As part of the impairment testing, the Group assesses whether the recoverable amount of the cash-generating units (CGUs) is at least equal to the total carrying amount. The Group defines its CGUs according to its operating segments, including iptiQ, which is reported in the segment Group items.

In May 2024, the Group announced its intention to withdraw from the iptiQ business. Following this announcement, the goodwill previously recognised in iptiQ was fully impaired in 2024.

As of 31 December 2025 and 2024, the goodwill allocated to the operating segments were as follows:

| USD millions | **2025** | 2024 |
|---|---|---|
| P&C Reinsurance | 1 894 | 1 891 |
| L&H Reinsurance | 1 791 | 1 791 |
| Corporate Solutions | 184 | 184 |

The recoverable amount is defined as the higher of the value in use and the fair value less costs of disposal. If it is determined that an impairment exists, the total carrying amount is adjusted to the recoverable amount. Any impairment loss is allocated first to goodwill, is recorded in income in the period in which it arises and is not reversible.

The recoverable amount is established on the basis of the value in use for each of the CGUs.

**Property & Casualty Reinsurance, Life & Health Reinsurance and Corporate Solutions**
A discounted cash flow model based on the business plan covering a three-year period is used for each of the respective CGUs. Cash flows for investments are projected based on return on investments assumed in the plan. Cash flows beyond this period are extrapolated using a growth rate based on macroeconomic forecasts. The growth rate assumed after the detailed three-year planning phase is 3.0% (2024: 3.0%). The applied pre-tax discount rate was 9.3% (2024: 10.4%).

The value in use for the CGUs Property & Casualty Reinsurance, Life & Health Reinsurance and Corporate Solutions, respectively, is in excess of the respective total carrying amounts for the financial years ended 31 December 2025 and 2024. Hence, no impairment was identified.

Sensitivity analyses were performed over the key assumptions. Any reasonably possible change in the key assumptions on which the recoverable amounts are based would not lead to the conclusion that impairment is needed.

# 18 Income taxes

## Income taxes

The Group is generally subject to corporate income taxes based on the taxable net income in various jurisdictions in which it operates.

The components of the income tax expense were:

### Amounts recognised in profit or loss

| USD millions | 2025 | 2024 |
|---|---|---|
| Current taxes | 629 | 466 |
| Global minimum tax | 29 | |
| Deferred taxes | 934 | 272 |
| **Income tax expense/benefit** | **1 592** | 738 |

### Amounts recognised in other comprehensive income

| USD millions | 2025 | 2024 |
|---|---|---|
| Income tax expense/benefit | -89 | 258 |

### Amounts recognised directly in equity

| USD millions | 2025 | 2024 |
|---|---|---|
| Share-based payments | -21 | 5 |
| Realised gains/losses on shares in Swiss Re Ltd | -8 | |
| **Income tax expense/benefit** | **-29** | 5 |

## Tax rate reconciliation

The following table reconciles the expected tax expense at the Swiss statutory rate to the actual tax expense in the accompanying income statement:

| USD millions | 2025 | 2024 |
|---|---|---|
| Income tax at the Swiss statutory tax rate of 19.6% (2024: 19.6%) | 1 150 | 733 |
| | | |
| Increase (decrease) in the income tax charge resulting from: | | |
| Income taxed at different rates | 75 | 56 |
| Impact of foreign exchange movements | 309 | -36 |
| Tax-exempt income | -31 | -64 |
| Non-deductible expenses | 65 | 6 |
| Other income-based taxes | 42 | 31 |
| Global minimum tax | 29 | |
| Intra-entity transactions | 13 | 7 |
| Change in statutory rate | -39 | 20 |
| Change in uncertain tax positions | -9 | -76 |
| Basis difference in subsidiaries | 17 | -31 |
| Change in deferred tax not recognised | 175 | 101 |
| Adjustment for tax of prior-year period | -91 | -20 |
| Other | -113 | 11 |
| **Total** | **1 592** | 738 |

For the year ended 31 December 2025, the Group reported a tax expense of USD 1 592 million on a pre-tax income of USD 5 863 million, compared with a tax expense of USD 738 million on a pre-tax income of USD 3 741 million for 2024. This translates into an effective tax rate in the current and prior-year reporting period of 27.2% and 19.7%, respectively.

The tax impacts from basis differences in subsidiaries are from tax basis gains or losses resulting from external or internal sales, liquidation or mergers of subsidiaries.

For the year ended December 31 2025, the effective tax rate was primarily driven by profits earned in higher tax jurisdictions, tax charges arising from foreign exchange movements, non-deductible expenses and deferred tax not recognised, partially offset by tax benefits from adjustments related to prior year tax periods and other items. Tax charges arising from foreign exchange movements relate to deferred tax expense resulting from changes in the Swiss franc to US dollar exchange rate. Tax charges from non-deductible expenses mainly include USD 60 million relating to financing and administration costs, which are not deductible under the Swiss participation exemption rule. Tax charges from deferred tax not recognised include impairments of tax loss carry-forward assets, including USD 61 million in Switzerland, USD 59 million in Australia and USD 50 million in Israel. Tax benefits from adjustments for tax of prior year period include USD 107 million related to the reassessment of previously unrecognised tax assets on unused tax carry-forward losses in Switzerland. Tax benefits from other items include USD 82 million in Switzerland, resulting from the home office's use of foreign branch losses to reduce taxable income.

For the year ended December 31 2024, the tax rate was driven by profits earned in higher tax jurisdictions and tax charges from deferred tax not recognised, partially offset by tax benefits from non-taxable income and the release of uncertain tax position liabilities. Tax charges from deferred tax not recognised included a USD 59 million impairment of iptiQ entities tax loss carry-forward assets across multiple jurisdictions and a USD 43 million impairment of similar assets in Switzerland. The tax benefits from non-taxable income primarily consisted of USD 50 million from investment income across multiple tax jurisdictions. Tax benefits from uncertain tax positions included USD 48 million resulting from a favourable ruling by a German tax court regarding the allocation of investment income.

### Deferred tax assets and liabilities

The components of deferred and other non-current taxes were as follows:

| USD millions | **2025** | 2024 |
|---|---|---|
| **Deferred tax assets** | | |
| Insurance and reinsurance contracts | 260 | 627 |
| Investments | 868 | 1 183 |
| Tax losses carried forward | 1 506 | 2 074 |
| Foreign exchange provisions | 123 | 92 |
| Property and equipment | 166 | 146 |
| Pensions and other post-employment benefits | 14 | 9 |
| Accrued income and expense | 581 | 470 |
| Other | 243 | 111 |
| Reclassified to assets held for sale | -48 | -54 |
| **Deferred tax assets** | **3 713** | 4 658 |
| Offset | -2 114 | -2 612 |
| **Total deferred tax assets** | **1 599** | 2 046 |

| USD millions | **2025** | 2024 |
|---|---|---|
| **Deferred tax liabilities** | | |
| Insurance and reinsurance contracts | 3 750 | 4 096 |
| Investments | 137 | 153 |
| Foreign exchange provisions | 427 | 288 |
| Property and equipment | 17 | 18 |
| Pensions and other post-employment benefits | 225 | 154 |
| Accrued income and expense | 116 | 82 |
| Other | 241 | 230 |
| Reclassified to liabilities held for sale | -5 | -47 |
| **Deferred tax liabilities** | **4 908** | 4 974 |
| Offset | -2 114 | -2 612 |
| **Total deferred tax liabilities** | **2 794** | 2 362 |

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same authority.

Deferred income tax liabilities have not been recognised on the aggregate amount of temporary differences with consolidated investments in subsidiaries as the Group controls the dividend policy and the reversal of temporary differences of these subsidiaries. The amount of temporary differences based on undistributed earnings was approximately USD 10.9 billion as of 31 December 2025. If these amounts are distributed in the future, no material tax liabilities would be incurred due to participation exemption rules and applicable double taxation treaties. Management is satisfied these temporary differences will not reverse in the foreseeable future.

### Development of net deferred tax assets and liabilities

The development of net deferred tax assets and liabilities were included in the following components:

| **2025**<br>USD millions | Net balance as of 1 January | Transactions under common control | Recognised in income statement | Recognised in equity | Foreign currency translation | Net balance as of 31 December |
|---|---|---|---|---|---|---|
| **Deferred tax assets and liabilities (net)** | | | | | | |
| Insurance and reinsurance contracts | -3 469 | | -64 | 45 | -2 | -3 490 |
| Investments | 1 030 | | -170 | -126 | -3 | 731 |
| Tax losses carried forward | 2 074 | | -572 | | 4 | 1 506 |
| Foreign exchange provisions | -196 | | -112 | | 4 | -304 |
| Property and equipment | 128 | | 21 | | | 149 |
| Pensions and other post-employment benefits | -145 | | -20 | -46 | | -211 |
| Accrued income and expense | 388 | | 75 | | 2 | 465 |
| Other | -119 | | -92 | 215 | -2 | 2 |
| **Deferred tax assets and liabilities (net)** | **-309** | **0** | **-934** | **88** | **3** | **-1 152** |
| Reclassified to assets/liabilities held for sale | -7 | | | | | -43 |
| **Total deferred tax assets and liabilities (net)** | **-316** | | | | | **-1 195** |

| 2024<br>USD millions | Net balance as of 1 January | Transactions under common control | Recognised in income statement[1] | Recognised in equity | Foreign currency translation | Net balance as of 31 December |
|---|---|---|---|---|---|---|
| **Deferred tax assets and liabilities (net)** | | | | | | |
| Insurance and reinsurance contracts | -3 534 | | 382 | -318 | 1 | -3 469 |
| Investments | 547 | 12 | 354 | 133 | -16 | 1 030 |
| Tax losses carried forward | 2 344 | 1 | -267 | | -4 | 2 074 |
| Foreign exchange provisions | -632 | | 436 | | | -196 |
| Property and equipment | 215 | 1 | -88 | | | 128 |
| Pensions and other post-employment benefits | -95 | | -90 | 40 | | -145 |
| Accrued income and expense | 1 111 | 4 | -727 | | | 388 |
| Other | 49 | -9 | -86 | -83 | 10 | -119 |
| **Total deferred tax assets and liabilities (net)** | 5 | 9 | -86 | -228 | -9 | -309 |
| Reclassified to assets/liabilities held for sale | | | | | | -7 |
| **Total deferred tax assets and liabilities (net)** | | | | | | -316 |

[1] Includes foreign exchange differences of USD 186 million recognised in Investment gains/losses in the income statement for the year ended 31 December 2024. The remaining amount of USD -272 million was recognised in deferred tax expense in the income statement.

### Tax losses carried forward

The components of tax losses carried forward were as follows:

| USD millions | For which deferred tax assets are recognised | For which deferred tax assets are not recognised | Total | For which deferred tax assets are recognised | For which deferred tax assets are not recognised | Total |
|---|---|---|---|---|---|---|
| | | | 2025 | | | 2024 |
| **Corporation tax loss carry-forwards** | | | | | | |
| Expiring in up to three years | 1 968 | 88 | 2 056 | 9 | 156 | 165 |
| Expiring in over three years and up to ten years | 2 492 | 1 158 | 3 650 | 6 424 | 763 | 7 187 |
| Expiring in over ten years | 187 | 266 | 453 | 14 | 235 | 249 |
| Not expiring | 2 451 | 1 888 | 4 339 | 3 515 | 1 194 | 4 709 |
| **Total** | **7 098** | **3 400** | **10 498** | 9 962 | 2 348 | 12 310 |
| | | | | | | |
| **Loss carry-forwards from capital losses** | | | | | | |
| Expiring in up to three years | 169 | 1 | 170 | 39 | 1 | 40 |
| Expiring in over three years and up to ten years | 97 | | 97 | 161 | | 161 |
| Expiring in over ten years | | | | | | 0 |
| Not expiring | 4 | 208 | 212 | | 181 | 181 |
| **Total** | **270** | **209** | **479** | 200 | 182 | 382 |

In assessing the realisability of deferred tax assets, management considers whether it is more likely than not that some or all of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets depends upon the generation of future taxable income during the periods in which those temporary differences are deductible. Management considers projections of future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods for which the deferred tax assets are deductible, management believes that it is more likely than not that the Group will realise the benefits of the deferred tax assets recognised as of 31 December2025. The amount of deferred tax assets recognised, however, could be reduced in the near term if estimates of future taxable income during the carry-forward periods are reduced.

### Global minimum tax

The Group continues to monitor the Organisation for Economic Co-operation & Development (OECD) Pillar 2 rules and their implementation across the jurisdictions in which it operates. For the years ended 31 December 2025 and 2024, the Group incurred Pillar 2 top-up tax expenses of USD 29 million and nil, respectively.

In accordance with the amendments to IAS 12, the Group has applied the mandatory exception from recognising and disclosing deferred tax assets and liabilities related to Pillar 2 top-up taxes and accounts for it as a current tax when it is incurred.

The Group expects the impact of Pillar 2 to increase in future periods as transitional safe harbour provisions expire in certain jurisdictions and as Switzerland applies the Income Inclusion Rule for under-taxed foreign subsidiaries.

# 19 Post-employment benefits

**Defined benefit pension plans and post-employment benefits**
The Group sponsors various funded defined benefit pension plans. Employer contributions to the plans are charged to income on a basis which recognises the costs of pensions over the expected service lives of employees covered by the plans. The Group's funding policy for these plans is to contribute annually at a rate that is intended to maintain a level percentage of compensation for the employees covered. Generally, a full valuation is prepared every year, except for the UK plan, where a full valuation is prepared at least every three years. The net defined benefit liability (asset) is included in Other liabilities (Other assets) on the balance sheet.

The Swiss pension plan comprises the Pension Plan and Capital Plan. The retirement benefits payable from the Pension Plan depend on the contributions paid by both the employees and the Group, as well as the interest credited on the individual account balances each year and the rate used to convert the account balances to pension at retirement. The interest distribution depends on the performance of the plan's assets and is decided by the Pension Board (subject to a legal minimum return required under Swiss federal law). At retirement, the account balance is converted to a lifetime pension or, alternatively the retiree can elect to obtain part or all of the account balance as a lump sum. The annual contribution to finance the Capital Plan (10% of the contributory salary, ie the Annual Performance Incentive) is paid in full by the employer. In the Capital Plan, the higher of the savings capital or value of the fund units is due for payment as a lump sum upon regular retirement. Although the Swiss pension plan operates like a defined contribution plan under local regulations, it is accounted for as a defined benefit pension plan under IAS 19 Employee benefits due to minimum guarantees, such as the need to accrue a minimum level of interest on the mandatory part of the pension accounts and the payment of a lifetime pension at a fixed conversion rate under the plan rules. For the Swiss pension plan, the Group can only benefit from a reduction in service cost in future years to the extent by which the service cost exceeds the employer contributions which must be paid under the rules of the plan. The maximum economic benefit is hence determined as net service cost minus expected employer contributions divided by the net discount rate.

The largest foreign pension plans are in the US, Germany and the UK. The US defined benefit plan has been frozen for future benefit accruals since 31 December 2009. Upon termination, participants receive an annuity or can opt for a lump sum amount if the value is under USD 150 000. Benefits are based on years of service up to 31 December 2009 and the participant's highest average compensation produced in any 60 consecutive months prior to 1 January 2010. The German pension plans consist of the Frankona Pension Fund (pension fund of former Frankona Re), individual promises for executives and the Contractual Trust arrangement (CTA). The CTA plan (Pension Plan 2012) has a crediting interest rate of 2% fixed, plus a variable rate corresponding to the maximum interest rate that life insurers may use when calculating actuarial reserves. The pension scheme in the UK has been closed to new accrual since 31 December 2009 but benefits for the small number of remaining active members continue to be linked to salary.

| USD millions | Swiss plan 2025 | Foreign plans 2025 | Other benefits 2025 | Total 2025 | Swiss plan 2024 | Foreign plans 2024 | Other benefits 2024 | Total 2024 |
|---|---|---|---|---|---|---|---|---|
| **Defined benefit obligation as of 1 January** | **4 370** | **1 270** | **243** | **5 883** | 4 272 | 1 418 | 267 | 5 957 |
| Recognised in profit or loss: | | | | | | | | |
| Current service cost | 142 | 8 | 2 | 151 | 132 | 7 | 2 | 141 |
| Past service cost | | | | 0 | | | | 0 |
| Interest cost | 43 | 62 | 7 | 112 | 55 | 59 | 7 | 121 |
| Recognised in other comprehensive income: | | | | | | | | |
| Actuarial gains/losses due to: | | | | | | | | |
| Demographic assumptions | | 17 | -3 | 14 | | -1 | | -1 |
| Financial assumptions | -247 | -22 | -2 | -271 | 201 | -95 | -2 | 104 |
| Experience adjustments | 210 | 5 | -15 | 201 | 266 | 3 | -3 | 266 |
| Effect of foreign exchange | 618 | 80 | 19 | 717 | -304 | -40 | -11 | -355 |
| Other movements: | | | | | | | | |
| Plan participants' contribution | 43 | | | 43 | 43 | | | 43 |
| Payments from the plan | -424 | -77 | | -501 | -295 | -75 | | -370 |
| Benefits directly paid by employer | | -5 | -17 | -22 | | -6 | -17 | -23 |
| Settlement payments | | | | **0** | | | | 0 |
| **Defined benefit obligation as of 31 December** | **4 755** | **1 338** | **234** | **6 328** | 4 370 | 1 270 | 243 | 5 883 |
| of which: amounts owed to active members | 2 948 | 174 | 44 | 3 166 | 2 705 | 180 | 47 | 2 932 |
| of which: amounts owed to deferred members | | 264 | | 264 | | 245 | | 245 |
| of which: amounts owed to pensioners | 1 807 | 901 | 190 | 2 898 | 1 665 | 845 | 196 | 2 706 |
| | | | | | | | | |
| **Fair value of plan assets as of 1 January** | **4 804** | **1 265** | **0** | **6 069** | 4 976 | 1 390 | 0 | 6 366 |
| Recognised in profit or loss: | | | | | | | | |
| Interest income | 49 | 64 | | 112 | 66 | 59 | | 125 |
| Recognised in other comprehensive income: | | | | | | | | |
| Return on plan assets excluding interest cost or income | 257 | -32 | | 225 | 240 | -80 | | 160 |
| Effect of foreign exchange | 681 | 78 | | 759 | -355 | -40 | | -395 |
| Other movements: | | | | | | | | |
| Company contribution | 135 | 10 | | 144 | 129 | 11 | | 140 |
| Plan participants' contribution | 43 | | | 43 | 43 | | | 43 |
| Payments from the plan | -424 | -77 | | -501 | -295 | -75 | | -370 |
| Settlement payments | | | | 0 | | | | 0 |
| **Fair value of plan assets as of 31 December** | **5 544** | **1 307** | **0** | **6 851** | 4 804 | 1 265 | 0 | 6 069 |
| | | | | | | | | |
| **Asset ceiling effect as of 1 January** | **0** | **0** | **0** | **0** | 0 | 0 | 0 | 0 |
| Recognised in profit or loss: | | | | | | | | |
| Interest cost or income | | | | 0 | | | | 0 |
| Recognised in other comprehensive income: | | | | | | | | |
| Change in asset ceiling | | 16 | | 16 | | | | 0 |
| Effect of foreign exchange | | | | 0 | | | | 0 |
| **Asset ceiling effect as of 31 December** | **0** | **16** | **0** | **16** | 0 | 0 | 0 | 0 |
| | | | | | | | | |
| **Net defined benefit asset (liability) as of 1 January** | **434** | **-5** | **-243** | **186** | 704 | -28 | -267 | 409 |
| **Net defined benefit asset (liability) as of 31 December** | **788** | **-47** | **-234** | **507** | 434 | -5 | -243 | 186 |

### Principal actuarial assumptions

| in % | Swiss plan 2025 | Foreign plans weighted average 2025 | Other benefits weighted average 2025 | Swiss plan 2024 | Foreign plans weighted average 2024 | Other benefits weighted average 2024 |
|---|---|---|---|---|---|---|
| **Assumptions used to determine defined benefit cost for the year ended** | | | | | | |
| Discount rate | 1.0% | 4.8% | 3.0% | 1.4% | 4.3% | 2.9% |
| Rate of compensation increase | 1.9% | 3.4% | 3.0% | 2.0% | 2.1% | 3.0% |
| Interest crediting rate | 2.3% | | | 2.4% | | |
| Pension increases in payment | 0.3% | 1.6% | | 0.3% | 1.7% | |
| **Assumptions used to determine obligations at the end of the year** | | | | | | |
| Discount rate | 1.3% | 4.9% | 3.2% | 1.0% | 4.8% | 3.0% |
| Rate of compensation increase | 1.8% | 3.4% | 3.0% | 1.9% | 3.4% | 3.0% |
| Interest crediting rate | 2.0% | | | 2.3% | | |
| Pension increases in payment | 0.3% | 1.5% | | 0.3% | 1.6% | |
| **Assumed medical trend rates at year end** | | | | | | |
| Medical trend – initial rate | | | 5.2% | | | 5.2% |

### Mortality tables and life expectancies for major plans

| | | Life expectancy at age 65 for a male member currently | | Life expectancy at age 65 for a female member currently | |
|---|---|---|---|---|---|
| **2025** | Mortality table | aged 65 | aged 45 | aged 65 | aged 45 |
| Swiss plan | BVG 2020 G with CMI 2019 projections | 22.2 | 24.2 | 24.0 | 25.9 |
| Foreign plans | Varies | 22.9 | 24.8 | 25.4 | 26.8 |
| Other benefits | Varies | 22.6 | 24.3 | 24.2 | 25.9 |

| | | Life expectancy at age 65 for a male member currently | | Life expectancy at age 65 for a female member currently | |
|---|---|---|---|---|---|
| 2024 | Mortality table | aged 65 | aged 45 | aged 65 | aged 45 |
| Swiss plan | BVG 2020 G with CMI 2019 projections | 22.1 | 24.1 | 23.9 | 25.8 |
| Foreign plans | Varies | 22.6 | 24.5 | 25.2 | 26.9 |
| Other benefits | Varies | 22.1 | 23.8 | 23.8 | 25.4 |

The pension plans expose the Group to economic risks such as interest rate, price inflation and salary increases. Moreover, pension plans entail the risk that estimates in the actuarial basis differ from actual experience for factors such as longevity and disability.

### Sensitivity analysis of significant actuarial assumptions

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

| USD millions | 2025 | 2024 |
|---|---|---|
| Increase in discount rate by 50bps | -357 | -342 |
| Decrease in discount rate by 50bps | 398 | 379 |
| Increase in rate of compensation by 50bps | 10 | 7 |
| Decrease in rate of compensation by 50bps | -5 | -5 |
| Increase in interest crediting rate by 50bps | 88 | 83 |
| Decrease in interest crediting rate by 50bps | -79 | -78 |
| Increase in mortality rate by 10% | -126 | -121 |
| Decrease in mortality rate by 10% | 140 | 136 |
| Increase in pension payment by 50bps | 247 | 233 |
| Decrease in pension payment by 50bps | -225 | -214 |

While this table illustrates the overall impact on the defined benefit obligation of the changes shown, the significance of the impact and the range of reasonably possible alternative assumptions may differ between the different plans that comprise the overall defined benefit obligation. In particular, the plans differ in benefit design, currency and average term, meaning that different assumptions have different levels of significance for different plans. The sensitivity analysis is intended to illustrate the inherent uncertainty in the evaluation of the defined benefit obligation under market conditions at the measurement date. Its results cannot be extrapolated due to non-linear effects that changes in the key actuarial assumptions may have on the overall defined benefit obligation. Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Group's view of expected future changes in the defined benefit obligation. Any management actions that may be taken to mitigate the inherent risks in the post-employment defined benefit plans are not reflected in this analysis.

### Pension plan assets measured at fair value

For a description of the different fair value levels and valuation techniques see Note 8 Fair value disclosures, page 89. Assets meeting the criteria for level 1 are generally considered Quoted in active markets, while assets meeting the criteria for level 2 and level 3 are generally considered in Other.

As of 31 December 2025 and 2024, the fair values of pension plan assets were as follows:

| | | | 2025 | | | 2024 |
|---|---|---|---|---|---|---|
| USD millions | Quoted in active markets | Other | Total | Quoted in active markets | Other | Total |
| **Assets** | | | | | | |
| Fixed income securities | 168 | 2 678 | 2 846 | 164 | 2 509 | 2 673 |
| Equity securities | 1 690 | 98 | 1 788 | 1 305 | 68 | 1 373 |
| Real estate | | 1 324 | 1 324 | | 1 085 | 1 085 |
| Other assets | | 778 | 778 | | 826 | 826 |
| Cash and cash equivalents | 115 | | 115 | 112 | | 112 |
| **Total plan assets** | **1 973** | **4 878** | **6 851** | 1 581 | 4 488 | 6 069 |

The plan assets include property occupied by the Group with a fair value of USD 0 million and USD 0 million as of 31 December 2025 and 2024, respectively.

Equity securities include Swiss Re shares of USD 4 million (0.06% of total plan assets) and USD 3 million (0.05% of total plan assets) as of 31 December 2025 and 2024, respectively.

### Asset-liability matching strategies

The Group's pension plan investment strategy is to match the maturity profiles of the assets and liabilities in order to reduce the future volatility of pension expense and funding status of the plans. This involves balancing investment portfolios between equity and fixed income securities. Tactical allocation decisions that reflect this strategy are made on a quarterly basis.

### Expected contributions and estimated future benefit payments

As of 31 December 2025, the projected benefit payments, which reflect expected future service, not adjusted for transfers in and for employees' voluntary contributions, are as follows:

| USD millions | Swiss plan | Foreign plans | Other benefits | Total |
|---|---|---|---|---|
| 2026 | 362 | 86 | 18 | **466** |
| 2027 | 343 | 88 | 17 | **448** |
| 2028 | 325 | 89 | 17 | **431** |
| 2029 | 312 | 91 | 17 | **420** |
| 2030 | 295 | 91 | 16 | **403** |
| Years 2031–2035 | 1 302 | 462 | 79 | **1 843** |

The weighted average duration of the defined benefit obligations is 12.1 years and 12.4 years as of 31 December 2025 and 2024, respectively.

For the different plans, the weighted average duration of the defined benefit obligations are as follows:
Swiss plan: 12.4 years (2024: 12.9 years)
Foreign plans: 11.3 years (2024: 11.3 years)
Other benefits: 9.4 years (2024: 9.5 years)

### Defined contribution pension plans

The Group sponsors a number of defined contribution plans to which employees and the Group make contributions. The accumulated balances are paid as a lump sum at the earlier of retirement, termination, disability or death. The amount expensed was USD 94 million and USD 92 million for the years ended 31 December 2025 and 2024, respectively.

# 20 Commitments and contingent liabilities

**Collateral in the event of a declining credit rating and/or declining defined statutory measures**
The Group enters into a number of contracts in the ordinary course of reinsurance and financial services business which, if the Group's credit rating and/or defined statutory measures decline to certain levels, would require the Group to post collateral or obtain guarantees. The contracts typically provide alternatives for recapture of the associated business.

**Remaining commitments under investment agreements**
As a participant in limited and other investment partnerships, the Group commits itself to making available certain amounts of investment funding, callable by the partnerships for periods of up to ten years. The total commitments remaining uncalled were USD 2 157 million and USD 2 124 million as of 31 December 2025 and 2024, respectively.

**Commitments under construction contracts**
The Group has entered into various real estate construction contracts. The commitments under the contracts over the next six years amount to USD 109 million and USD 127 million as of 31 December 2025 and 2024, respectively.

**Legal proceedings**
In the normal course of business operations, the Group is involved in various claims, lawsuits and regulatory matters. In the opinion of management, the resolution of these matters is not expected to have a material adverse effect on the Group's business, consolidated financial position, results of operations or cash flows.

# 21 Related parties

In the normal course of business, the Group enters into various transactions with related parties. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions, or one other party controls both.

The Group defines the following as related parties to the Group: subsidiaries of Swiss Re Ltd, entities in which the Group has significant influence, pension plans, key management personnel and their close family members, and entities which are directly and indirectly controlled by members of governing bodies of the Group and their close family members.

Key management personnel are those individuals who have responsibility and authority for planning, directing and controlling the activities of the Group. The Group considers that the members of the Board of Directors (BoD) and the Group Executive Committee (EC) constitute key management personnel for the purposes of IAS 24.

A list of the Group's significant subsidiaries is shown in Note 22 Fully consolidated subsidiaries and associates, page 129.

### Terms and conditions of transactions with related parties

The Group has several business relationships with related parties. Transactions with such parties are carried out in the ordinary course of business and on substantially the same terms and conditions – including interest rates and collateral – as those prevailing at the same time for comparable transactions with third parties.

None of the balances is secured. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties. No guarantees have been given or received.

### Transactions with defined benefit pension plans

Plan assets of the defined benefit pension plans include Swiss Re common stock and are disclosed in Note 19 Post-employment benefits, page 120.

### Transactions with associates and joint ventures

The Group's share in associates and joint ventures can be found in Note 23 Equity method investments, page 132.

Further transactions of the Group concluded with its associates and with its joint ventures are not considered material to the Group, either individually or in aggregate.

### Key management personnel

None of the members of the BoD and the Group EC has any significant business connection with Swiss Re Ltd or any of its Group companies.

Remuneration of key management personnel

| CHF thousands | **2025** | 2024 |
|---|---|---|
| Short-term employment benefits | 21 900 | 23 472 |
| Post-employment benefits | 1 841 | 1 842 |
| Share-based compensation | 22 455 | 20 580 |
| **Total remuneration[1]** | **46 196** | 45 894 |

[1] Excludes compensation arising from the departure of EC members.

Information on the remuneration of the Board of Directors (BoD) and of the Group Executive Committee (EC) can be found in the Annual Report of the Swiss Re Group under Compensation Report.

**Related parties transactions with affiliated companies in the Swiss Re Group**
As part of the consolidation process, transactions between Swiss Reinsurance Company Ltd and subsidiaries are eliminated in consolidation and are not disclosed in the notes.

Activities between the Group and affiliated companies in the Swiss Re Group, but outside the Group, comprise investing activities, including loans, funding agreements and derivatives, various financing activities, where the Group borrows funds, and various arrangements for the provision of services:

| USD millions | 2025 | 2024 |
|---|---|---|
| Net investment income | 95 | 38 |
| Investment gains/losses | -13 | -73 |
| **Investment result** | **82** | -35 |
| | | |
| Other income | 21 | 20 |
| Other expenses | -1 967 | -1 790 |
| Financing costs | -332 | -329 |
| **Net income/loss** | **-2 195** | -2 134 |
| Thereof | | |
| Net income/loss attributable to non-controlling interests | | |
| Net income/loss attributable to common shareholder | **-2 195** | -2 134 |

| USD millions | 2025 | 2024 |
|---|---|---|
| Mortgages and other loans | 880 | 2 249 |
| Other invested assets | 249 | 177 |
| Other assets | 129 | 69 |
| **Total assets** | **1 258** | 2 495 |

| USD millions | 2025 | 2024 |
|---|---|---|
| Short-term debt | 1 708 | 2 848 |
| Long-term debt | 3 533 | 1 568 |
| Other liabilities | 1 574 | 2 561 |
| **Total liabilities** | **6 815** | 6 977 |

### Short-term debt

An overview of the short-term financing activities between the Group and affiliated companies is shown below.

| 2025 | Instrument | Issued in | Currency | Nominal in millions | Interest rate | Book value in USD millions |
|---|---|---|---|---|---|---|
| Short-term debt[1] | Senior debt | 2025 | USD | 1 500 | 4.57 % | 1 500 |
| | Senior debt | 2025 | USD | 132 | 4.53 % | 132 |
| | Senior debt | 2025 | USD | 86 | 3.97 % | 76 |
| **Total short-term debt** | | | | | | **1 708** |

[1] Maturity is defined as the first optional redemption date.

Long-term financing activities between the Group and affiliated companies are disclosed in Note 10 Debt, page 101.

## 22 Fully consolidated subsidiaries and associates

| | Currency | Share capital (millions) | Affiliation in % as of 31.12.2025 | Method of consolidation |
|---|---|---|---|---|
| **Europe** | | | | |
| **Germany** | | | | |
| Swiss Re Germany GmbH, Munich | EUR | 45 | 100 | f |
| **Liechtenstein** | | | | |
| Elips Versicherungen AG, Vaduz | EUR | 4 | 100 | f |
| **Luxembourg** | | | | |
| Ares ECSF XI (S) Holdings S.À R.L., Luxembourg | EUR | 341 | 100 | f |
| iptiQ Life S.A., Luxembourg | EUR | 6 | 100 | f |
| Swiss Pillar Investments Europe SARL, Luxembourg | EUR | 0.01 | 100 | f |
| Swiss Re Europe Holdings S.A., Luxembourg | EUR | 105 | 100 | f |
| Swiss Re Europe S.A., Luxembourg | EUR | 350 | 100 | f |
| Swiss Re Finance (Luxembourg) S.A., Luxembourg | EUR | 0.2 | 100 | f |
| Swiss Re Funds (Lux) I, Senningerberg[1] | EUR | 16 377 | 100 | f |
| Swiss Re International SE, Luxembourg | EUR | 176 | 100 | f |
| **Netherlands** | | | | |
| iptiQ EMEA P&C Holding B.V., Hoofddorp | EUR | 0.0001 | 100 | f |
| Swiss Re Life Capital EMEA Holding B.V., Hoofddorp | EUR | 0.0001 | 100 | f |
| **Switzerland** | | | | |
| iptiQ Group Holding Ltd, Zurich | CHF | 0.1 | 100 | f |
| Swiss Re Corporate Solutions Holding Company Ltd, Zurich | CHF | 0.1 | 100 | f |
| Swiss Re Investments Holding Company Ltd, Zurich | CHF | 0.1 | 100 | f |
| Swiss Re Investments Ltd, Zurich | CHF | 1 | 100 | f |
| Swiss Re Nexus Reinsurance Company Ltd, Zurich | CHF | 10 | 100 | f |
| Swiss Re Reinsurance Holding Company Ltd, Zurich | CHF | 0.1 | 100 | f |
| **United Kingdom** | | | | |
| Swiss Re Finance (UK) Plc, London | GBP | 1 | 100 | f |
| Swiss Re Services Limited, London | GBP | 2 | 100 | f |

| | Currency | Share capital (millions) | Affiliation in % as of 31.12.2025 | Method of consolidation |
|---|---|---|---|---|
| **Americas and Caribbean** | | | | |
| **Bermuda** | | | | |
| 1997 Fund Ltd, Hamilton | USD | 1 629 | 97.8 | f |
| **Brazil** | | | | |
| Swiss Re Brasil Resseguros S.A., São Paulo | BRL | 472 | 100 | f |
| Swiss Re Corporate Solutions Brasil Holding Ltda, São Paulo | BRL | 382 | 100 | f |
| Swiss Re Corporate Solutions Brasil Seguros S.A., São Paulo | BRL | 928 | 60 | f |
| **Cayman Islands** | | | | |
| Ares European Credit Strategies Fund XI (S), L.P., George Town | EUR | 375 | 100 | f |
| SRCS HL PE 1 LP, George Town | USD | 130 | 99.8 | f |
| SRE HL PE 1 LP 2, George Town | USD | 613 | 99.8 | f |
| SREH HL PE 1 LP, George Town | USD | 348 | 99.8 | f |
| SRZ HL PE 1 LP, George Town | USD | 643 | 99.8 | f |
| Swiss Pillar Investments UK Limited, George Town | GBP | 0.1 | 100 | f |
| **Colombia** | | | | |
| Compañía Aseguradora de Fianzas S.A. Confianza, Bogota | COP | 281 151 | 51 | f |
| **Mexico** | | | | |
| Swiss Re Corporate Solutions México Seguros, S.A. de C.V., Mexico City | MXN | 400 | 100 | f |
| **United States** | | | | |
| iptiQ Americas Inc., Wilmington | USD | 0.0001 | 100 | f |
| Lumico Life Insurance Company, Jefferson City | USD | 0 | 100 | f |
| Pillar RE Holdings LLC, Wilmington | USD | 0.001 | 100 | f |
| SR Corporate Solutions America Holding Corporation, Wilmington | USD | 0.00001 | 100 | f |
| SRCS HL PE 1 (MASTER) LP, Wilmington | USD | 129 | 99.8 | f |
| SRE HL PE 1 (Master) LP 2, Wilmington | USD | 610 | 99.8 | f |
| SREH HL PE 1 (Master) LP, Wilmington | USD | 382 | 99.8 | f |
| SRZ HL PE 1 (Master) LP, Wilmington | USD | 639 | 99.8 | f |
| Swiss Re America Holding Corporation, Wilmington | USD | 0.1 | 100 | f |
| Swiss Re Capital Markets Corporation, Wilmington | USD | 0 | 100 | f |
| Swiss Re Corporate Solutions America Insurance Corporation, Kansas City | USD | 5 | 100 | f |
| Swiss Re Corporate Solutions Capacity Insurance Corporation, Jefferson City | USD | 5 | 100 | f |
| Swiss Re Corporate Solutions Elite Insurance Corporation, Kansas City | USD | 4 | 100 | f |
| Swiss Re Corporate Solutions Global Markets Inc., Wilmington | USD | 0 | 100 | f |
| Swiss Re Corporate Solutions Premier Insurance Corporation, Jefferson City | USD | 4 | 100 | f |
| Swiss Re Financial Markets Corporation, Wilmington | USD | 0 | 100 | f |
| Swiss Re Financial Products Corporation, Wilmington | USD | 0.00001 | 100 | f |
| Swiss Re Life & Health America Holding Company, Wilmington | USD | 0.001 | 100 | f |
| Swiss Re Life & Health America Inc., Jefferson City | USD | 4 | 100 | f |
| Swiss Re Property & Casualty America Inc., Kansas City | USD | 1 | 100 | f |
| Swiss Re Treasury (US) Corporation, Wilmington | USD | 0.00001 | 100 | f |
| Swiss Reinsurance America Corporation, Armonk | USD | 10 | 100 | f |
| Westport Insurance Corporation, Jefferson City | USD | 6 | 100 | f |
| Wing Re II Inc., Jefferson City | USD | 0.3 | 100 | f |
| Wing Re Inc., Jefferson City | USD | 0.3 | 100 | f |

| | Currency | Share capital (millions) | Affiliation in % as of 31.12.2025 | Method of consolidation |
|---|---|---|---|---|
| **Africa** | | | | |
| **South Africa** | | | | |
| Swiss Re Africa Limited, Cape Town | ZAR | 502 | 100 | f |
| Swiss Re Corporate Solutions Africa Ltd, Johannesburg | ZAR | 382 | 88.8 | f |
| **Asia-Pacific** | | | | |
| **Australia** | | | | |
| Swiss Re Australia Ltd, Sydney | AUD | 845 | 100 | f |
| Swiss Re Life & Health Australia Limited, Sydney | AUD | 980 | 100 | f |
| **China** | | | | |
| Swiss Re Corporate Solutions Insurance China Ltd, Shanghai | CNY | 770 | 100 | f |
| **Singapore** | | | | |
| Swiss Re Asia Holding Pte. Ltd., Singapore | USD | 0.1 | 100 | f |
| Swiss Re Asia Pte. Ltd., Singapore | USD | 3 002 | 100 | f |
| Swiss Re Principal Investments Company Asia Pte. Ltd., Singapore | USD | 0.1 | 100 | f |

[1] Net asset value instead of share capital.

Significance is defined by the total assets of the subsidiaries and the carrying value of the associates in relation to the total assets of the Group. The threshold is set at 0.05%.

Subsidiaries with share capital of less than 1 million (local currency) have been disclosed to the nearest decimal.

**Method of consolidation**
f Full

# 23 Equity method investments

**Individually immaterial associated companies**

For the years ended 31 December, the carrying amount of the Group's interests in individually immaterial associated companies as well as the Group's share of total comprehensive income of individually immaterial associated companies are presented as follows:

| USD millions | 2025 | 2024 |
|---|---|---|
| **Carrying amount of the Group's interests in individually immaterial associated companies** | **366** | 292 |
| The Group's share of profit or loss | 33 | 44 |
| The Group's share of other comprehensive income | | -6 |
| **The Group's share of total comprehensive income of individually immaterial associated companies** | **33** | 38 |

# 24 Structured entities

The Group enters into arrangements with structured entities in the normal course of business. The involvement ranges from being a passive investor to designing, structuring and managing the structured entities. The Group's interests in structured entities arise primarily as a result of the Group's involvement in certain insurance-linked securitisations, life and health funding transactions, swaps in trust, investments, commercial mortgage and infrastructure loans as well as asset-backed and mortgage-backed securities and structured notes.

When analysing whether the entity is a structured entity, the Group mainly assesses whether the entity has been designed such that voting or similar rights are not the dominant factor in deciding who controls the entity, such as any voting rights relate only to administrative tasks and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following characteristics: restricted activities, a narrow and well-defined objective, insufficient equity to finance its activities without subordinated financial support and financing in the form of multiple contractually linked instruments issued to investors that create concentration of credit or other risk.

Structured entities are assessed for consolidation under IFRS 10. The Group identifies whether it has power over the structured entity, ie it has the rights that give the Group the ability to direct activities that most significantly impact the entity's returns and examines the exposure to variable returns from the entity and the linkage between power and variable returns. If all three criteria are met, the Group controls and consolidates the structured entity.

The Group monitors changes to the facts and circumstances of its involvement with legal entities to determine whether they require reconsideration of the entity's designation as a structured entity and regularly reassesses the consolidation.

The Group has interests in both consolidated and unconsolidated structured entities.

### Consolidated structured entities

Structured entities are consolidated when the substance of the relationship between the Group and the structured entity indicates that the structured entity is controlled by the Group. The Group has the status of decision-maker over the entity's operations or acts as a fund operator based on the various contractual arrangements. The Group absorbs the investment performance or insurance risk and losses of the entity.

The assets of the consolidated structured entities may only be used to settle obligations of these structured entities and to settle any investors' ownership liquidation requests. There is no recourse to the Group for the consolidated structured entities' liabilities. The assets are not available to the Group's creditors.

The Group has no contractual agreements with the consolidated structured entities that would require it to provide financial support or expose the Group to a loss.

During the reporting period, the Group did not provide any non-contractual financial support to consolidated structured entities. The Group does not currently intend to provide financial or other support to these entities in the future.

During the reporting period, the Group did not obtain control of a previously unconsolidated structured entity via the provision of financial or other support.

### Unconsolidated structured entities

In the following sections, the business transactions involving unconsolidated structured entities are described.

#### Insurance-linked securitisations

The insurance-linked securitisations transfer pre-existing insurance risk to investors through the issuance of insurance-linked securities. In insurance-linked securitisations, the securitisation vehicle assumes the insurance risk from a sponsor through insurance or derivative contracts. The securitisation vehicle generally retains the issuance proceeds as collateral, which consists typically of investment-grade securities.

Typically, the Group's interests in insurance-linked securitisation vehicles arise through investment in catastrophe bonds, life bonds, securities through sidecars, lottery bonds and other debt securities, in which case the Group's maximum loss equals the principal amount of the securities held. The Group does not have the power to direct relevant activities of insurance-linked securitisation vehicles. The size of the structured entities is based on the issuance amount for bonds and the carrying amount of the Group's investments for other debt securities.

### Life and health funding vehicles

The Group participates in certain structured transactions that retrocede longevity and mortality risks to captive reinsurers with an aim to provide regulatory capital credit to a transaction sponsor through the creation of funding notes by a separate funding vehicle, which is generally considered a structured entity. The Group's participation in these transactions is generally limited to providing contingent funding support via a financial contract with a funding vehicle, which represents an interest in the funding vehicle. The Group does not have power to direct activities of the funding vehicles. The Group's maximum exposure in these transactions equals either the total contract notional or outstanding balance of the funding notes issued by the vehicle, depending on the specific contractual arrangements. The size of the structured entities is based on the notional amount of the underlying contracts.

### Swaps in trusts

In prior years, the Group provided interest rate and foreign exchange risk hedges to certain asset securitisation trusts which qualify as structured entities. These activities were in run-off as of 31 December 2025 and 2024. The Group's involvement is limited to interest rate and foreign exchange derivatives. The size of the structured entities is based on the notional amount of the underlying contracts.

### Investment vehicles

Investment vehicles consist of investments in various equity and debt securities, mainly private equity investments held via limited partnership, investments in funds and ordinary or preferred shares of various companies which are managed through contractual arrangements and meet the definition of a structured entity.

The Group's interests in private equity investments arise through ownership of the limited partner interests; contributing funds to the pool of capital managed by the general partner. Private equity funds are closed-end funds, formed for the purpose of purchasing and managing investments and sharing profits and losses of those investments. The Group is exposed to losses when the value of the investments held by the investment vehicle decreases. The Group's maximum exposure to loss equals the Group's share in the investment. Private equity investments held via a limited partnership are structured entities because the limited partners as a group lack kick-out or participating rights. The size of the structured entities is based on the carrying amount of the Group's investments in the above-mentioned funds.

The Group invests in a broad variety of investment funds, such as exchange-traded funds and money market funds, across different jurisdictions. Generally, the day-to-day management of investment funds is delegated to the fund manager as defined in the investment management agreement. Investors do not usually have the power to approve or override an investment manager's decisions, nor do they generally have substantive rights that give them ultimate discretion with regards to decisions about investment activities. In limited cases, the Group also acts as an investment manager. In such cases, when also considering its investment into a fund, the Group may have significant influence and classify its interest as an investment in associates. In most cases, funds are structured entities, even when they are structured as umbrella entities comprising multiple sub-funds. Investment funds are mainly financed by issuing redeemable shares or units. The size of these structured entities depends on the Group's investments in the above-mentioned funds.

### Investment vehicles for unit-linked business

The Group invests on behalf of policyholders as a passive investor in a variety of investment funds across various jurisdictions. By design, many of these funds meet the definition of a structured entity. While the Group may have an interest in some of these entities due to its share of the fund's total net assets, it does not have power over the fund's investment decisions or unilateral kick-out rights relative to the decision-maker. The size of the structured entities is based on the carrying amount of the Group's investments in underlying funds.

The Group is not exposed to losses in the aforementioned investment vehicles, as the investment risk is borne by the policyholder.

### Commercial mortgage and infrastructure loans

The Group also invests in structured commercial mortgage and infrastructure loans.

Commercial mortgage loans are made to non-recourse special purpose entities collateralised with commercial real estate. The entities are adequately capitalised and generally managed through voting rights of equity holders. Occasionally, the borrower entities can be structured as limited partnerships or trusts in which limited partners or unitholders do not have substantive kick-out or participating rights and the entities are managed via various contractual arrangements with general partners or trustees and therefore meet the definition of a structured entity.

Infrastructure loans are made to non-recourse special purpose entities collateralised with infrastructure project assets. Some borrower entities are structured as limited partnerships, trusts or securitisation vehicles. They are managed via various contractual arrangements and the securitisation vehicles may have insufficient equity. Therefore, the definition of a structured entity is met. The size of the structured entities corresponds to the total deal size.

The Group does not have power over the activities most significant to the aforementioned borrower entities designated as structured entities and therefore does not consolidate them.

The Group's maximum exposure to loss from its investments equals the loan outstanding amount.

### Commercial mortgage-, asset-backed securities and structured notes

The Group is a passive investor in structured securitisation vehicles issuing residential and commercial mortgage-backed securities (RMBS and CMBS, respectively), in other asset-backed securities (ABS) and other vehicles issuing structured notes. The Group's investments are passive in nature and do not obligate the Group to provide any financial or other support to the issuer entities. By design, securitisation entities and vehicles issuing structured notes are not adequately capitalised and managed through various contractual arrangements, and are therefore considered structured entities. The Group does not act as a sponsor, does not hold any equity interest and does not have the power to direct the most significant activities of the vehicle. The size of the structured entities corresponds to the issuance amount.

The following table shows the carrying amounts of the assets and liabilities recognised in the Group's balance sheet related to its interests in unconsolidated structured entities:

| USD millions | 2025 | 2024 |
|---|---|---|
| Cash and cash equivalents | 15 | |
| Fixed income securities | 5 882 | 5 495 |
| Equity investments | | 72 |
| Other invested assets | 5 643 | 3 653 |
| Mortgages and other loans | 580 | 463 |
| Other assets | 124 | 116 |
| **Total assets** | **12 244** | 9 799 |
| Other liabilities | 24 | 18 |
| **Total liabilities** | **24** | 18 |

The following table shows the Group's assets and liabilities related to its interests in unconsolidated structured entities and the Group's maximum exposure to loss from unconsolidated structured entities:

| 2025<br>USD millions | Total assets | Total liabilities | Maximum exposure to loss[1] | Size of structured entities |
|---|---|---|---|---|
| Insurance-linked securitisations | 1 633 | | 1 633 | 51 287 |
| Life and health funding vehicles | 28 | | 1 497 | 1 497 |
| Swaps in trusts[2] | 22 | 24 | | 435 |
| Investment vehicles | 5 541 | | 5 541 | 5 570 |
| Investment vehicles for unit-linked business | 124 | | | 124 |
| Commercial mortgage and infrastructure loans | 580 | | 580 | 3 367 |
| Commercial mortgage- and asset-backed securities | 4 316 | | 4 316 | 237 339 |

| 2024<br>USD millions | Total assets | Total liabilities | Maximum exposure to loss[1] | Size of structured entities |
|---|---|---|---|---|
| Insurance-linked securitisations | 1 908 | | 1 908 | 43 631 |
| Life and health funding vehicles | 29 | | 1 475 | 1 475 |
| Swaps in trusts[2] | 65 | 18 | | 469 |
| Investment vehicles | 3 549 | | 3 549 | 3 577 |
| Investment vehicles for unit-linked business | 116 | | | 116 |
| Commercial mortgage and infrastructure loans | 463 | | 463 | 1 996 |
| Commercial mortgage- and asset-backed securities | 3 669 | | 3 669 | 250 634 |

1 Maximum exposure to loss is the loss that the Group could be required to record in its statement of comprehensive income as a result of its involvement with a structured entity, regardless of the probability of such losses actually being incurred.
2 The maximum exposure to loss for swaps in trusts cannot be meaningfully quantified due to their derivative character.

The Group did not provide any non-contractual financial or other support to unconsolidated structured entities for the years ended 31 December 2025 and 31 December 2024.

As of 31 December 2025, the Group does not have any intentions to provide financial or other support to an unconsolidated structured entity and/or assist the structured entity in obtaining financial support.

**Sponsored unconsolidated structured entities**

As a sponsor, the Group is involved in the legal set up, creation, design and initial marketing of structured entities. However, in the majority of cases, the Group does not hold any interest in these entities, since the Group usually does not invest in the securities issued by sponsored structured entities.

The Group usually acts as a sponsor in business transactions with insurance-linked securitisation vehicles when the Group transfers its own insurance risk via retrocession agreements or ISDA-based contracts to securitisation vehicles which issue notes or preference shares to external investors. The structure can be proportional in nature, protecting a specified slice of the Group risks, or non-proportional, covering the Group on an excess position. Depending on the design of the risk transfer agreement, the transaction is classified either as a re/insurance or a derivative contract. The Group pays a premium or coupon to these entities to receive protection in case of an underwriting-related loss, such as a natural catastrophe event. The securitisation vehicle generally retains the issuance proceeds as collateral.

The total protection limit provided to the Group by sponsored structured entities in potential loss scenarios amounted to USD 4 478 million as of 31 December 2025 (USD 4 552 million as of 31 December 2024).

If the Group invests in the securities issued by sponsored structured entities, the interest the Group holds is included in the carrying amounts of the fixed income securities in the section related to unconsolidated structured entities above.

## 25 Subsequent events

**Conflict in the Middle East**

The conflict unfolding in the Middle East is likely to have geopolitical, economic, business and financial asset implications that are difficult to predict at this stage. The Group's exposures linked to the conflict are being monitored and evaluated.

# Statutory Auditor's Report

**To the General Meeting of Swiss Reinsurance Company Ltd, Zurich**

## Report on the Audit of the Consolidated Financial Statements

**Opinion**
We have audited the consolidated Financial Statements of Swiss Reinsurance Company Ltd and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated Financial Statements, including material accounting policy information.

In our opinion, the consolidated Financial Statements (pages 3 to 137) give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards (IFRS) and comply with Swiss law.

**Basis for Opinion**
We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the Financial Statements of public interest entities, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of Financial Statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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

KPMG AG
Zurich, 11 March 2026

**Key Audit Matters**

VALUATION OF INVESTMENTS WITH UNOBSERVABLE MARKET INPUTS

VALUATION OF LIABILITIES FROM INSURANCE CONTRACTS ISSUED IN LIFE & HEALTH

VALUATION OF LIABILITIES FROM INSURANCE CONTRACTS ISSUED IN PROPERTY & CASUALTY

RECOVERABILITY OF DEFERRED TAX ASSETS ON LOSS CARRYFORWARDS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## VALUATION OF INVESTMENTS WITH UNOBSERVABLE MARKET INPUTS

### Key Audit Matter

The Group has recorded $4 901 million of investments with unobservable market inputs (Level 3) as of 31 December 2025 (4% of total investments). These investments mainly relate to private equity investments and funds, less liquid securities, mortgages, other loans and real estate. The fair values of those investments are mainly derived by using (internal) valuation models and/or third party indicators.

Unobservable inputs are inputs for which market data is not available and that are developed using the best information available about the assumptions that market participants would make in pricing. These inputs are mainly interest rates, credit spreads, liquidity spreads and cash flows.

The pricing and valuation methodologies used to measure the fair value, as well as the underlying estimates and assumptions based on unobservable inputs, require management to apply an increased degree of judgment and subjectivity.

Therefore, the valuation of investments with unobservable market inputs has been designated as a key audit matter given changes in the estimates could have a material impact on the Financial Statements as a whole. Auditing this balance involved an increased extent of audit effort, including the involvement of specialists with appropriate skills and knowledge.

### Our response

As part of our audit, we gained an understanding of the processes related to the valuation of investments with unobservable market inputs, including price verification and impairment analyses.

We tested the completeness and accuracy of the data used in the fair value estimation by reconciling to source information.

We involved our valuation specialists with appropriate skills and knowledge, as applicable, who assisted the audit team in:

– Assessing the pricing and valuation methodologies with reference to relevant accounting standards, and industry practice.

– Identifying key assumptions used in the determination of the investment's fair value and assess the reasonableness of the Group's assumptions by comparing to industry benchmarks.

– Developing an independent estimate for a selected sample of investments and comparing it to the Group's fair value estimate.

For further information on the Valuation of investments with unobservable market inputs refer to the following:

– Note 1
– Note 6
– Note 8

## VALUATION OF LIABILITIES FROM INSURANCE CONTRACTS ISSUED IN LIFE & HEALTH

### Key Audit Matter

The Group has recorded liabilities from insurance contracts issued in Life & Health of $24 619 million as of 31 December 2025 (22% of total liabilities). These liabilities are included in the insurance contracts issued that are presented as liabilities in the balance sheet and are measured using the general measurement model under IFRS 17.

The measurement is based on complex actuarial models and assumption setting processes to estimate the future development of the fulfilment cashflows of underlying insurance portfolios. The determination of the present value of the fulfilment cashflows requires a high degree of judgment and subjectivity by management. In particular, there is uncertainty pertaining to the estimate assumptions for mortality, morbidity, persistency (lapse), and the timing of the cashflows.

Due to the complexity described and the significance on the Financial Statements as a whole, the valuation of the liabilities from insurance contracts issued in Life & Health has been designated as a key audit matter. Auditing the estimate involved a high degree of auditor judgment and increased extent of audit effort, including the involvement of specialists with appropriate skills and knowledge.

### Our response

As part of our audit, we gained an understanding of the processes related to the valuation of liabilities from insurance contracts issued in Life & Health.

We tested the design and implementation of relevant key controls within the processes, including reserving committee level reviews.

We tested the completeness and accuracy of the underlying policyholder contract data by reconciling them to source information.

We involved our actuarial specialists with appropriate skills and knowledge, as applicable, who assisted the audit team in:

– Evaluating the actuarial models applied to determine the cash flows including the processing through the Group's IT systems.
– Assessing the methods applied to select the actuarial assumptions by comparing them to generally accepted actuarial techniques and industry standards.
– Recalculating the liabilities for a risk-based sample and comparing the results of the recalculations to the Group's estimates.

For further information on the valuation of Life and Health present value of future cash flows recorded in the liabilities from insurance contracts issued in Life & Health refer to the following:

– Note 1
– Note 3
– Note 4

## VALUATION OF LIABILITIES FROM INSURANCE CONTRACTS ISSUED IN PROPERTY & CASUALTY

### Key Audit Matter

The Group has recorded liabilities from insurance contracts issued in Property & Casualty consisting of P&C Re and CorSo of $64 245 million as of 31 December 2025 (58% of total liabilities). These liabilities are included within the insurance contracts issued that are liabilities line item in the balance sheet and are measured using the general measurement model under IFRS 17.

Within the measurement of the insurance contracts liabilities, the determination of the present value of the future claim settlements and the associated expenses requires a high degree of judgment and subjectivity by management with regards to the underlying actuarial models and the assumptions used. In particular, within the estimates and assumptions, there are uncertainties with regard to initial pricing assumptions, loss developments, inflation trends, court awards and other legal or regulatory changes.

Due to the complexity described and the significance on the Financial Statements as a whole, the valuation of the liabilities from insurance contracts issued in Property & Casualty has been designated as a key audit matter. Auditing the estimate involved a high degree of auditor judgment and increased extent of audit effort, including the involvement of specialists with appropriate skills and knowledge.

### Our response

As part of our audit, we gained an understanding of the processes related to the valuation of the liabilities from insurance contracts issued in Property & Casualty.

We tested the design, and implementation of relevant key controls within the processes and committee level reviews.

We tested the completeness and accuracy of the underlying data by reconciling to source information and validating the appropriateness of claims triangles.

We involved our actuarial specialists, with appropriate skills and knowledge, as applicable, who assisted the audit team in:

– Evaluating the actuarial models applied to determine the cash flows including the processing through the Group's IT systems.
– Assessing the methodology applied to select the actuarial assumptions by comparing them to generally accepted actuarial methods and industry standards.
– Performing independent recalculation of the liabilities from insurance contracts issued in Property & Casualty for certain lines of business and comparing the Group's recorded reserves to our independently calculated acceptable ranges.
– Assessing the Group's internally prepared actuarial analyses in comparison to internal experience, and related industry trends for certain lines of business.

For further information on the valuation of Property and Casualty present value of future cash flows recorded in the liabilities from insurance contracts issued in Property & Casualty refer to the following:

– Note 1
– Note 3
– Note 4
– Note 5

## RECOVERABILITY OF DEFERRED TAX ASSETS ON TAX LOSS CARRYFORWARDS

### Key Audit Matter

The Group has recorded deferred tax assets on loss carryforwards of $1 506 million as of 31 December 2025 (1% of total assets).

The recoverability of deferred tax assets, resulting from unused losses, depends on the probability that future taxable profit will be available against which the unused losses can be utilized before they expire.

The availability of future taxable profits is based on management's projections on future operating profits and the ability to enforce certain tax planning measures, both requiring estimates and assumptions with a high degree of subjectivity and judgment.

Therefore, we have designated the recoverability of deferred tax assets on loss carryforwards as a key audit matter. Auditing the estimate requires an increased extent of audit effort, including the involvement of specialists with appropriate skills and knowledge, due to the estimation uncertainty associated with the underlying data and assumptions.

### Our response

As part of our audit, we gained an understanding of the process related to the recoverability of deferred tax assets on loss carryforwards.

We tested the completeness and accuracy of the underlying data by reconciling to source information.

We involved our tax specialists with appropriate skills and knowledge, as applicable, who assisted the audit team in:

– Assessing the projections of future taxable profits and the robustness of the underlying assumptions by performing sensitivity analyses for selected tax planning measure considered for the recoverability assessment of deferred tax assets.

– Evaluating the enforceability of the tax planning measures and assessing the completeness and accuracy of the related impacts on future taxable profits

For further information on the recoverability of deferred taxes on loss carryforwards refer to the following:

– Note 1
– Note 18

**Other Information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated Financial Statements, the stand-alone Financial Statements of the company, the compensation report, the sustainability report and our auditor's reports thereon.

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

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

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

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

The Board of Directors is responsible for the preparation of the consolidated Financial Statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Financial Statements, including the disclosures, and whether the consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

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

We recommend that the consolidated Financial Statements submitted to you be approved.

KPMG AG

Dr. Frank Pfaffenzeller
Licensed Audit Expert
Auditor in Charge

Matthias Schiessl
Licensed Audit Expert

Zurich, 11 March 2026

# Swiss Reinsurance Company Ltd Annual Report


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# Management Report

The Management Report is prepared in accordance with Article 961c of the Swiss Code of Obligations and Article 25 of the Insurance Supervision Act.

### Reinsurance and sub-holding company

Swiss Reinsurance Company Ltd (the Company), domiciled in Zurich, Switzerland, performs a dual role within the Swiss Re Group as both a reinsurance company and a sub-holding company. The Company is a wholly owned subsidiary of Swiss Re Ltd, the ultimate parent company, also domiciled in Zurich, Switzerland. In 2025, the Company employed an average of 1 599 full time equivalents worldwide.

## Business report

### Financial year 2025

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

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

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

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

### Reinsurance result

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

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

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

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

Claims and claim adjustment expenses and life and health benefits decreased from CHF 22 131 million in 2024 to CHF 17 640 million in 2025. The comparison of individual claims line items was affected by the restructuring of several intragroup retrocessions and by various large life and health transactions, which resulted in substantial year-on-year changes that, in aggregate, fully offset each other.

Property and casualty claims paid and claim adjustment expenses net increased from CHF 11 457 million in 2024 to CHF 13 522 million in 2025, mainly due to a new retrocession for UK property and casualty business with Swiss Re Nexus Reinsurance Company Ltd. Property and casualty change in unpaid claims net decreased from CHF 2 981 million in 2024 to CHF 1 223 million in 2025, reflecting higher reserving actions taken on the US casualty business in the prior year and a more favourable natural catastrophe experience in 2025. Life and health claims paid and claim adjustment expenses net as well as change in unpaid claims net remained stable.

Life and health claims paid and claim adjustment expenses net and change in unpaid claims net slightly decreased from CHF 6 211 million in 2024 to CHF 6 144 million in 2025.

Life and health benefits net increased from a net loss of CHF 1 482 million in 2024 to a net gain of CHF 803 million in 2025, driven by a change in the valuation interest rate methodology and an update of safety margins. This was partly offset by the inception of a large inforce transaction in Canada. The financial year 2024 was impacted by the restructuring of the US yearly renewable term business and by higher assumption updates.

Acquisition costs net decreased from CHF 7 446 million in 2024 to CHF 7 215 million in 2025, mostly due to the restructuring of the life and health intragroup retrocessions in EMEA and the change in the accounting methodology in 2024 to gross-up remote life and health risk transactions.

### Investment result

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

### Other financial income and expenses

Other financial income and expenses decreased from a net expense of CHF 390 million in 2024 to a net expense of CHF 384 million in 2025. The decrease was mainly driven by the release of a guaranteed interest recoverable related to the transfer of funds withheld to Swiss Re Nexus Reinsurance Company Ltd, as well as by lower fee income from securities lending and repurchase agreements. These effects were largely offset by higher net realised gains on derivative financial instruments, primarily relating to foreign exchange exposures.

### Other income and expenses

Other income and expenses changed from a net income of CHF 40 million in 2024 to a net expense of CHF 254 million in 2025. The decrease was mainly due to foreign exchange losses from the revaluation of the opening balances in the branches and lower net administrative expenses. The financial year 2024 benefited from a one-off gain resulting from accelerated releases of the provision for currency fluctuation, which was only partly offset by a loss related to the merger with Swiss Pillar Investments Ltd.

### Assets

Total assets decreased from CHF 142 982 million as of 31 December 2024 to CHF 134 603 million as of 31 December 2025, primarily reflecting foreign exchange impacts from the revaluation of opening balances of CHF 11 794 million, largely offset by increases in loans, higher funds held by ceding companies and reinsurance recoverable.

Total investments decreased from CHF 78 789 million to CHF 72 836 million in 2025, mainly driven by a significant write-off of the book value of the Company's participation portfolio and foreign exchange impacts from the revaluation of the opening balances of CHF 4 641 million. These effects were partly offset by higher balances in intragroup loans and an increase in private equity fund investments, following a transfer from Swiss Re Europe S.A. and Swiss Re Europe Holdings S.A.

Fixed income securities decreased by CHF 3 551 million to CHF 21 293 million in 2025, mainly due to foreign exchange impacts from the revaluation of the opening balances of CHF 2 769 million and a repositioning towards short-term investments.

Loans increased by CHF 2 460 million to CHF 12 146 million in 2025, mainly driven by new intragroup loans, partly offset by foreign exchange impacts from the revaluation of the opening balances of CHF 402 million and a loan restructuring with Swiss Re Reinsurance Holding Company Ltd.

Alternative investments increased by CHF 741 million to CHF 2 207 million in 2025, primarily related to the transfer of private equity fund investments from Swiss Re Europe S.A. and Swiss Re Europe Holdings S.A., partly offset by foreign exchange impacts from the revaluation of the opening balances of CHF 182 million.

Assets in derivative financial instruments decreased by CHF 1 304 million to CHF 300 million in 2025, mainly reflecting the net recognition of total return swaps.

Funds held by ceding companies decreased from CHF 20 682 million to CHF 19 823 million in 2025, primarily due to foreign exchange impacts from the revaluation of the opening balances of CHF 2 333 million. This decrease was partly offset by developments in life and health business, notably the inception of a large inforce transaction in Canada, as well as by a correction related to intragroup retrocessions, which were incompletely recorded in prior years.

Reinsurance recoverable on technical provisions retroceded increased from CHF 14 817 million to CHF 15 398 million in 2025. This was mainly due to a new retrocession for UK property and casualty business to Swiss Re Nexus Reinsurance Company Ltd, and higher recoverable on external retrocessions, predominantly in property business. Life and health recoverable decreased, reflecting a recapture related to EMEA business from Swiss Re Nexus Reinsurance Company Ltd. These effects were partly offset by foreign exchange impacts from the revaluation of the opening balances of CHF 1 485 million for both property and casualty as well as life and health recoverable.

Premiums and other receivables from reinsurance decreased from CHF 20 232 million to CHF 18 805 million in 2025. The decrease was mainly driven by foreign exchange impacts from the revaluation of opening balances of CHF 1 615 million.

### Liabilities

Total liabilities decreased from CHF 130 766 million as of 31 December 2024 to CHF 116 287 million as of 31 December 2025, largely driven by foreign exchange impacts from the revaluation of opening balances of CHF 16 407 million and the net redemption of debt.

Technical provisions gross decreased from CHF 93 949 million to CHF 85 232 million in 2025, mainly due to foreign exchange impacts from the revaluation of opening balances of CHF 8 607 million. Life and health provisions additionally declined as a result of a change in the valuation interest rate methodology and an update of safety margins, partly offset by the inception of a large inforce transaction in Canada. Excluding foreign exchange remeasurement impacts, property and casualty provisions increased, driven by higher business volumes in Asia and natural catastrophe losses, including the US wildfires, and the completion of the US casualty portfolio repositioning.

Provision for currency fluctuation increased by CHF 607 million to CHF 1 549 million in 2025, reflecting the deferral of significant net unrealised foreign exchange remeasurement gains, which were driven by the weakening of all major currencies against the Swiss franc.

Debt decreased from CHF 5 679 million to CHF 2 229 million in 2025, mainly due to foreign exchange impacts from the revaluation of opening balances of CHF 648 million and net repayments of intragroup debt, and the redemption of an external debt.

Liabilities from derivative financial instruments decreased by CHF 1 171 million to CHF 461 million in 2025, mainly reflecting the net recognition of total return swaps.

Funds held under reinsurance treaties increased from CHF 6 114 million to CHF 6 466 million in 2025, mainly due to a new retrocession for UK property and casualty business with Swiss Re Nexus Reinsurance Company Ltd. Life and health funds held decreased as a result of the transfer of funds withheld to Swiss Re Nexus Reinsurance Company Ltd, and foreign exchange impacts from the revaluation of the opening balances of CHF 720 million.

Reinsurance balances payable decreased from CHF 11 204 million to CHF 10 870 million in 2025. driven by foreign exchange impacts from the revaluation of the opening balances of CHF 925 million, partly offset by life and health payables due to higher business volumes in EMEA and in the US.

Other liabilities decreased by CHF 1 613 million to CHF 4 199 million in 2025, mainly reflecting foreign exchange impacts from the revaluation of the opening balances of CHF 468 million, lower balances in connection with intragroup cash pooling, as well as securities lending and repurchase agreements, partly offset by investment-related activities.

### Shareholder’s equity

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

# Future prospects and business development

## Outlook

### Change in accounting and reporting currency

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

### Acquisition of Swiss Re Investments Holding Company Ltd

The Company acquired Swiss Re Investments Holding Company Ltd at the statutory book value from its direct subsidiary Swiss Re Investments Ltd, effective 1 January 2026.

## Property & Casualty business

### Market environment

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

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

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

Meanwhile, sector profitability remained robust with return on equity peaking at 12% in 2025, up from 11% in 2024[1], 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 below-trend natural catastrophe losses contributed to the solid underwriting results.

## Life & Health business

### Market environment

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

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

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

## Outlook for both Property & Casualty and Life & Health business

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

Total global insurance premium growth is projected to slow to around 2.0% in real terms on average over 2026–2027, reflecting a return to more sustainable expansion after the strong growth experienced in the last two years. Firm long-dated bond yields 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)

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

should support demand in the medium term. Underwriting discipline and robust investment income are expected to continue to underpin overall profitability.

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

## Investments

### Strategy and priorities

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

### Outlook

The global re/insurance industry is expected to continue benefiting from a broadly favourable operating environment in 2026. Key drivers include still solid economic growth of around 2.8% – roughly in line with 2025 – and further moderating inflation yet structurally high long-term government bond yields.

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

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

## Risk management

The Board of Directors of Swiss Reinsurance Company Ltd (the Company) has issued a mandate to establish a Risk Management function to provide independent risk-taking oversight for the Company and its subsidiaries. In executing this task, the Risk Management function is supported by the Swiss Re Group Risk Management organisation. Significant parts of risk exposure identification, assessment, control and reporting for the Company on a stand-alone basis are integrated in Group Risk Management processes. The Company's Board of Directors sets the risk tolerance. In this role, it is advised by the Board of Directors of the Swiss Re Group (Group or Swiss Re), which approves the Group's risk strategy and Group Risk Policy. It also defines the Group's risk appetite and tolerance, key principles for risk-taking and control, and key capital structuring principles. The Group Board primarily exercises risk oversight and governance through its Risk and Audit Committees.

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 also an Executive Committee member and CRO of the Company, which is the main operating carrier for Swiss Re.

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.

# Income statement

### For the years ended 31 December

| CHF millions | Note | 2025 | 2024 |
|---|---|---|---|
| **Reinsurance** | | | |
| Premiums written gross | | 33 422 | 35 634 |
| Premiums written retroceded | | -6 198 | -5 988 |
| Premiums written net | | 27 224 | 29 646 |
| Change in unearned premiums gross | | 32 | -1 462 |
| Change in unearned premiums retroceded | | 239 | 219 |
| Change in unearned premiums net | | 271 | -1 243 |
| **Premiums earned** | | **27 495** | 28 403 |
| Other reinsurance revenues | 18 | 2 105 | 1 285 |
| **Total revenues from reinsurance business** | | **29 600** | 29 688 |
| | | | |
| Claims paid and claim adjustment expenses gross | | -21 713 | -22 006 |
| Claims paid and claim adjustment expenses retroceded | | 1 761 | 4 981 |
| Claims paid and claim adjustment expenses net | | -19 952 | -17 025 |
| Change in unpaid claims gross | | -607 | -4 047 |
| Change in unpaid claims retroceded | | 2 116 | 423 |
| Change in unpaid claims net | | 1 509 | -3 624 |
| Life and health benefits gross | | 1 172 | -220 |
| Life and health benefits retroceded | | -369 | -1 262 |
| Life and health benefits net | | 803 | -1 482 |
| **Claims and claim adjustment expenses and life and health benefits** | | **-17 640** | -22 131 |
| Change in equalisation provision | | -234 | |
| **Claims incurred** | | **-17 874** | -22 131 |
| | | | |
| Acquisition costs gross | | -8 193 | -8 523 |
| Acquisition costs retroceded | | 978 | 1 077 |
| Acquisition costs net | | -7 215 | -7 446 |
| Operating costs | | -822 | -881 |
| **Acquisition and operating costs** | | **-8 037** | -8 327 |
| Other reinsurance expenses | 18 | -667 | -1 089 |
| **Total expenses from reinsurance business** | | **-26 578** | -31 547 |
| | | | |
| **Reinsurance result** | | **3 022** | -1 859 |

| CHF millions | Note | 2025 | 2024 |
|---|---|---|---|
| **Investments** | 2 | | |
| Investment income | | 11 882 | 2 406 |
| Investment expenses | | -5 808 | -293 |
| **Investment result** | | **6 074** | 2 113 |
| | | | |
| **Other financial income and expenses** | | | |
| Other financial income | | 2 986 | 2 632 |
| Other financial expenses | | -3 370 | -3 022 |
| | | | |
| **Operating result** | | **8 712** | -136 |
| | | | |
| **Interest expenses on debt and subordinated liabilities** | | **-495** | -503 |
| | | | |
| **Other income and expenses** | | | |
| Other income | 19 | 101 | 790 |
| Other expenses | 19 | -355 | -750 |
| | | | |
| **Extraordinary income and expenses** | | | |
| Extraordinary income | 20 | 1 | |
| Extraordinary expenses | 20 | -2 | -554 |
| | | | |
| **Income/Loss before income tax expense** | | **7 962** | -1 153 |
| Income tax expense | | -275 | -91 |
| **Net income/loss** | | **7 687** | -1 244 |

The accompanying notes are an integral part of Swiss Reinsurance Company Ltd's financial statements.

# Balance sheet

**As of 31 December**

## Assets

| CHF millions | Note | 2025 | 2024 |
|---|---|---|---|
| **Investments** | | | |
| Investments in subsidiaries and affiliated companies | 21 | 19 880 | 25 278 |
| Fixed income securities | | 21 293 | 24 844 |
| Loans | | 12 146 | 9 686 |
| Equity securities | | 126 | 111 |
| Shares in investment funds | | 13 825 | 14 294 |
| Short-term investments | | 3 359 | 3 110 |
| Alternative investments | | 2 207 | 1 466 |
| Other investments | | 19 391 | 18 870 |
| **Total investments** | | **72 836** | 78 789 |
| | | | |
| **Financial and reinsurance assets** | | | |
| Assets in derivative financial instruments | | 300 | 1 604 |
| Funds held by ceding companies | 3 | 19 823 | 20 682 |
| Cash and cash equivalents | | 154 | 142 |
| Reinsurance recoverable from unpaid claims | 3 | 7 345 | 5 709 |
| Reinsurance recoverable from liabilities for life and health policy benefits | 3 | 6 597 | 7 662 |
| Reinsurance recoverable from unearned premiums | 3 | 1 349 | 1 327 |
| Reinsurance recoverable from provisions for profit commissions | 3 | 107 | 119 |
| Reinsurance recoverable on technical provisions retroceded | | 15 398 | 14 817 |
| Tangible assets | | 3 | 4 |
| Deferred acquisition costs | 3 | 2 099 | 2 359 |
| Intangible assets | | 55 | 80 |
| Premiums and other receivables from reinsurance | 3 | 18 805 | 20 232 |
| Other receivables | | 643 | 430 |
| Other assets | | 4 185 | 3 517 |
| Accrued income | | 302 | 326 |
| **Total financial and reinsurance assets** | | **61 767** | 64 193 |
| | | | |
| **Total assets** | | **134 603** | 142 982 |

The accompanying notes are an integral part of Swiss Reinsurance Company Ltd's financial statements.

## Liabilities and shareholder's equity

| CHF millions | Note | 2025 | 2024 |
|---|---|---|---|
| **Liabilities** | | | |
| **Technical provisions gross** | | | |
| Unpaid claims | 3 | 58 025 | 62 840 |
| Liabilities for life and health policy benefits | 3 | 16 115 | 18 977 |
| Unearned premiums | 3 | 9 793 | 11 064 |
| Provisions for profit commissions | 3 | 665 | 668 |
| Equalisation provision | 3 | 634 | 400 |
| **Total technical provisions gross** | | **85 232** | 93 949 |
| | | | |
| **Non-technical provisions** | | | |
| Tax provisions | | 203 | 54 |
| Provision for currency fluctuation | | 1 549 | 942 |
| Other provisions | | 244 | 259 |
| **Total non-technical provisions** | | **1 996** | 1 255 |
| | | | |
| Debt | 11 | 2 229 | 5 679 |
| Liabilities from derivative financial instruments | | 461 | 1 632 |
| Funds held under reinsurance treaties | | 6 466 | 6 114 |
| Reinsurance balances payable | 3 | 10 870 | 11 204 |
| Other liabilities | | 4 199 | 5 812 |
| Accrued expenses | | 167 | 175 |
| Subordinated liabilities | 11 | 4 667 | 4 946 |
| | | | |
| **Total liabilities** | | **116 287** | 130 766 |
| | | | |
| **Shareholder's equity** | 4 | | |
| Share capital | | 34 | 34 |
| Legal reserves from capital contributions | | 1 226 | 2 813 |
| Legal capital reserves | | 1 226 | 2 813 |
| Legal profit reserves | | 650 | 650 |
| Voluntary profit reserves | | 6 757 | 6 757 |
| Profit brought forward | | 1 962 | 3 206 |
| Net income/loss for the financial year | | 7 687 | -1 244 |
| **Total shareholder's equity** | | **18 316** | 12 216 |
| | | | |
| **Total liabilities and shareholder's equity** | | **134 603** | 142 982 |

The accompanying notes are an integral part of Swiss Reinsurance Company Ltd's financial statements.

# Notes

**Reinsurance and sub-holding company**
Swiss Reinsurance Company Ltd (the Company), domiciled in Zurich, Switzerland, performs a dual role within the Swiss Re Group as both a reinsurance company and a sub-holding company. The Company is a wholly owned subsidiary of Swiss Re Ltd, the ultimate parent company, also domiciled in Zurich, Switzerland.

## 1 Significant accounting principles

**Basis of presentation**
The financial statements are prepared in accordance with Swiss Company Law and the Ordinance on the supervision of private insurance companies (ISO). The Company is also required to comply with the Insurance Supervision Ordinance-FINMA (ISO-FINMA). ISO-FINMA contains specific guidance on the presentation of the balance sheet, the income statement and the notes for insurance companies, and overrides the general provisions of the Swiss Code of Obligations (CO).

**Time period**
The 2025 financial year comprises the accounting period from 1 January 2025 to 31 December 2025.

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

**Foreign currency translation**
Assets and liabilities denominated in foreign currencies are converted into Swiss francs at year-end exchange rates, except for participations and tangible assets, which are maintained in Swiss francs at historical exchange rates. Income and expenses in foreign currencies are converted into Swiss francs at average or spot exchange rates for the reporting year.

**Investments**
Investments in subsidiaries and affiliated companies are carried at cost, less legally permissible and necessary value adjustments.

The Company's investments in subsidiaries and affiliated companies are summarised as a group for valuation purposes, when a close business link exists and a similarity in nature is given.

Fixed income securities are carried at their amortised cost, less necessary value adjustments for other than temporary market value decreases.

The following assets are carried at the lower of cost or market value:
- Equity securities
- Shares in investment funds
- Alternative investments

Loans are carried at nominal value. Value adjustments are recorded where the expected recovery value is lower than the nominal value. Infrastructure and commercial mortgage loans issued at nominal value are carried at cost, while those issued below nominal value are measured at present value using the effective interest rate method. Necessary value adjustments are recorded for other than temporary market value decreases.

Short-term investments contain investments with an original duration of between three months and one year. Such investments are generally held until maturity and are measured at their amortised cost.

Subsequent recoveries of previously recorded downward value adjustments may be recognised up to the lower of cost or market value at the balance sheet date. The valuation rules prescribed by the Swiss Financial Market Supervisory Authority FINMA are taken into account.

### Assets in derivative financial instruments
Assets in derivative financial instruments are held at market value. All derivative financial instruments have an observable market price and are traded in an active and liquid market. These derivative financial instruments are held to hedge the Company's own risks and those of its subsidiaries and affiliated companies.

### Funds held by ceding companies
Funds held by ceding companies consist mainly of assets that belong to the Company that are withheld by the cedent due to regulatory or legal requirements, or to retain control over investments and reduce potential credit risk. Assets are initially measured based on the consideration received. Subsequently, funds held by ceding companies are measured at the consideration received or at the market value of the underlying assets.

### Cash and cash equivalents
Cash and cash equivalents include cash at bank, short-term deposits and certain investments in money-market funds with an original maturity of three months or less. These current assets are held at market value, which equals the nominal value.

### Reinsurance recoverable on technical provisions retroceded
Reinsurance recoverable on technical provisions represents the retroceded portion of the technical provisions. The respective accounting principles for each technical provision category are described under "Technical provisions gross". Reinsurance business written by branches of the Company that is retroceded to affiliated companies, which is then retroceded back to the Company, is presented on a gross basis.

### Tangible assets
Tangible assets are carried at cost, less individually scheduled straight-line depreciation over their useful lives, as well as legally permissible and necessary value adjustments. Items of minor value are not capitalised.

### Deferred acquisition costs
Deferred acquisition costs consist principally of commissions and relate to the generation of new reinsurance business. Property and casualty deferred acquisition costs are generally amortised in proportion to premiums earned. Life and health deferred acquisition costs run off on a prudent basis, typically on a straight-line basis over a shorter period than the related liabilities. The amortisation schedule may also be determined to be in line with the expected profits of the business, such that no statutory profits are recognised until the deferred acquisition costs are fully amortised.

### Intangible assets
Intangible assets, consisting of capitalised development costs for software for internal use, are measured at cost, less straight-line amortisation over the estimated useful life of the software, as well as legally permissible and necessary value adjustments.

### Premiums and other receivables from reinsurance
Premiums and other receivables from reinsurance are carried at nominal value, less allowances for known credit risks where applicable. This position mainly consists of receivables from insurance companies and brokers.

### Other assets
Other assets include deferred expenses on retroactive reinsurance policies, which are amortised through earnings over the expected claims-paying period, as well as rights in connection with securities lending collateral and reverse repurchase transactions, which are carried at nominal value.

Financial and operating leases are recorded on the balance sheet. The corresponding lease assets and lease liabilities are carried at cost, less amortisation of the assets and release of the liabilities over the useful life of the leased or rented goods.

### Accrued income
Accrued income mainly consists of accrued interest income on loans and securities, and is carried at nominal value.

### Technical provisions gross

Unpaid claims are recognised based on information provided by clients and on internal estimates of expected claims experience, which are drawn from empirical statistics. These include provisions for claims incurred but not reported. Unpaid insurance obligations are recognised at the full expected amount of future payments.

Liabilities for life and health policy benefits are determined based on actuarially calculated present values, taking experience into account. Generally, a prospective gross premium valuation is applied. The method is prospective as it takes into account expected future cash flows inherent in the reinsurance contract from the valuation date until expiry of the contractual obligations. The assumptions used in the valuation are based on estimates derived from experience studies. Cash flows primarily include premiums, claims, commissions, profit commissions and expenses. Provisions for adverse deviations are added for prudence to reflect the uncertainty in the underlying best estimates. The gross premium valuation approach may result in a negative liability provision, which is typically set to zero in accordance with the Company's reserving policy. Under certain circumstances, a prudent allowance for deferred acquisition costs on financing treaties may be established. A loss ratio approach may be applied, mainly for Group business, and for individual risk premium lump sum business, where information is limited, or where a gross premium valuation is not possible due to practical constraints.

Modified coinsurance arrangements are accounted for on a gross basis, with separate recognition of the funds withheld and liabilities for life and health policy benefits.

Premiums written relating to future periods are recognised as unearned premiums and are generally calculated using statistical methods.

Provisions for profit commissions are based on contractual agreements with clients and depend on the results of the respective reinsurance treaties.

The equalisation provision for property and casualty business is established to address the uncertainties when determining underwriting reserves, security or parameter risk, and as a result of the random fluctuations inherent in claims (fluctuation risk in the narrower sense). This provision serves to partially or fully offset unfavourable run-off results in underwriting reserves and fluctuations in claims experience.

The share of technical provisions pertaining to retroceded business is determined or estimated based on contractual agreements and the underlying gross business data per treaty.

Liabilities and consideration in connection with portfolio transfers are recognised through the respective income statement line items. Outstanding claims and liabilities are recorded as changes in unpaid claims and life and health benefits, with the related consideration recognised as claims paid. The impact on unearned premiums is recognised through the change in unearned premiums, with the related consideration recognised as premiums written. Any profit or loss on the portfolio transfer is reflected in other reinsurance revenues or other reinsurance expenses.

For property and casualty transfers for retroactive treaties, the initial recognition of assets and liabilities is accounted as a balance sheet transaction.

Reinsurance business written by the Company's branches and retroceded to affiliated companies, and subsequently retroceded back to the Company, is accounted for and presented on a gross basis.

### Non-technical provisions

The provision for currency fluctuation comprises the net effect of foreign exchange gains and losses arising from revaluation of the balance sheet at year-end. This net effect is recognised in the income statement, based on the average duration of technical provisions and investments. Where the provision for currency fluctuation is insufficient to absorb net foreign exchange losses for the financial year, it is reduced to zero and any excess foreign exchange loss is recognised in the income statement.

Other provisions are determined in accordance with sound business principles and based on estimated needs. Tax provisions are established in accordance with applicable tax regulations.

### Debt

Debt are carried at nominal value.

### Liabilities from derivative financial instruments

Liabilities from derivative financial instruments are carried at market value. All such instruments have observable market prices and are traded in active and liquid markets. These instruments are used to hedge the Company's own risks and those of its subsidiaries and affiliated companies.

### Funds held under reinsurance treaties
Funds held under reinsurance treaties mainly comprise cash deposits withheld from retrocessionaires and are stated at redemption value.

### Reinsurance balances payable
Reinsurance balances payable are held at redemption value and mainly consist of payables to insurance companies and brokers.

### Other liabilities
Other liabilities include obligations in connection with repurchase agreements and securities lending transactions, which are carried at nominal value.

### Accrued expenses
Accrued expenses mainly consist of accrued interest on debt and subordinated liabilities and securities, as well as other accruals, primarily related to administrative expenses, and are carried at nominal value.

### Subordinated liabilities
Subordinated liabilities are carried at nominal value.

### Deposit arrangements
Property and casualty contracts which do not meet risk transfer requirements, defined as transferring a reasonable probability of a significant loss to the reinsurer, are accounted as deposit arrangements. Deposit amounts are adjusted for payments received and made, as well as for amortisation or accretion of interest.

For the life and health business, reinsurance reserves are calculated in the same manner as for traditional reinsurance business; accordingly, no deposit arrangements exist.

### Other reinsurance revenues and expenses
Other reinsurance revenues and expenses mainly consist of gains and losses recognised from portfolio transfers at inception. In addition, this position comprises income from funds held by ceding companies, expenses from funds held under reinsurance treaties, income and expenses from deposit arrangements as well as changes in allowances.

### Other financial income and expenses
Other financial income and expenses mainly consist of gains and losses from derivative financial instruments used to hedge foreign exchange, equity, credit and interest rate risks. This position also includes trademark license fees; interest income and expenses on current accounts; bank deposits and cash pooling; income from securities lending and repurchase agreements; and letters of credit fees.

### Management expenses
Management expenses are allocated to the reinsurance business, the investment business and to other expenses on an imputed basis.

### Foreign exchange transaction gains and losses
Foreign exchange gains and losses arising from foreign exchange transactions are recognised in the income statement and reported net in other expenses or other income, respectively.

### Capital and indirect taxes
Capital and indirect taxes relating to the financial year are included in other expenses. Value-added taxes are included in the respective expense line items in the income statement.

### Income tax expense
The income tax expense relates to the financial year under report.

## 2 Investment result

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

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

[1] In December 2025, the Company received cash dividends from subsidiaries in the amount of CHF 9 614 million, partly offset by a significant write-off of CHF 5 395 million relating to the book value of the Company's participation portfolio – refer to Note 21.

| CHF millions | Income | Value readjustments | Realised gains | 2024 Total |
|---|---|---|---|---|
| **Investment income** | | | | |
| Investments in subsidiaries and affiliated companies | 0 | | | 0 |
| Fixed income securities | 920 | 0 | 44 | 964 |
| Loans | 522 | | 1 | 523 |
| Equity securities | 2 | 0 | 0 | 2 |
| Shares in investment funds | 172 | 212 | | 384 |
| Short-term investments | 109 | | 1 | 110 |
| Alternative investments | 103 | 6 | 268 | 377 |
| Other investments | 384 | 218 | 269 | 871 |
| Income from investment services | 46 | | | 46 |
| **Investment income** | 1 874 | 218 | 314 | 2 406 |

| CHF millions | Expenses | Value adjustments | Realised losses | |
|---|---|---|---|---|
| **Investment expenses** | | | | |
| Investments in subsidiaries and affiliated companies | | 0 | | 0 |
| Fixed income securities | | 0 | -46 | -46 |
| Loans | | | -1 | -1 |
| Equity securities | | -14 | 0 | -14 |
| Shares in investment funds | | -47 | | -47 |
| Short-term investments | | | -2 | -2 |
| Alternative investments | | -59 | -19 | -78 |
| Other investments | | -106 | -21 | -127 |
| Investment management expenses | -105 | | | -105 |
| **Investment expenses** | -105 | -120 | -68 | -293 |
| **Investment result** | | | | 2 113 |

## 3 Assets and liabilities from reinsurance

| | | | 2025 | | | 2024 |
|---|---|---|---|---|---|---|
| CHF millions | Gross | Retro | Net/Total | Gross | Retro | Net/Total |
| Deferred acquisition costs | 2 352 | -253 | **2 099** | 2 610 | -251 | 2 359 |
| Premiums and other receivables from reinsurance | 16 325 | 2 480 | **18 805** | 17 866 | 2 366 | 20 232 |
| Deferred expenses on retroactive reinsurance policies[2] | 54 | 3 | **57** | 113 | 2 | 115 |
| Unpaid claims[1] | 58 025 | -7 345 | **50 680** | 62 840 | -5 709 | 57 131 |
| Liabilities for life and health policy benefits[1] | 16 115 | -6 597 | **9 518** | 18 977 | -7 662 | 11 315 |
| Unearned premiums[1] | 9 793 | -1 349 | **8 444** | 11 064 | -1 327 | 9 737 |
| Provisions for profit commissions[1] | 665 | -107 | **558** | 668 | -119 | 549 |
| Equalisation provision[1] | 634 | | **634** | 400 | | 400 |
| Reinsurance balances payable | 6 635 | 4 235 | **10 870** | 7 126 | 4 078 | 11 204 |

[1] Retro figures are reported in the balance sheet under "Reinsurance recoverable on technical provisions retroceded" on page 156.
[2] Reported in the balance sheet under "Other assets" on page 156.

In 2024, two intragroup life and health treaties within the EMEA business were incompletely recorded, resulting primarily in an understatement of the following line items: "Funds held by ceding companies" (CHF 561 million); "Reinsurance recoverable from life and health policy benefits retroceded" (CHF 144 million); "Unpaid claims gross" (CHF 117 million); "Liabilities for life and health policy benefits gross" (CHF 361 million); and "Reinsurance balances payable" (CHF 271 million). For the corrections made in 2025, refer to Note 20.

## 4 Change in shareholder's equity

| CHF millions | Share capital | Legal capital reserves | Legal profit reserves | Voluntary profit reserves | Profit/Loss brought forward | Net income/loss for the financial year | Total shareholder's equity |
|---|---|---|---|---|---|---|---|
| Shareholder's equity 1.1.2024 | 34 | 4 227 | 650 | 5 757 | | 4 206 | 14 874 |
| Allocations | | -1 449 | | 2 449 | 3 206 | -4 206 | 0 |
| Loss offsetting | | | | | | | |
| Dividend for the financial year 2023 | | | | -1 449 | | | -1 449 |
| Contribution in-kind from Swiss Re Ltd[1] | | 35 | | | | | 35 |
| Net loss for the financial year | | | | | | -1 244 | -1 244 |
| Shareholder's equity 31.12.2024 | 34 | 2 813 | 650 | 6 757 | 3 206 | -1 244 | 12 216 |
| | | | | | | | |
| **Shareholder's equity 1.1.2025** | **34** | **2 813** | **650** | **6 757** | **3 206** | **-1 244** | **12 216** |
| Allocations | | -1 587 | | 1 587 | -1 244 | 1 244 | 0 |
| Loss offsetting | | | | | | | |
| Dividend for the financial year 2024 | | | | -1 587 | | | -1 587 |
| Net income for the financial year | | | | | | 7 687 | 7 687 |
| **Shareholder's equity 31.12.2025** | **34** | **1 226** | **650** | **6 757** | **1 962** | **7 687** | **18 316** |

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

## 5 Share capital and major shareholder

The share capital of the Company amounted to CHF 34 million. It is divided into 344 052 565 registered shares, each with a nominal value of CHF 0.10. The shares are fully paid in and are directly held by Swiss Re Ltd. As of 31 December 2025 and 2024, the Company was a wholly owned subsidiary of Swiss Re Ltd.

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

## 6 Commitments

As a participant in limited investment partnerships, the Company commits itself to making available certain amounts of investment funding, callable by the partnerships generally for periods of up to ten years. As of 31 December 2025, total commitments uncalled were CHF 1 355 million (2024: CHF 805 million).

# 7 Investments in subsidiaries and affiliated companies

As of 31 December 2025 and 2024, Swiss Reinsurance Company Ltd held the following direct and material indirect investments in subsidiaries and affiliated companies:

| **As of 31 December 2025** | Country | City | % Equity interest | % Voting interest |
|---|---|---|---|---|
| Swiss Re Brasil Resseguros S.A. | Brazil | São Paulo | 99% | 99% |
| Swiss Re Investments Ltd | Switzerland | Zurich | 100% | 100% |
| Swiss Re Investments Holding Company Ltd | Switzerland | Zurich | 100% | 100% |
| Swiss Re Africa Limited | South Africa | Cape Town | 100% | 100% |
| Swiss Re Mexico Servicios, S. de R.L. de C.V. | Mexico | Mexico City | 91% | 91% |
| Swiss Re Reinsurance Holding Company Ltd | Switzerland | Zurich | 100% | 100% |
| Swiss Re America Holding Corporation | United States (USA) | Wilmington | 100% | 100% |
| Swiss Re Capital Markets Corporation | United States (USA) | New York | 100% | 100% |
| Swiss Re Financial Markets Corporation | United States (USA) | Wilmington | 100% | 100% |
| Swiss Re Financial Products Corporation | United States (USA) | Wilmington | 100% | 100% |
| Swiss Re Life & Health America Holding Company | United States (USA) | Wilmington | 100% | 100% |
| Swiss Re Treasury (US) Corporation | United States (USA) | Wilmington | 100% | 100% |
| Swiss Reinsurance America Corporation | United States (USA) | Armonk | 100% | 100% |
| Swiss Re Nexus Reinsurance Company Ltd | Switzerland | Zurich | 100% | 100% |
| Swiss Pillar Investments Europe SARL | Luxembourg | Luxembourg | 100% | 100% |
| Swiss Pillar Investments UK Limited | Cayman Islands | George Town | 100% | 100% |
| LogPlaza Cologne Gladbeck S.à r.l. | Luxembourg | Luxembourg | 100% | 100% |
| Swiss Re Asia Holding Pte. Ltd. | Singapore | Singapore | 100% | 100% |
| Swiss Re Asia Pte. Ltd. | Singapore | Singapore | 100% | 100% |
| Swiss Re Australia Ltd | Australia | Sydney | 100% | 100% |
| Swiss Re Life & Health Australia Limited | Australia | Sydney | 100% | 100% |
| Swiss Re Europe Holdings S.A. | Luxembourg | Luxembourg | 100% | 100% |
| Swiss Re Europe S.A. | Luxembourg | Luxembourg | 100% | 100% |
| Swiss Re Germany GmbH | Germany | Munich | 100% | 100% |
| Swiss Re Finance (Luxembourg) S.A. | Luxembourg | Luxembourg | 100% | 100% |
| Swiss Re Services Limited | United Kingdom (UK) | London | 100% | 100% |
| Swiss Re Services India Private Ltd | India | Mumbai | 100% | 100% |
| Swiss Reinsurance America Corporation - Escritório de Representação no Brasil Ltda | Brazil | São Paulo | 20% | 20% |
| Swiss Reinsurance Company Ltd - Escritório de Representação no Brasil Ltda | Brazil | São Paulo | 100% | 100% |
| Swiss Re Finance Limited | Cayman Islands | George Town | 100% | 100% |
| Vietnam National Reinsurance Corporation | Vietnam | Hanoi | 25% | 25% |
| Swiss Re Finance (UK) Plc | United Kingdom (UK) | London | 100% | 100% |
| Swiss Re Global Business Solutions India Private Limited | India | Bangalore | 0% | 0% |
| IptiQ Group Holding Ltd | Switzerland | Zurich | 100% | 100% |
| iptiQ Americas Inc. | United States (USA) | Wilmington | 100% | 100% |
| iptiQ Asia Holding Limited | Hong Kong SAR | Hong Kong | 100% | 100% |
| Swiss Re Life Capital EMEA Holding B.V. | Netherlands | Hoofddorp | 100% | 100% |
| Swiss Re Corporate Solutions Holding Company Ltd | Switzerland | Zurich | 100% | 100% |
| Swiss Re International SE | Luxembourg | Luxembourg | 100% | 100% |
| SR Corporate Solutions America Holding Corporation | United States (USA) | Wilmington | 100% | 100% |
| Westport Insurance Corporation | United States (USA) | Jefferson City | 100% | 100% |
| Swiss Re Corporate Solutions Africa Ltd | South Africa | Johannesburg | 100% | 100% |
| Swiss Re Corporate Solutions Brasil Holding Ltda | Brazil | São Paulo | 100% | 100% |
| Compañía Aseguradora de Fianzas S.A. Confianza | Colombia | Bogotá | 51% | 51% |
| Swiss Re Corporate Solutions Investment Holding Company Ltd | Switzerland | Zurich | 100% | 100% |
| Swiss Re Corporate Solutions México Seguros, S.A. de C.V. | Mexico | Mexico City | 100% | 100% |
| Swiss Re Corporate Solutions México Servicios, S. de R.L. de C.V. | Mexico | Mexico City | 100% | 100% |

| As of 31 December 2024 | Country | City | % Equity interest | % Voting interest |
|---|---|---|---|---|
| Swiss Brokers México, Intermediario de Reaseguro, S.A. de C.V.[1] | Mexico | Mexico City | 100% | 100% |
| Swiss Re Brasil Resseguros S.A. | Brazil | São Paulo | 99% | 99% |
| Swiss Re Investments Ltd | Switzerland | Zurich | 100% | 100% |
| Swiss Re Investments Holding Company Ltd | Switzerland | Zurich | 100% | 100% |
| Swiss Re Investments Company Ltd[2] | Switzerland | Zurich | 100% | 100% |
| Swiss Re Africa Limited | South Africa | Cape Town | 100% | 100% |
| Swiss Re Mexico Servicios, S. de R.L. de C.V. | Mexico | Mexico City | 91% | 91% |
| Swiss Re Reinsurance Holding Company Ltd | Switzerland | Zurich | 100% | 100% |
| Swiss Re America Holding Corporation | United States (USA) | Wilmington | 100% | 100% |
| Swiss Re Capital Markets Corporation | United States (USA) | New York | 100% | 100% |
| Swiss Re Financial Markets Corporation | United States (USA) | Wilmington | 100% | 100% |
| Swiss Re Financial Products Corporation | United States (USA) | Wilmington | 100% | 100% |
| Swiss Re Life & Health America Holding Company | United States (USA) | Wilmington | 100% | 100% |
| Swiss Re Treasury (US) Corporation | United States (USA) | Wilmington | 100% | 100% |
| Swiss Reinsurance America Corporation | United States (USA) | Armonk | 100% | 100% |
| Swiss Re Nexus Reinsurance Company Ltd | Switzerland | Zurich | 100% | 100% |
| Swiss Pillar Investments Europe SARL | Luxembourg | Luxembourg | 100% | 100% |
| Swiss Pillar Investments UK Limited | Cayman Islands | George Town | 100% | 100% |
| LogPlaza Cologne Gladbeck S.à r.l. | Luxembourg | Luxembourg | 100% | 100% |
| Swiss Re Asia Holding Pte. Ltd. | Singapore | Singapore | 100% | 100% |
| Swiss Re Asia Pte. Ltd. | Singapore | Singapore | 100% | 100% |
| Swiss Re Australia Ltd | Australia | Sydney | 100% | 100% |
| Swiss Re Life & Health Australia Limited | Australia | Sydney | 100% | 100% |
| Swiss Re Europe Holdings S.A. | Luxembourg | Luxembourg | 100% | 100% |
| Swiss Re Europe S.A. | Luxembourg | Luxembourg | 100% | 100% |
| Swiss Re Germany GmbH | Germany | Munich | 100% | 100% |
| Swiss Re Finance (Luxembourg) S.A. | Luxembourg | Luxembourg | 100% | 100% |
| Swiss Re Services Limited | United Kingdom (UK) | London | 100% | 100% |
| Swiss Re Services India Private Ltd | India | Mumbai | 100% | 100% |
| Swiss Reinsurance America Corporation - Escritório de Representação no Brasil Ltda | Brazil | São Paulo | 20% | 20% |
| Swiss Reinsurance Company Ltd - Escritório de Representação no Brasil Ltda | Brazil | São Paulo | 100% | 100% |
| Swiss Re Finance Limited | Cayman Islands | George Town | 100% | 100% |
| Vietnam National Reinsurance Corporation | Vietnam | Hanoi | 25% | 25% |
| Swiss Re Finance Midco (Jersey) Limited[1] | Jersey | Saint Helier | 100% | 100% |
| Swiss Re Finance (UK) Plc | United Kingdom (UK) | London | 100% | 100% |
| Swiss Re Global Business Solutions India Private Limited | India | Bangalore | 0% | 0% |
| IptiQ Group Holding Ltd | Switzerland | Zurich | 100% | 100% |
| iptiQ Americas Inc. | United States (USA) | Wilmington | 100% | 100% |
| iptiQ Asia Holding Limited | Hong Kong SAR | Hong Kong | 100% | 100% |
| Swiss Re Life Capital EMEA Holding B.V. | Netherlands | Hoofddorp | 100% | 100% |
| Swiss Re Corporate Solutions Holding Company Ltd | Switzerland | Zurich | 100% | 100% |
| Swiss Re International SE | Luxembourg | Luxembourg | 100% | 100% |
| SR Corporate Solutions America Holding Corporation | United States (USA) | Wilmington | 100% | 100% |
| Westport Insurance Corporation | United States (USA) | Jefferson City | 100% | 100% |
| Swiss Re Corporate Solutions Africa Ltd | South Africa | Johannesburg | 100% | 100% |
| Swiss Re Corporate Solutions Brasil Holding Ltda | Brazil | São Paulo | 100% | 100% |
| Compañía Aseguradora de Fianzas S.A. Confianza | Colombia | Bogotá | 51% | 51% |
| Swiss Re Corporate Solutions Investment Holding Company Ltd | Switzerland | Zurich | 100% | 100% |
| Swiss Re Corporate Solutions México Seguros, S.A. de C.V. | Mexico | Mexico City | 100% | 100% |
| Swiss Re Corporate Solutions México Servicios, S. de R.L. de C.V. | Mexico | Mexico City | 100% | 100% |

[1] Liquidations of Swiss Brokers México, Intermediario de Reaseguro, S.A. de C.V. on 31 July 2025 and Swiss Re Finance Midco (Jersey) Limited on 6 October 2025.

[2] Merger of Swiss Re Investments Company Ltd into Swiss Re Investments Holding Company Ltd on 12 June 2025.

## 8 Contingent liabilities

Swiss Reinsurance Company Ltd has issued a number of guarantees in support of its business activities, securing either its overall capital positions, specific transactions or in the form of letters of comfort. These guarantees are generally limited by a maximum potential amount of future payments relating to the underlying business. As of 31 December 2025, the Company had outstanding limited contingent liabilities of CHF 5 621 million (2024: CHF 5 918 million). In addition, the Company had issued a number of unlimited guarantees, which were outstanding as of 31 December 2025 and 31 December 2024.

The Company is part of the Swiss Re value added tax (VAT) group and is therefore jointly liable for existing and future VAT claims from the Swiss Federal Tax Administration.

In addition, as part of the Swiss Re Group's financing structure, the Company has guaranteed CHF 1 561 million (2024: CHF 1 718 million) of debt issued by certain affiliated companies and letter of credit facilities benefiting various subsidiaries and affiliated companies, of which no amount was utilised as of 31 December 2025 and 31 December 2024.

In March 2026, the Company issued a guarantee of USD 1 342 million in respect of an existing internal debt issued by one of its subsidiaries to another affiliated company.

## 9 Securities lending and repurchase agreements

To enhance the performance of its investment portfolio, the Company enters into securities lending and repurchase transactions. In the context of such transactions, securities are transferred to the counterparty.

In addition, the Company performs the role of the collateral clearer for the Swiss Re Group, centrally managing collateral, providing funding diversification and enabling secured cash investment and yield enhancement. In this role, the Company acts as principal in collateral transactions, borrowing securities from affiliated companies and entering into lending and borrowing arrangements as well as repurchase and reverse repurchase agreements with third parties. As a matter of policy, the Company requires collateral, consisting of cash or securities, to cover the assumed counterparty risk associated with such transactions.

An overview of the fair value of securities transferred under securities lending and repurchase agreements as of 31 December is provided in the table below:

| CHF millions | **2025** | 2024 |
|---|---|---|
| Fair value of securities transferred to third parties | 15 206 | 16 069 |
| Fair value of securities transferred to affiliated companies | 13 559 | 14 323 |
| **Total** | **28 765** | 30 392 |

## 10 Security deposits

To secure technical provisions at the 2025 balance sheet date, securities with a book value of CHF 6 203 million (2024: CHF 7 448 million) were deposited in favour of ceding companies, of which CHF 1 334 million (2024: CHF 2 079 million) related to affiliated companies.

## 11 Debt and subordinated liabilities

The Company had outstanding debt and subordinated liabilities at the 2025 balance sheet date of CHF 6 896 million (2024: CHF 10 625 million). Of this amount, CHF 3 970 million (2024: CHF 8 669 million) was due within one to five years and CHF 2 926 million (2024: CHF 1 956 million) was due after five years.

As of 31 December 2025, the following publicly placed debentures were outstanding:

| Instrument | Issued | Currency | Nominal in millions | Interest rate | Maturity/First call in | Book value in CHF millions |
|---|---|---|---|---|---|---|
| Senior bond | 2015 | CHF | 250 | 0.750 % | 2027 | 250 |

## 12 Deposit arrangements

The following balances relate to deposit-accounted reinsurance contracts:

| CHF millions | 2025 | 2024 |
|---|---|---|
| Other reinsurance revenues | 36 | 65 |
| Claims paid and claim adjustment expenses gross | -17 | -23 |
| Claims paid and claim adjustment expenses retroceded | 15 | 22 |
| Other reinsurance expenses | -26 | -53 |
| Funds held by ceding companies | 83 | 160 |
| Premiums and other receivables from reinsurance | 2 152 | 2 453 |
| Funds held under reinsurance treaties | 46 | 79 |
| Reinsurance balances payable | 3 510 | 3 967 |

## 13 Claims on and obligations towards affiliated companies

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

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

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

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

[4] As of the 2025 balance sheet date, CHF 652 million (2024: CHF 1 380 million) was due to the parent company, Swiss Re Ltd.

## 14 Release of undisclosed reserves

In 2025, no net undisclosed reserves were released (2024: none).

## 15 Obligations towards employee pension fund

As of 31 December 2025, other liabilities included CHF 4 million (2024: CHF 0 million) payable to the employee pension fund.

## 16 Personnel information

As of 31 December 2025, the Company employed an average of 1 599 full-time equivalents worldwide (2024: 1 715). Personnel expenses for the 2025 financial year amounted to CHF 449 million (2024: CHF 473 million).

## 17 Auditor's fees

In 2025, the Swiss Re Group incurred total auditor's fees of CHF 33 million (2024: CHF 38 million) and additional fees of CHF 1 million (2024: CHF 1 million), of which CHF 12 million (2024: CHF 20 million) and CHF 0 million (2024: CHF 0 million), respectively, were incurred for the Company.

## 18 Other reinsurance revenues and expenses

In 2025, other reinsurance revenues mainly consisted of gains from transactions of CHF 1 154 million (2024: CHF 210 million), primarily related to the recognition of portfolio transfers at inception; income from funds held by ceding companies of CHF 897 million (2024: CHF 1 018 million); income from deposit arrangements of CHF 36 million (2024: CHF 65 million); and an increase in allowances of CHF 18 million (2024: release of CHF -9 million).

In 2025, other reinsurance expenses mainly consisted of losses from transactions of CHF 276 million (2024: CHF 659 million), primarily related to the recognition of portfolio transfers at inception; expenses from funds held under reinsurance treaties of CHF 363 million (2024: CHF 373 million); and expenses from deposit arrangements of CHF 26 million (2024: CHF 53 million).

## 19 Other income and expenses

In 2025, other income mainly comprised net foreign exchange gains of CHF 47 million (2024: CHF 743 million) and revenues from insurance-related services of CHF 44 million (2024: CHF 37 million).

In 2025, other expenses mainly comprised unallocated management expenses of CHF 324 million (2024: CHF 464 million); capital and other ordinary non-income tax expenses of CHF 32 million (2024: CHF 37 million); and net administrative expenses of CHF -4 million (2024: CHF 66 million). In 2024, other expenses also included a loss from the merger with Swiss Pillar Investments Ltd of CHF 180 million.

## 20 Extraordinary income and expenses

In 2025, a correction relating to two intragroup life and health treaties within the EMEA business, which were incompletely recorded in prior years, resulted in a gross-up across several reinsurance line items and generated a net extraordinary expense of CHF 1 million.

This correction increased total assets by CHF 746 million, primarily attributable to "Funds held by ceding companies", "Reinsurance recoverable on technical provisions retroceded", and "Premiums and other receivables from reinsurance". Total liabilities increased by CHF 747 million, mainly due to "Unpaid claims gross", "Liabilities for life and health policy benefits gross" and "Reinsurance balances payable".

In 2024, extraordinary expenses of CHF 554 million were driven by corrections of prior-year errors in life and health reserving, resulting in extraordinary losses of CHF 551 million, as well as a one-off loss from a change in the accounting methodology for leasing of CHF 3 million.

## 21 Large transaction

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

To fund these cash dividends by the respective subsidiaries, the Company issued new loan assets of CHF 2 971 million and early redeemed debt of CHF 5 005 million on the settlement date.

## 22 Subsequent events

**Conflict in the Middle East**

The conflict unfolding in the Middle East is likely to have geopolitical, economic, business and financial asset implications that are difficult to predict at this stage. The Company's exposures linked to the conflict are being monitored and evaluated.

# Proposal for appropriation of available earnings

The Board of Directors proposes to the Annual General Meeting of the Company, to be held on 12 March 2026, to approve the following allocations and payment of a cash dividend of USD 5 200 million, which must not exceed CHF 5 200 million, translated into CHF at spot rate on the settlement date. The cash dividend is intended to be paid to its sole shareholder, Swiss Re Ltd, out of voluntary profit reserves on 9 April 2026.

In order to comply with the Swiss Code of Obligations, dividends paid in foreign currencies must meet the capital protection requirements in CHF. In addition, maximum amounts in CHF must be approved by the Annual General Meeting. The Board of Directors proposes to set this maximum amount to CHF 5 200 million, which shall be funded from the legal reserves from capital contributions and the voluntary profit reserves as presented in the tables below.

As such the effective allocation from the legal reserves from capital contributions to the voluntary profit reserves and the effective cash dividend amount, translated into CHF at spot rate on the settlement date, must not exceed CHF 5 200 million. This threshold of CHF 5 200 million is presented in the below tables and reflects the maximum amount in CHF to be allocated and paid.

## Profit brought forward

| CHF millions | 2025 | 2024 |
|---|---|---|
| Profit brought forward | 1 962 | 3 206 |
| Loss offsetting against voluntary profit reserves | | |
| Net income/loss for the financial year | 7 687 | -1 244 |
| **Available earnings** | **9 649** | 1 962 |
| Proposed allocation to voluntary profit reserves | -7 000 | |
| **Profit brought forward after proposed allocation** | **2 649** | 1 962 |

## Legal reserves from capital contributions

| CHF millions | 2025 | 2024 |
|---|---|---|
| Legal reserves from capital contributions brought forward | 1 226 | 2 778 |
| Contribution in-kind from Swiss Re Ltd[3] | | 35 |
| **Legal reserves from capital contributions before proposed allocation to voluntary profit reserves** | **1 226** | 2 813 |
| Proposed allocation to voluntary profit reserves in connection with the cash dividend[1,2] | **-1 226** | -1 800 |
| **Legal reserves from capital contributions after proposed allocation to voluntary profit reserves** | **0** | 1 013 |

1 In the Annual Report 2024, the Board of Directors' proposed an allocation to the voluntary profit reserves of USD 1 800 million, which must not exceed CHF 1 800 million. The effective allocation amount was CHF 1 587 million, translated into CHF on the dividend settlement date of 27 March 2025 by applying the published USD/CHF exchange rate on that date. This resulted in a lower allocation of CHF 213 million on the settlement date, compared to the proposed maximum amount of CHF 1 800 million.
2 The translation into CHF at spot rate on the settlement date may result in a lower allocation to voluntary profit reserves by a respective amount on the settlement date.
3 Contribution in-kind of Swiss Re Management (US) Corporation from the parent company Swiss Re Ltd on 18 November 2024 and subsequent contribution in-kind to Swiss Re Reinsurance Holding Company Ltd on the same day.

## Voluntary profit reserves

| CHF millions | 2025 | 2024 |
|---|---|---|
| Voluntary profit reserves brought forward | 6 757 | 6 757 |
| Loss offsetting of loss brought forward | | |
| Proposed allocation from profit brought forward | 7 000 | |
| **Voluntary profit reserves before proposed allocation from legal reserves from capital contributions and cash dividend** | **13 757** | 6 757 |
| Proposed allocation from legal reserves from capital contributions[1,2] | 1 226 | 1 800 |
| Proposed cash dividend[1,2] | -5 200 | -1 800 |
| **Voluntary profit reserves after proposed allocation from legal reserves from capital contributions and cash dividend** | **9 783** | 6 757 |

1 In the Annual Report 2024, the Board of Directors' proposed an allocation from legal reserves from capital contributions and a cash dividend of USD 1 800 million, which must not exceed CHF 1 800 million. The effective allocation and cash dividend payment amount was CHF 1 587 million, translated into CHF on the settlement date of 27 March 2025 by applying the published USD/CHF exchange rate on that date. This resulted in a lower allocation and a lower cash dividend of CHF 213 million on the settlement date, compared to the proposed maximum amount of CHF 1 800 million.
2 The translation into CHF at spot rate on the settlement date may result in a lower allocation from legal reserves from capital contributions and a lower cash dividend by a respective amount on the settlement date.

Zurich, 11 March 2026

# Statutory Auditor's Report

**To the General Meeting of Swiss Reinsurance Company Ltd, Zurich**

## Report on the Audit of the Financial Statements

### Opinion

We have audited the Financial Statements of Swiss Reinsurance Company Ltd (the Company), which comprise the balance sheet as at 31 December 2025, and the income statement for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements (pages 154 to 169) comply with Swiss law and the Company's articles of incorporation.

### Basis for Opinion

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

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

KPMG AG
Zurich, 11 March 2026

**Key Audit Matters**

**VALUATION OF INVESTMENTS WITH UNOBSERVABLE MARKET INPUTS**

**VALUATION OF LIABILITIES FOR LIFE & HEALTH POLICY BENEFITS**

**VALUATION OF IBNR FOR PROPERTY & CASUALTY**

**IMPAIRMENT ASSESSMENT OF INVESTMENTS IN SUBSIDIARIES AND AFFILIATED COMPANIES**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## VALUATION OF INVESTMENTS WITH UNOBSERVABLE MARKET INPUTS

### Key Audit Matter

The Company has recorded investments of CHF 72'836 million as of 31 December 2025 (54% of total assets). The Company generally carries its investments such as equity securities, shares in investment funds and alternative investments at cost or lower market value. In accordance with the Insurance Supervision Ordinance fixed income securities are carried at amortized cost, less depreciation to address other than temporary market value decreases. Loans are generally carried at nominal value, and short-term investments are usually held until maturity and therefore measured at amortized cost.

For those assets where the market value incorporates unobservable market inputs, such as private equity placements and other invested assets that are not traded frequently, there is limited or no price transparency. The market values of these investments are primarily derived using internal valuation models and/or third-party indicators.

Unobservable inputs are inputs for which market data is not available and that are developed using the best information available about the assumptions that market participants would make in pricing. These inputs are mainly interest rates, credit spreads, liquidity spreads and cash flows.

The pricing and valuation methodologies used to measure the fair value, as well as the underlying estimates and assumptions based on unobservable inputs, require management to apply an increased degree of judgement and subjectivity.

Therefore, the valuation of investments with unobservable market inputs has been designated as a key audit matter given changes in the estimates could have a material impact on the Financial Statements as a whole. Auditing this balance involved an increased extent of audit effort, including the involvement of specialists with appropriate skills and knowledge.

### Our response

As part of our audit, we gained an understanding of the processes related to the valuation of investments with unobservable market inputs, including price verification and impairment analyses.

We tested the completeness, and accuracy of the data used in the fair value estimation by reconciling to source information.

We involved our valuation specialists with appropriate skills and knowledge, as applicable, who assisted the audit team in:

- Assessing the reasonableness of pricing and valuation methodologies with reference to relevant accounting standards, and industry practice.
- Identifying key assumptions used in the determination of the investment's fair value and assess the reasonableness of the Company's assumptions by comparing to industry benchmarks.
- Developing an independent estimate for a selected sample of investments and comparing it to the Company's fair value estimate.

For further information on the valuation of investments with unobservable market inputs refer to the following:

- Note 1
- Note 2

## VALUATION OF LIABILITIES FOR LIFE & HEALTH POLICY BENEFITS

### Key Audit Matter

The Company has recorded liabilities for Life and Health policy benefits of CHF 16'115 million as of 31 December 2025 (14% of total liabilities). These liabilities for Life and Health policy benefits are in particular future policy reserves, which are determined on the basis of actuarially calculated present values taking experience into account.

The measurement is based on complex actuarial models and assumption setting process on the future development of the underlying insurance portfolios. The determination of the present value of the liabilities requires a high degree of judgment and subjectivity by management. In particular there is uncertainty pertaining to the estimate assumptions for mortality, morbidity, withdrawals, persistency (lapse), benefit termination rates and lag factors.

Due to the complexity described and the significance on the Financial Statements as a whole the valuation of the liabilities for Life and Health policy benefits has been designated as a key audit matter. Auditing the estimate involved a high degree of auditor judgement and increased extent of audit effort, including the involvement of specialists with appropriate skills and knowledge.

### Our response

As part of our audit, we gained an understanding of the processes related to the valuation of Life and Health policy benefits.

We tested the design and implementation of relevant key controls within the process, including reserving committee level reviews.

We tested the completeness, and accuracy of the underlying policyholder contract data by reconciling them to source information.

We involved our actuarial specialists with specialized skills and knowledge, as applicable, who assisted the audit team in:

– Evaluating the actuarial methods applied to determine the liabilities for Life and Health policy benefits including the processing through the Company's IT systems.
– Assessing the methods applied to select the actuarial assumptions by comparing them to generally accepted actuarial techniques and industry standards.
– Recalculating the liabilities for a risk-based sample and comparing the results of the recalculations to the Company's estimates.
– Reviewing the adequacy of provision for adverse deviation (PAD) assumptions and assess the sufficiency of PAD Margins.

For further information on the valuation of liabilities for Life and Health policy benefits refer to the following:

– Note 1
– Note 3

## VALUATION OF IBNR FOR PROPERTY & CASUALTY

### Key Audit Matter

The Company has recorded incurred but not reported reserves (IBNR) for Property & Casualty of CHF 28'036 million as of 31 December 2025 (24% of total liabilities). IBNR are determined on the basis of actuarially calculated present values taking claims experience into account.

Within the measurement of the IBNR, the present value of the future claim settlements and the associated expenses requires a high degree of judgement and subjectivity by management with regards to the underlying actuarial models and the assumptions used. In particular, within the estimates and assumptions, there are uncertainties with regard to initial pricing assumptions, loss developments, inflation trends, court awards and other legal or regulatory changes.

Due to the complexity described and the significance on the Financial Statements as a whole, the valuation of IBNR has been designated as a key audit matter. Auditing the estimate involved a high degree of auditor judgment and increased extent of audit effort, including the involvement of specialists with appropriate skills and knowledge.

### Our response

As part of our audit, we gained an understanding of the processes related to the valuation of IBNR.

We tested the design, and implementation of relevant key controls within the process and committee level reviews.

We tested the completeness, and accuracy of the underlying data by reconciling to source information and validating the appropriateness of claims triangles.

We involved our actuarial specialists with appropriate skills and knowledge, as applicable, who assisted the audit team in:

– Evaluating the actuarial models applied to determine the IBNR including the processing through the Company's IT systems.
– Assessing the methodology applied to select the actuarial assumptions by comparing them to generally accepted actuarial methods and industry standards.
– Performing independent recalculation of the IBNR for certain lines of business and comparing the Company's recorded reserves to our independently calculated acceptable ranges.
– Assessing the Company's internally prepared actuarial analyses in comparison to internal experience, and related industry trends for certain lines of business.

For further information on the valuation of IBNR for Property and Casualty refer to the following:

– Note 1
– Note 3

## IMPAIRMENT ASSESSMENT OF INVESTMENTS IN SUBSIDIARIES AND AFFILIATED COMPANIES

### Key Audit Matter

The Company has recorded investments in subsidiaries and affiliated companies of CHF 19'880 million (15% of total assets) as of 31 December 2025.

Investments in subsidiaries and affiliated companies, are recognized at acquisition cost or, in the case of an expected permanent impairment, at the lower value in use.

In order to assess the recoverability of investments in subsidiaries and affiliated companies management performs an annual impairment test. The Company determines the value in use of investments in subsidiaries and affiliated companies mainly by applying a dividend discount method. A high degree of judgement and subjectivity was involved in the underlying assumptions used in the calculation of the value in use, such as, projected future dividend potential, discount rates including growth factors.

Due to the significance to the Financial Statements as a whole the impairment assessment for investments in subsidiaries and affiliated companies has been designated as a key audit matter. Auditing the estimate involved a high degree of auditor judgement and increased extent of audit effort, including the involvement of specialists with appropriate skills and knowledge.

### Our response

As part of our audit, we gained an understanding of the process related to the impairment assessment of investments in subsidiaries and affiliated companies.

We tested the design and implementation of relevant key controls within the process, including the value in use calculation and impairment analyses.

We assessed the client's value in use by evaluating the Company's valuation method.

We tested the reasonability and appropriateness of the data used in the calculation by comparing historical plan data to actuals and challenging assumptions made of projections made by management.

We involved our valuation specialists who assisted the audit team in:

– Assessing the appropriateness of the valuation method used in light of market knowledge, experience and against recognized market practice.
– Assessing the assumptions which have been used in determining the value in use.

For further information on the impairment assessment of investments in subsidiaries and affiliated companies refer to the following:

– Note 1
– Note 2
– Note 7

**Other Information**
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated Financial Statements, the stand-alone Financial Statements of the Company, the compensation report, the sustainability report and our auditor's reports thereon.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the company as a basis for forming an opinion on the Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the audit of the Financial Statements. We remain solely responsible for our audit opinion.

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

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

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

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

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

KPMG AG

Dr. Frank Pfaffenzeller
Licensed Audit Expert
Auditor in Charge

Matthias Schiessl
Licensed Audit Expert

Zurich, 11 March 2026

# General information


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# 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.

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

# Note on risk factors

The operations, investments and other activities of Swiss Reinsurance Company Ltd (SRZ) and its subsidiaries (collectively, the "Group") are subject to a range of risks that could adversely impact the Group's business, financial condition, results of operations, liquidity and cash flows.

## General impact of adverse market conditions

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

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

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

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

## Impact of military conflicts and other geopolitical tensions

Regional, national or international geopolitical conflicts and tensions may adversely affect the economies of countries that are operationally and/or financially material to the Group, be it through direct military action, the imposition of sanctions, export control measures, expropriations, tariffs or other measures or due to depressed demand as a result of such conflict or tension. Any of the foregoing may also impact supply chains, banking and monetary systems, financial markets and therefore also customers of Swiss Re in affected regions or globally and may lead to lower demand for Swiss Re's products or excessive claims against Swiss Re. In addition, the Group may be affected by laws and regulations that restrict its ability to provide re/insurance or to invest in certain companies, including those involved in the production of specific types of weapons.

## Sustainability and environmental, social and governance activities and disclosures

Swiss Re's investors, shareholders, business partners, customers and other third parties, including regulators and public authorities, are increasingly focused on corporate actions and reporting related to environment, including climate change, social issues, employment (such as inclusion), respect for human rights, and governance. These are often referred to by expressions such as sustainability, environmental, social and governance ("ESG"), and corporate social responsibility ("CSR").

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

In this context, Swiss Re may be subject to greater scrutiny when it comes to its own CSR, ESG and/or sustainability endeavours, including reporting and progress towards net-zero greenhouse gas emissions by 2050. If Swiss Re does not adapt to or comply with the evolving investor, shareholder, business partner or third party, including regulators and public authorities, expectations and CSR, ESG and/or sustainability recommendations, standards, norms, metrics or regulatory requirements and/or does not meet its CSR, ESG and/or sustainability targets, goals and/or ambitions, Swiss Re can be perceived to have not responded appropriately to CSR, ESG and/or sustainability recommendations, standards, norms, metrics or regulatory requirements. Furthermore, Swiss Re may suffer from reputational damage and/or litigation or regulatory proceedings, which could result in its financial condition, results of operations, business and prospects being materially and adversely affected. In addition, changes and uncertainty in relation to policies or regulations regarding sustainability, ESG or CSR matters as well as the fragmentation of ESG legislation globally, may result in potential investigation and litigation, higher regulatory and compliance costs and increased capital expenditures, which could result in Swiss Re's financial condition being materially and adversely affected.

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

### Risk of unexpected and unintended issues related to claims and coverage, including liability excess inflation

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

### Insurance, operational and other risks

As part of the Group's ordinary course of operations, the Group is subject to a variety of risks, including risks that reserves may not adequately cover future claims and benefits; risks that catastrophic events (including natural catastrophes, such as hurricanes, cyclones, tornadoes, windstorms, hail storms, wildfires, floods and earthquakes, as well as extreme space weather events such as solar storms and geomagnetic activity, and man-made disasters, such as acts of terrorism, cyberattacks and other disasters such as explosions, industrial accidents and fires, as well as diseases, pandemics, epidemics and humanitarian crises) are inherently unpredictable in terms of both their frequency and severity (as well as heightened accumulation risk e.g. in the case of cyberattacks) and have exposed, and may continue to expose, the Group to unexpected large losses (and related uncertainties in estimating future claims in respect of such events); changes in the insurance industry that affect ceding companies, particularly those that further increase their sensitivity to counterparty risk; competitive conditions (including as a result of consolidation and the availability of significant levels of alternative capacity); cyclicality of the industry; risks related to emerging claims and coverage issues (including, in particular, liability excess inflation); macro-economic, financial market and geopolitical developments, including central bank, regulatory or governmental intervention in the financial markets, trade wars or other tariffs and protectionist measures relating to international trade and cross-border service arrangements, adverse geopolitical events, domestic political upheavals or other developments that adversely impact global economic conditions; macro developments giving rise to emerging risks, such as climate change and technological developments, including the development, adoption and use of artificial intelligence and generative AI, as well as risks associated with the evolving legal and regulatory landscape applicable to AI, which may exacerbate existing risks or create new risks relating to data quality, model reliability, explainability, bias, privacy, cybersecurity, third-party dependencies, governance and human oversight, and may result in operational disruption, regulatory or legal exposure, reputational harm or financial losses; risks arising from the Group's dependence on policies, procedures and expertise of ceding companies; risks related to investments and operations in emerging markets; and risks related to the failure of, or attacks directed at, the Group's operational systems and infrastructure (or those of its third party providers), including systems and infrastructure relating to IT, data storage and processing as well as accounting and control. Any of the foregoing, as well as the occurrence of future risks that the Group's risk management procedures fail to identify or anticipate, could have a material adverse effect on the Group, and could also give rise to reputational risk.

### Financial and capital market risk

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

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

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

**Legal, regulatory and tax risks**

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

The Group may from time to time be involved in investigations and regulatory proceedings, which could result in adverse judgments, settlements, fines and other outcomes. These investigations and proceedings could relate to insurance or reinsurance matters, or could involve broader business conduct rules, including those in respect of market abuse, bribery, money laundering, sanctions, competition law, data protection and privacy, ESG and CSR or sustainability issues more generally as well as any other disclosure or accounting issues.

The Group also is subject to audits and challenges from time to time by tax authorities, which could result in increases in tax costs, changes to internal structures and interest and penalties. Tax authorities may also actively pursue additional taxes based on retroactive changes to tax laws. The Group could be subject to risks arising from alleged, or actual, violations of any of the foregoing, and could also be subject to litigation or enforcement actions arising from potential employee misconduct, including non-compliance with internal policies and procedures, negligence and malfeasance, such as undertaking or facilitating cyber-attacks on internal systems. Substantial legal liability could materially adversely affect the Group's business, financial condition or results of operations or could cause significant reputational harm, which could seriously affect its business.

**Changes in the legal, regulatory or tax environment**

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

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

In December 2022, the Financial Stability Board (FSB) endorsed the International Association of Insurance Supervisors' (IAIS) Holistic Framework (HF) for assessing and mitigating systemic risk and discontinued its identification of global systemically important insurers (G-SIIs). The FSB has reaffirmed its decision to use the IAIS HF instead of an annual identification of G-SIIs in November 2025. The IAIS HF embraces an enhanced set of policy measures targeted at the exposures and activities that can lead to systemic risks from the insurance sector. The Group cannot predict what additional regulatory changes will be implemented as the IAIS systemic risk process evolves and what any such changes may mean for how the Group is structured in any particular jurisdiction and how aspects of its business may be affected. The FSB has published an updated list of insurers that are subject to resolution planning standards, which includes Swiss Re, among other Swiss (re)insurers. The listed insurers are working with the relevant authorities to be prepared for possible crisis situations (i.e., to address a stress event). The list is expected to further evolve as authorities work to implement resolution regimes for insurers. .

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

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

Regulatory changes also could occur in areas of broader application, such as competition policy and tax laws. For example, changes in tax laws, or the interpretation of the tax laws or tax regulations in jurisdictions in which the Group does business, or withdrawals of tax rulings in jurisdictions such as Switzerland that have issued such rulings to Swiss Re, could increase the level of taxes the Group pays, or impact the attractiveness of products offered by the Group, the Group's investment activities or the value of deferred tax assets or liabilities. These changes, or inconsistencies between the various regimes that apply to the Group, could increase the costs of doing business (including due to increased capital requirements), reduce access to liquidity, limit the scope of current or future business or affect the competitive balance, or could make reinsurance less attractive to primary insurers.

### Risks relating to credit rating downgrades

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

The Group's solicited ratings reflect the current opinion of the rating agencies with whom we maintain an interactive rating relationship. One or more of the Group's solicited or unsolicited ratings could be downgraded or revoked at the sole discretion of the rating agencies. The financial strength ratings assigned by rating agencies to insurance or reinsurance companies are based upon factors relevant to cedants, which include factors not entirely within our control, including factors impacting the financial services, insurance and reinsurance industries generally.

Rating agencies may increase the frequency and scope of ratings reviews, revise their criteria or take other actions that may negatively impact the Group's ratings and/or the ratings of its legal entities and any such action is inherently difficult to predict by the Group. In addition, changes to the process or methodology of issuing ratings, changes in regulation, or the occurrence of events or developments affecting the Group, could adversely affect the Group's existing ratings or make it more difficult for the Group to achieve improved ratings which it would otherwise have expected. In particular, it is possible that the Group's ratings could be negatively affected by a range of factors such as challenging market environment, the level of natural catastrophe losses, underwriting performance, adequacy of reserves, changes in senior management, economic trends and financial market performance on the Group.

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

### Ability to attract and retain key personnel

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

### Pandemic risk

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

### Use of models; accounting matters

The Group is subject to risks relating to the preparation of estimates and assumptions that its management uses, for example, as part of its risk models as well as those that affect the reported amounts of assets, liabilities, revenues and expenses in the Group's financial statements (such as assumptions related to the Group's capital requirements and anticipated liabilities), including assumed and ceded business. For example, the Group estimates premiums pending receipt of actual data from ceding companies, which actual data could deviate from the estimates (and could be adversely affected if premiums turn out to be lower, while claims stay the same). In addition, particularly with respect to catastrophic events, it may be difficult to estimate losses, and preliminary estimates may be subject to a high degree of uncertainty and change as new information becomes available.

Deterioration in market conditions could have an adverse impact on assumptions used for financial reporting purposes, which could trigger a potential impairment of various assets and liabilities, including goodwill. Moreover, regulators could require the use of standard models instead of permitting the use of internal models for determining minimum solvency requirements. To the extent that management's estimates or assumptions prove to be incorrect, it could have a material impact on underwriting results and results of operations or on reported financial condition, and such impact could be material.

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

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

## Credit risk

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

## Liquidity risks

The Group's business requires, and its clients expect, that it has sufficient capital and sufficient liquidity to meet its re/insurance obligations, and that this would continue to be the case following the occurrence of any foreseeable event or series of events, including extreme catastrophes, that would trigger insurance or reinsurance coverage obligations. The Group's uses of funds include, among other things, payment of its obligations arising in its insurance and reinsurance businesses (including claims and other payments as well as insurance provision repayments due to portfolio transfers, securitisations and commutations), which may include large and unpredictable claims (including catastrophe claims), short-term securities lending and repurchase agreements, funding of capital requirements and operating costs, payment of principal and interest on outstanding indebtedness and funding of acquisitions. The Group also has unfunded capital commitments in its private equity and hedge fund investments, which could result in funding obligations at a time when it is subject to liquidity constraints. In addition, the Group has potential collateral requirements in connection with a number of reinsurance and derivative arrangements, the amounts of which may be material and the meeting of which could require the Group to liquidate cash equivalents or other securities.

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

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

## Counterparty risks

The Group is exposed to the risk of defaults, or concerns about defaults, by its counterparties. These include issuers or borrowers whose securities or loans the Group holds, trading counterparties, counterparties under swaps and other derivative contracts, clearing agents, clearing houses and other financial intermediaries, as well as insured counterparties within the Credit & Surety portfolio. Such counterparties may default on their obligations to the Group or, in the case of the Credit & Surety business, default on their underlying obligations to third parties, due to bankruptcy, insolvency, restructuring, regulatory intervention, lack of liquidity, adverse economic conditions, operations failure, fraud or other reasons, which could also have a material adverse effect on the Group. The Group has allocation to higher return-generating strategies, including high-quality corporate debt and some alternative assets, which tend to also be subject to potentially greater counterparty risk than government bonds.

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

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