Half-Year Report

2024

Contents

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

Financial highlights

For the six months ended 30 June

USD millions, unless otherwise stated	2024	2023
Group		
Net income attributable to shareholders	**2 088**	1 788
Insurance revenue	**22 479**	21 783
Insurance service result	**2 858**	2 813
Earnings per share in CHF	**6.19**	5.36
Shareholders' equity (30.06.2024/31.12.2023)	**20 436**	19 972
Return on equity in %[1]	**20.1**	20.2
Return on investments in %	**4.0**	2.7
Number of employees[2] (30.06.2024/31.12.2023)	**14 870**	14 719
Property & Casualty Reinsurance		
Net income attributable to shareholders	**989**	973
Insurance revenue	**9 779**	9 848
Insurance service result	**1 411**	1 683
Combined ratio in %[3]	**84.5**	81.8
Life & Health Reinsurance		
Net income attributable to shareholders	**883**	604
Insurance revenue	**8 687**	8 174
Insurance service result	**1 007**	711
Corporate Solutions		
Net income attributable to shareholders	**435**	317
Insurance revenue	**3 797**	3 659
Insurance service result	**509**	464
Combined ratio in %[4]	**88.7**	89.2

[1] Return on equity is calculated by dividing annualised net income attributable to shareholders by average shareholders' equity.
[2] Regular staff.
[3] P&C Re combined ratio is defined as [–Insurance service expense (net) / Insurance revenue (net)].
[4] Corporate Solutions combined ratio is defined as [–(Insurance service expense (gross) + Reinsurance result + Non-directly attributable expenses) / Insurance revenue (gross)].

Share performance and ratings

Share vs benchmarks
As of 30 June 2024

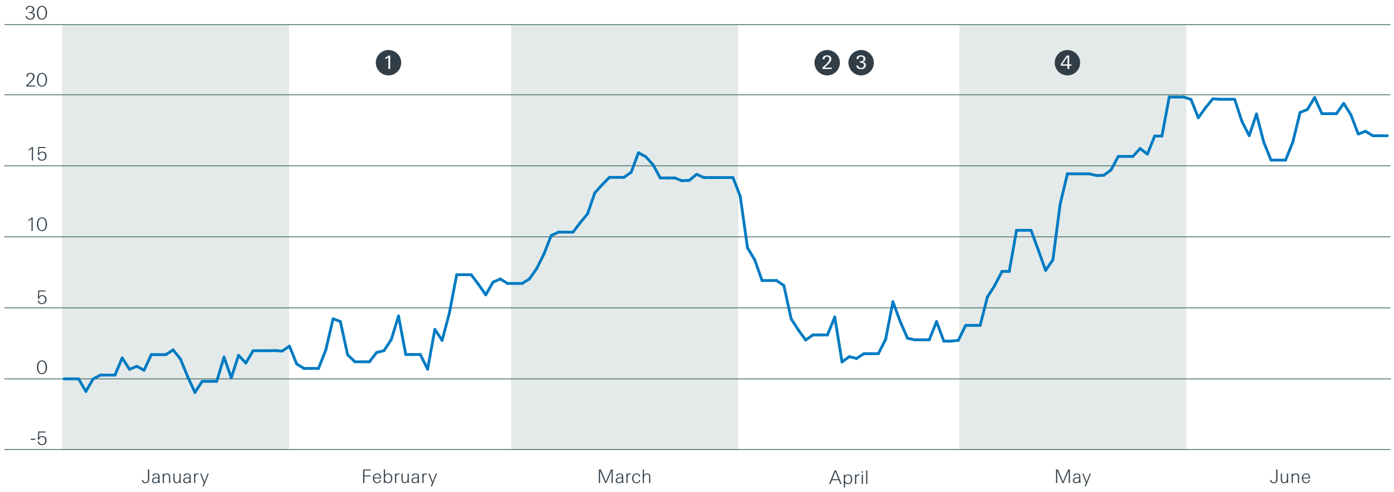
Total shareholder return in % (USD)	2024 YTD
Swiss Re	17.12
Swiss Market Index	3.71
STOXX Europe 600 Insurance Index	9.72

Share price in CHF	111.50
Market capitalisation in CHF millions	32 525

Ratings
As of 30 June 2024

	Standard & Poor's	Moody's	A.M. Best
Rating	AA–	Aa3	A+
Outlook	Stable	Stable	Stable
Last review date	8 April 2024	18 December 2023	6 September 2023

Swiss Re's total shareholder return in % (USD) in 2024



1 Annual results 2023 (16 February)
2 Ex-dividend date (16 April)
3 Dividend payment (18 April)
4 Q1 2024 results (16 May)

Letter to shareholders

Dear Shareholders
Swiss Re delivered a Group net income of USD 2.1 billion in the first half of 2024. As of 1 January 2024, we transitioned to the International Financial Reporting Standards, which is more closely aligned with how we steer the company internally and represents an excellent opportunity to demonstrate the economic value of our businesses.

The Group's financial performance was supported by strong contributions from all Business Units – our three core engines. First-half insurance revenue for the Group was USD 22.5 billion, while the insurance service result, which reflects profitability of Swiss Re's underwriting activity, amounted to USD 2.9 billion. The return on investments was strong at 4.0%, as higher interest rates continue to benefit our investment income.

As we focus on delivering consistent results, we also continue to increase the overall resilience of the firm. As announced at Investors' Day in December 2023, we started to include a reserving uncertainty allowance on new business written across our property and casualty businesses, which is estimated to cost us approximately USD 0.5 billion in post-tax earnings this year. This reflects the Group's objective to be sustainably positioned at the higher end of the best-estimate reserving range across the property and casualty businesses. The low reported natural catastrophe claims in the first half of the year were partially offset by selected additions across natural catastrophe and man-made loss reserves in Property & Casualty Reinsurance (P&C Re), and we continued to strengthen reserves on specific casualty lines.

Despite these measures, P&C Re delivered 2024 first-half net income of USD 989 million, supported by disciplined underwriting and strong investment income. The Business Unit achieved an insurance service result of USD 1.4 billion and a combined ratio of 84.5%. We are targeting a combined ratio below 87% for the full year.

P&C Re renewed contracts with USD 4.5 billion in treaty premium volume on 1 July 2024, representing about a fifth of our global portfolio. We achieved a 7% increase in volume compared with the business that was up for renewal and an 8% increase in prices. Based on a continued prudent view on inflation and updated loss models, loss assumptions increased by 10%, with the resulting portfolio quality consistent with the Group's 2024 financial targets.

Life & Health Reinsurance (L&H Re) achieved first-half net income of USD 883 million, supported by positive US mortality experience and higher investment income, while navigating unfavourable developments in the EMEA region. The Business Unit delivered an insurance service result of USD 1.0 billion. L&H Re maintains its target of full-year net income of approximately USD 1.5 billion.

Corporate Solutions reported a first-half net income of USD 435 million, with strong results driven by consistent underlying business performance, benign claims experience and strong investment income. Stringent portfolio steering and disciplined underwriting led to strong in-force and new business margins complemented by low man-made losses. Corporate Solutions achieved an insurance service result of USD 509 million and a combined ratio of 88.7%. The Business Unit targets a full-year combined ratio below 93%.

Following a strategic review of our digital white-label platform, we announced in May 2024 our decision to withdraw from the iptiQ business in a manner and timeframe that maximises value for the Group. As market conditions changed considerably since iptiQ was first created, we concluded we are not the best owners of this business going forward. The withdrawal is proceeding as planned, and we booked an impairment charge of USD 111 million in the first half of the year.

Jacques de Vaucleroy
Chairman of the Board of Directors

Andreas Berger
Group CEO

Looking ahead, we reiterate our 2024 financial targets, including Group net income of more than USD 3.6 billion. The macroeconomic and geopolitical environment remains challenging. Economic uncertainty has intensified in recent weeks, with global markets experiencing a spike in volatility.

A historic number of elections, with half of the world's population going to the polls in 2024, provides an opportunity for citizens to help chart a future course for their countries, but also has the potential to heighten political and societal tensions.

Wars continue, exacting a tragic human toll while sending reverberations through global supply chains that can lead to costly business interruptions. Social inflation in the US is driving litigation costs higher, demanding vigilance on specific casualty lines. Most forecasts suggest an active 2024 hurricane season, which kicked off with the earliest Category 5 storm on record with Hurricane Beryl in late June.

Given these factors, Swiss Re is closely monitoring downside risks and their potential direct and indirect impacts on the insurance and reinsurance industry, while remaining alert for opportunities that emerge in a dynamic environment. Our focus is clear: achieving Swiss Re's full-year targets and delivering strong, sustainable performance while being client-centric in everything we do.

To our 15 000 employees around the world, we extend our appreciation for your energy and enthusiasm in advancing Swiss Re's ambitions as a reinsurance leader. To our shareholders, we are grateful for your continued loyalty and support. And to our clients, we are here to partner with you.

Zurich, 22 August 2024

Jacques de Vaucleroy
Chairman of the Board of Directors

Andreas Berger
Group CEO

Group results

Swiss Re reported a Group net income of USD 2.1 billion for the first half of 2024.

Swiss Re is reporting under IFRS after transitioning from US GAAP as of 1 January 2024. Comparative figures for the periods ending 30 June 2023 and 31 December 2023 have been prepared to comply with IFRS.[1]

Net income
Swiss Re reported a net income of USD 2.1 billion for the first half of 2024, up from USD 1.8 billion in the first six months of 2023. The main drivers for this result were disciplined underwriting, low natural catastrophe claims and strong investment income.

The Group's financial performance was supported by strong contributions from all Business Units.

The Group's shareholders' equity amounted to USD 20.4 billion as of 30 June 2024, compared with USD 20.0 billion as of 31 December 2023. The increase reflected the net income of USD 2.1 billion, partially offset by the ordinary dividend payment to shareholders of USD 2.0 billion.

Return on equity (ROE) was 20.1% for the first six months of 2024, compared with 20.2% for the same period in 2023.

Earnings per share for the first half of 2024 were USD 6.97 or CHF 6.19, compared with USD 5.87 or CHF 5.36 for the first half of 2023.

Book value per share increased to USD 70.05 or CHF 62.96 as of 30 June 2024, compared with USD 68.77 or CHF 57.87 at the end of 2023. Book value per share is based on shareholders' equity and excludes perpetual capital instruments and non-controlling interests.

Insurance revenue
Insurance revenue for the Group increased to USD 22.5 billion for the first half of 2024 from USD 21.8 billion in the same period last year, driven by a strong contribution from L&H Re, including a positive one-off impact and disciplined growth in both P&C businesses.

New business contractual service margin
The new business contractual service margin (CSM) of USD 3.0 billion for the first half of 2024 was driven by the seasonality of the P&C Re renewals, and robust new business generation by all regions in L&H Re. Corporate Solutions was impacted by the seasonality of its reinsurance programme, which largely incepted in the first quarter, while new business incepts throughout the year.

Insurance service result
The insurance service result, which reflects profitability of the underwriting activities, was USD 2.9 billion in the current period, up from USD 2.8 billion in the first half of 2023. This result was supported by the solid underwriting performance of all Business Units.

Investment result
The return on investments was 4.0% for the first six months of 2024, compared with 2.7% for the same period in 2023, driven by increased recurring income, which was supported by credit deployment at attractive levels and targeted sales in 2023.

The Group's investment result was USD 2.2 billion for the first six months of 2024, compared with USD 1.6 billion for the prior-year period. This consists of net investment income of USD 2.1 billion for the first six months of 2024, compared with USD 1.6 billion for the first six months of 2023, and investment gains of USD 155 million for the first half of 2024, compared with USD 2 million in the first six months of 2023.

The recurring income yield for the first half of 2024 was 4.0%, up from 3.4% in the prior-year period, and the reinvestment yield stood at 4.8% in the second quarter of 2024, reflecting a continued benefit from higher interest rates.

Expenses
Other expenses increased to USD 1.1 billion in 2024, compared with USD 0.8 billion in 2023, mainly impacted by impairments of goodwill and intangibles related to the withdrawal from the iptiQ business announced in May 2024, higher expenses from insurance contracts that do not transfer significant insurance risk, as well as unit-linked investments.

The Group reported a tax charge of USD 627 million on a pre-tax income of USD 2.7 billion for the first six months of 2024, compared with a tax charge of USD 474 million on a pre-tax income of USD 2.3 billion for the same period in 2023. This translates into an effective tax rate in the current and prior-year reporting periods of 23.0% and 20.8%, respectively. The tax rate in 2024 was mainly driven by profits earned in higher tax jurisdictions and changes in deferred tax assets not recognised, partially offset by tax benefits from non-taxable income.

Outlook
After a strong start in the first half of 2024, Swiss Re maintains its 2024 financial targets, including Group net income of more than USD 3.6 billion.

[1] No audit opinion will be issued on the IFRS comparative figures for the period ending 31 December 2023. The 2023 Annual Report includes the audit opinion on the US GAAP financial statements for the period ending 31 December 2023.

For the six months ended 30 June

USD millions	2024	2023
Insurance revenue	22 479	21 783
Insurance service expense	–18 353	–18 280
Insurance service result before reinsurance contracts held	**4 126**	3 503
Allocation of reinsurance premiums	–1 729	–1 710
Amounts recoverable from reinsurers for incurred claims	461	1 020
Net income/expenses from reinsurance contracts held	**–1 268**	–690
Insurance service result	**2 858**	2 813
Finance income/expenses from insurance contracts issued	–1 226	–1 286
Finance income/expenses from insurance contracts held	71	102
Insurance finance result	**–1 155**	–1 184
Net investment income	2 073	1 612
Investment gains/losses	155	2
Investment result	**2 228**	1 614
Other income	116	38
Other expenses	–1 089	–754
Financing cost	–234	–252
Income/loss before income tax expense/benefit	**2 724**	2 275
Income tax expense/benefit	–627	–474
Net income/loss before attribution of non-controlling interests	**2 097**	1 801
Income/loss attributable to non-controlling interests	–9	–13
Net income/loss attributable to common shareholders	**2 088**	1 788

Property & Casualty Reinsurance

Property & Casualty Reinsurance (P&C Re) maintained its performance with disciplined underwriting.

Net income
P&C Re reported a net income of USD 989 million for the first half of 2024, broadly in line with USD 973 million in the prior-year period.

This performance was primarily driven by disciplined underwriting and low large natural catastrophe experience, alongside strong investment income.

Insurance revenue
Insurance revenue in the first half of 2024 was USD 9.8 billion, broadly in line with the prior-year period. This reflected price increases and targeted growth in property and specialty, partially offset by the continued pruning of casualty lines.

New business contractual service margin
New business contractual service margin (CSM) in the first half of the year was USD 2.2 billion, reflecting the outcome of the renewals year-to-date, including the impact of the new business reserving uncertainty allowance.

Insurance service result
The insurance service result was USD 1.4 billion in the first half of 2024, compared with USD 1.7 billion in the prior-year period.

The result was driven by the CSM release of USD 1.8 billion, supported by strong margins.

In property and specialty lines, the low reported natural catastrophe claims in the first half of the year were partially offset by selected additions across natural catastrophe and man-made loss reserves, the large majority of which were in the form of incurred-but-not-reported reserves. P&C Re also increased reserves on specific casualty lines.

P&C Re achieved a combined ratio of 84.5% in the first half of 2024, despite the additions to reserves and the uncertainty load introduced on all lines since the beginning of this year.

Investment result
The investment result was USD 1.2 billion in the first six months of 2024, compared with USD 688 million in the prior-year period.

Net investment income increased by USD 359 million to USD 1.2 billion in the first six months of 2024, compared with the prior-year period, driven mainly by the impact of higher interest rates.

Investment gains were USD 20 million in the first six months of 2024, compared with investment losses of USD 182 million for the prior-year period. The improvement was mainly driven by equity investments, lower realised losses on fixed income securities (including derivatives) and lower impairments on real estate.

Outlook
P&C Re had successful mid-year renewals in 2024. Portfolio quality was further reinforced, driven by targeted actions. P&C Re renewed contracts with USD 4.5 billion in treaty premium volume on 1 July 2024. This represents a 7% volume increase compared with the business that was up for renewal. Overall, P&C Re achieved a price increase of 8% in this renewal round. Based on a continued prudent view on inflation and updated loss models, loss assumptions increased by 10%. The resulting portfolio quality is consistent with the Group's 2024 financial targets.

P&C Re continues to have a healthy portfolio following the successful property renewals, and will continue to deploy capacity in property lines, such as natural catastrophe business. For casualty lines, the market remains challenging with sufficient capacity. Terms and conditions have improved moderately, although headwinds from loss deterioration and inflation remain. Specialty continues to grow in premium volume, especially through large transactions and successful renewal rounds.

P&C Re is on track to achieve a combined ratio of below 87% for the full year.

For the six months ended 30 June

USD millions	2024	2023
Insurance revenue	9 779	9 848
Insurance service expense	–7 837	–7 487
Insurance service result before reinsurance contracts held	**1 942**	2 361
Allocation of reinsurance premiums	–649	–625
Amounts recoverable from reinsurers for incurred claims	118	–53
Net income/expenses from reinsurance contracts held	**–531**	–678
Insurance service result	**1 411**	1 683
Finance income/expenses from insurance contracts issued	–736	–685
Finance income/expenses from insurance contracts held	22	26
Insurance finance result	**–714**	–659
Net investment income	1 229	870
Investment gains/losses	20	–182
Investment result	**1 249**	688
Other income	30	14
Other expenses	–384	–296
Financing cost	–350	–238
Income/loss before income tax expense/benefit	**1 242**	1 192
Income tax expense/benefit	–250	–217
Net income/loss before attribution of non-controlling interests	**992**	975
Income/loss attributable to non-controlling interests	–3	–2
Net income/loss attributable to common shareholders	**989**	973
Combined ratio	**84.5**	81.8

Life & Health Reinsurance

Life & Health Reinsurance (L&H Re) performance was supported by improved US mortality experience.

Net income
L&H Re reported a net income of USD 883 million in the first half of 2024, compared with USD 604 million for the same period in 2023, reflecting positive US mortality experience and higher investment income. This was partially offset by unfavourable developments in the EMEA region.

Insurance revenue
Insurance revenue for the first half of 2024 increased to USD 8.7 billion from USD 8.2 billion for the same period in 2023, supported by strong contributions from mortality business in the US, as well as by longevity and critical illness businesses. In addition, a positive one-off impact contributed USD 0.4 billion to insurance revenue with a neutral impact on the insurance service result.

Insurance service result
The insurance service result was USD 1.0 billion in the first half of 2024, compared with USD 711 million for the same period in 2023. The result was driven by a strong contractual service margin (CSM) release from L&H Re's large in-force book, but was impacted by adverse developments in EMEA, while US mortality developed favourably. The insurance service result includes positive out-of-period adjustments of USD 125 million.

Investment result
The investment result was USD 827 million in the first six months of 2024, compared with USD 683 million in the prior-year period.

Net investment income increased by USD 163 million to USD 823 million for the first six months of 2024, driven mainly by the impact of higher interest rates.

Investment gains were USD 4 million for the first six months of 2024, compared with USD 23 million for the same period in 2023.

Contractual service margin
During the first six months of 2024, the CSM decreased by USD 450 million to USD 19.1 billion as of 30 June 2024. This includes new business CSM of USD 562 million as well as interest accretion of USD 290 million, and CSM release of USD 918 million. Additionally, the balance was reduced by USD 521 million, related to other impacts, primarily foreign currency effects and out-of-period adjustments.

Outlook
Following a successful first half of 2024, L&H Re continues to target a net income of approximately USD 1.5 billion for the full year.

L&H Re's business continues to expand, with further growth expected in emerging markets. Cession rates are expected to remain broadly stable in major markets, while mortality premiums across the market are set to increase.

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

For the six months ended 30 June

USD millions	2024	2023
Insurance revenue	8 687	8 174
Insurance service expense	–7 233	–7 602
Insurance service result before reinsurance contracts held	**1 454**	572
Allocation of reinsurance premiums	–589	–620
Amounts recoverable from reinsurers for incurred claims	142	759
Net income/expenses from reinsurance contracts held	**–447**	139
Insurance service result	**1 007**	711
Finance income/expenses from insurance contracts issued	–300	–437
Finance income/expenses from insurance contracts held	–1	46
Insurance finance result	**–301**	–391
Net investment income	823	660
Investment gains/losses	4	23
Investment result	**827**	683
Other income	62	0
Other expenses	–342	–147
Financing cost	–137	–122
Income/loss before income tax expense/benefit	**1 116**	734
Income tax expense/benefit	–233	–130
Net income/loss before attribution of non-controlling interests	**883**	604
Income/loss attributable to non-controlling interests	0	0
Net income/loss attributable to common shareholders	**883**	604

Corporate Solutions

Corporate Solutions continues to deliver strong results.

Net income
Corporate Solutions reported a net income of USD 435 million in the first half of 2024, compared with a net income of USD 317 million in the prior-year period. The result reflects a consistent underlying business performance, further enhanced by benign claims experience in the first six months of the year and supported by a strong investment income.

Insurance revenue
Insurance revenue rose to USD 3.8 billion in the first six months of 2024, from USD 3.7 billion in the prior-year period. Supported by disciplined underwriting, Corporate Solutions' insurance revenue reflects new business growth in selected focus portfolios and earn-through of previously realised rate increases. This was partially offset by a conscious reduction in professional liability lines.

New business contractual service margin
New business contractual service margin (CSM) of USD 223 million for the first half of the year was impacted by the seasonality of the reinsurance programme, which largely incepted in the first quarter, while assumed business incepts throughout the year. It also reflects Swiss Re's new reserving approach, with CSM reflecting claims expectations in the higher end of the reserving best estimate. New business CSM for assumed business of USD 646 million reflects strong new business generation, mainly from property and specialty lines. In-force business continued as a strong element of the total CSM, notably contributing to CSM release for the first six months of the year.

Insurance service result
Corporate Solutions' insurance service result of USD 509 million was driven by a CSM release of USD 414 million, reflecting strong in-force and new business margins, a change in risk adjustment of USD 61 million, a favourable experience variance of USD 60 million primarily driven by benign claims experience, and a new business loss component of USD 26 million.

Stringent portfolio steering and disciplined underwriting, complemented by low man-made loss experience, helped Corporate Solutions to perform well in the first half of 2024, with a reported combined ratio of 88.7%, an improvement of 0.5 percentage points compared with the same period in 2023. Large natural catastrophe losses of USD 138 million were mainly driven by the Noto earthquake in Japan and Tropical Cyclone Megan in Australia.

Investment result
The investment result was USD 289 million in the first six months of 2024, compared with USD 180 million in the prior-year period.

Net investment income increased by USD 94 million to USD 258 million for the first six months of 2024, reflecting higher recurring income.

Investment gains were USD 31 million for the first six months of 2024, compared with gains of USD 16 million for the first six months of 2023, primarily supported by gains on private equity and lower realised losses from the sale of fixed income securities.

Corporate Solutions offers insurance protection against weather perils and other risks, which is accounted for as derivatives. Insurance-related net realised gains were USD 17 million for the first six months of the year, compared with gains of USD 23 million in the same period of 2023.

Outlook
Despite some market headwinds, higher claims activity in the wider market and the trend of global rate moderating, Corporate Solutions continues to target a reported IFRS combined ratio of below 93% for 2024, defined in line with key primary insurance competitors, supported by stringent portfolio steering and disciplined underwriting.

For 2024, the Business Unit anticipates a differentiated outlook across its business lines, with an overall outlook in line with the trend of moderating global rates.

In property, rates remain sustainable and markets attractive as carriers are able to achieve strong economic returns with sustainable terms and conditions.

On casualty and financial products, Corporate Solutions continues to observe softening across long-tail lines. However, there appears to be initial evidence of a slowdown in rate reductions in certain areas, such as accounts with loss severity or meaningful US exposure.

For credit and surety, market conditions are stable for both rates and competition levels. Claims are below trend with moderate claims activity in surety due to inflation, and high material pricing posing challenges for contractors.

For the six months ended 30 June

USD millions	2024	2023
Insurance revenue	3 797	3 659
Insurance service expense	–3 060	–2 900
Insurance service result before reinsurance contracts held	**737**	759
Allocation of reinsurance premiums	–817	–735
Amounts recoverable from reinsurers for incurred claims	589	440
Net income/expenses from reinsurance contracts held	**–228**	–295
Insurance service result	**509**	464
Finance income/expenses from insurance contracts issued	–249	–214
Finance income/expenses from insurance contracts held	109	89
Insurance finance result	**–140**	–125
Net investment income	258	164
Investment gains/losses	31	16
Investment result	**289**	180
Other income	12	6
Other expenses	–100	–88
Financing cost	–12	–13
Income/loss before income tax expense/benefit	**558**	424
Income tax expense/benefit	–117	–96
Net income/loss before attribution of non-controlling interests	**441**	328
Income/loss attributable to non-controlling interests	–6	–11
Net income/loss attributable to common shareholders	**435**	317
Combined ratio	**88.7**	89.2

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Income statement

For the six months ended 30 June

USD millions	Note	2024	2023
Insurance revenue	4	**22 479**	21 783
Insurance service expense	4	**–18 353**	–18 280
Insurance service result before reinsurance contracts held		**4 126**	3 503
Allocation of reinsurance premiums		**–1 729**	–1 710
Amounts recoverable from reinsurers for incurred claims		**461**	1 020
Net income/expenses from reinsurance contracts held		**–1 268**	–690
Insurance service result		**2 858**	2 813
Finance income/expenses from insurance contracts issued	5	**–1 226**	–1 286
Finance income/expenses from reinsurance contracts held	5	**71**	102
Insurance finance result		**–1 155**	–1 184
Net investment income	6	**2 073**	1 612
Investment gains/losses	6	**155**	2
Investment result		**2 228**	1 614
Other income		**116**	38
Other expenses		**–1 089**	–754
Financing costs	9	**–234**	–252
Income/loss before income tax expense/benefit		**2 724**	2 275
Income tax expense/benefit		**–627**	–474
Net income/loss before attribution of non-controlling interests		**2 097**	1 801
Income/loss attributable to non-controlling interests		**–9**	–13
Net income/loss attributable to common shareholders		**2 088**	1 788
in USD			
Basic earnings per share	10	**6.97**	5.87
Diluted earnings per share	10	**6.88**	5.78
in CHF			
Basic earnings per share	10	**6.19**	5.36
Diluted earnings per share	10	**6.11**	5.28

Statement of comprehensive income

For the six months ended 30 June

USD millions	2024	2023
Net income/loss	**2 088**	1 788
Other comprehensive income reclassifiable to income statement		
Foreign currency translation		
Change during the period	**–127**	–54
Tax	**–34**	25
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	**–1 223**	560
Reclassified to income statement	**29**	–103
Tax	**252**	–89
Finance income/expenses from insurance contracts issued		
Change during the period	**1 695**	–148
Tax	**–357**	41
Finance income/expenses from reinsurance contracts held		
Change during the period	**–62**	105
Tax	**13**	–22
Share of other comprehensive income of equity-method investees		
Change during the period	**7**	–34
Tax	**–5**	–1
Total other comprehensive income reclassifiable to income statement	**178**	280
Other comprehensive income not reclassifiable to income statement		
Adjustment for pension and other post-retirement benefits		
Change during the period	**159**	121
Tax	**–31**	–23
Net unrealised investment gains/losses on equity investments		
Change during the period	**–71**	–3
Tax	**–2**	2
Share of other comprehensive income of equity-method investees		
Change during the period	**2**	
Tax		
Total other comprehensive income not reclassifiable to income statement	**57**	97
Total other comprehensive income	**235**	377
Total comprehensive income attributable to shareholders	**2 323**	2 165

USD millions	2024	2023
Net income/loss attributable to non-controlling interests	**9**	13
Other comprehensive income to non-controlling interests		
Other comprehensive income reclassifiable to income statement	**–12**	10
Total other comprehensive income to non-controlling interests	**–12**	10
Total comprehensive income/loss attributable to non-controlling interests	**–3**	23
Net income/loss	**2 097**	1 801
Other comprehensive income		
Other comprehensive income reclassifiable to income statement	**166**	290
Other comprehensive income not reclassifiable to income statement	**57**	97
Total other comprehensive income	**223**	387
Total comprehensive income	**2 320**	2 188

Balance sheet

Assets

USD millions	Note	30.6.2024	31.12.2023
Assets			
Cash and cash equivalents		**3 292**	4 555
Investments	6, 7, 8		
Fixed income securities		**85 018**	85 811
Equity investments		**1 085**	1 148
Mortgages and other loans		**5 823**	5 913
Investment property		**2 424**	2 486
Other invested assets		**8 704**	9 500
Total investments		**103 054**	104 858
Insurance contracts issued that are assets	4	**2 480**	2 893
Reinsurance contracts held that are assets		**6 704**	8 653
Goodwill and other intangible assets		**4 083**	4 228
Income taxes recoverable		**594**	532
Deferred tax assets		**2 596**	2 387
Other assets		**4 716**	5 282
Total assets		**127 519**	133 388

Liabilities and Equity

USD millions	Note	30.6.2024	31.12.2023
Liabilities			
Insurance contracts issued that are liabilities	4	**83 693**	89 694
Reinsurance contracts held that are liabilities		**3 862**	3 799
Short-term debt	9	**777**	1 288
Long-term debt	9	**7 305**	6 677
Income taxes payable		**675**	696
Deferred tax liabilities		**3 172**	2 564
Other liabilities	6, 7, 8	**5 625**	6 639
Total liabilities		**105 109**	111 357
Equity			
Common shares, CHF 0.10 par value 2024: 317 497 306; 2023: 317 497 306 shares authorised and issued		**30**	30
Additional paid-in capital		**420**	368
Treasury shares		**–1 088**	–1 219
Accumulated other comprehensive income		**–3 657**	–3 762
Retained earnings		**24 731**	24 555
Shareholders' equity		**20 436**	19 972
Perpetual capital instruments		**1 839**	1 839
Non-controlling interests		**135**	220
Total equity		**22 410**	22 031
Total liabilities and equity		**127 519**	133 388

Statement of changes in shareholders' equity

For the six months ended 30 June

2024 USD millions	Common shares	Additional paid-in capital	Treasury shares	Foreign currency translation	Cash flow hedges	Net unrealised investment gains/losses on fixed income securities
Balance as of 1 January	30	368	–1 219	–11	10	–4 224
Dividends						
Share-based payments		–6				
Issuance of treasury shares			131			
Purchase of treasury shares						
Realised gains/losses on treasury shares		58				
Issuance/repayments of perpetual capital instruments						
Coupon on perpetual capital instruments						
Transactions with non-controlling interests						
Total comprehensive income						
Net income						
Other comprehensive income, net of tax				–161	–10	–942
Total comprehensive income	**0**	**0**	**0**	**–161**	**–10**	**–942**
Balance as of 30 June	**30**	**420**	**–1 088**	**–172**	**0**	**–5 166**

2023 USD millions	Common shares	Additional paid-in capital	Treasury shares	Foreign currency translation	Cash flow hedges	Net unrealised investment gains/losses on fixed income securities
Balance as of 1 January	30	284	–1 336	0	0	–6 144
Dividends						
Share-based payments		13				
Issuance of treasury shares			122			
Purchase of treasury shares			–8			
Realised gains/losses on treasury shares		36				
Issuance/repayments of perpetual capital instruments						
Coupon on perpetual capital instruments						
Transactions with non-controlling interests						
Total comprehensive income						
Net income						
Other comprehensive income, net of tax				–29		368
Total comprehensive income	0	0	0	–29	0	368
Balance as of 30 June	30	333	–1 222	–29	0	–5 776

Net unrealised investment gains/losses on equity investments	Finance income/ expenses from insurance contracts issued	Finance income/ expenses from reinsurance contracts held	Share of other comprehensive income of equity-method investees	Retained earnings	**Shareholders' equity**	Perpetual capital instruments	Non-controlling interests	**Total equity**
–138	466	131	4	24 555	**19 972**	1 839	220	**22 031**
				–1 978	**–1 978**		–7	**–1 985**
					–6			**–6**
					131			**131**
					0			**0**
					58			**58**
					0			**0**
				–62	**–62**			**–62**
					0		–75	**–75**
				2 088	**2 088**		9	**2 097**
–73	1 338	–49	2	128	**233**		–12	**221**
–73	**1 338**	**–49**	**2**	**2 216**	**2 321**	**0**	**–3**	**2 318**
–211	**1 804**	**82**	**6**	**24 731**	**20 436**	**1 839**	**135**	**22 410**

Net unrealised investment gains/losses on equity investments	Finance income/ expenses from insurance contracts issued	Finance income/ expenses from reinsurance contracts held	Share of other comprehensive income of equity-method investees	Retained earnings	**Shareholders' equity**	Perpetual capital instruments	Non-controlling interests	**Total equity**
–110	953	57	–46	22 938	16 626	1 761	102	18 489
				–1 850	–1 850		–1	–1 851
					13			13
					122			122
					–8			–8
					36			36
					0	733		733
				–89	–89			–89
					0		44	44
				1 788	1 788		13	1 801
–1	–107	83	–35	98	377		10	387
–1	–107	83	–35	1 886	2 165	0	23	2 188
–111	846	140	–81	22 885	17 015	2 494	168	19 677

Statement of cash flows

For the six months ended 30 June

USD millions	2024	2023
Cash flows from operating activities		
Net income/loss attributable to common shareholders	**2 088**	1 788
Add income/loss attributable to non-controlling interests	**9**	13
Adjustments to reconcile net income to net cash provided/used by operating activities:		
Depreciation, amortisation and other non-cash items	**–176**	3
Investment gains/losses	**–157**	34
Income from equity-accounted investees, net of dividends received	**–45**	–23
Change in:		
Insurance contracts issued	**–1 033**	–843
Reinsurance contracts held	**427**	281
Other assets and liabilities, net	**–366**	–225
Income taxes payable/recoverable	**309**	149
Trading positions, net	**–194**	–175
Net cash provided/used by operating activities	**862**	1 002
Cash flows from investing activities		
Fixed income securities:		
Sales and maturities	**29 398**	36 631
Purchases	**–30 339**	–36 752
Equity investments:		
Sales	**12**	1 190
Purchases	**–33**	–260
Securities purchased/sold under agreement to resell/repurchase, net	**55**	–97
Net purchases/sales/maturities of other investments	**581**	317
Net cash provided/used by investing activities	**–326**	1 029
Cash flows from financing activities		
Issuance of debt	**745**	
Repayment of debt	**–532**	–820
Issuance of perpetual capital instruments		733
Payments of lease liabilities	**–37**	–36
Purchase/sale of treasury shares	**167**	126
Dividends paid to shareholders	**–1 978**	–1 850
Dividends paid to non-controlling interests	**–7**	
Transactions with non-controlling interests	**–74**	44
Net cash provided/used by financing activities	**–1 716**	–1 803

USD millions	2024	2023
Total net cash provided/used	**–1 180**	228
Effect of foreign exchange	**–83**	23
Change in cash and cash equivalents	**–1 263**	251
Cash and cash equivalents as of 1 January	**4 555**	4 053
Cash and cash equivalents as of 30 June	**3 292**	4 304
Supplementary information on the statement of cash flows		
Tax paid (operating activities)	**318**	325
Dividends received (operating activities)	**10**	15
Interest received (operating activities)	**1 787**	1 502
Interest paid (operating activities)	**197**	200
Interest paid (financing activities)	**9**	9

Components of cash and cash equivalents

As of 30 June 2024 and 2023, cash and cash equivalents included USD 1 202 million and USD 1 102 million cash at bank and in hand, and USD 2 090 million and USD 3 202 million of cash equivalents, respectively.

As of 30 June 2024 and 2023, cash and cash equivalents included USD 171 million and USD 430 million not available for general use by the Group, respectively.

Notes to the Group financial statements

1 Organisation and summary of material accounting policies

Nature of operations
The Swiss Re Group, which is headquartered in Zurich, Switzerland, comprises Swiss Re Ltd (the parent company) and its subsidiaries (collectively, the "Swiss Re Group" or the "Group"). The Swiss Re 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.

The Swiss Re Group consists of three core operating business segments: Property & Casualty Reinsurance, Life & Health Reinsurance and Corporate Solutions.

Basis of presentation
The accompanying interim consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 "Interim Financial Reporting". These are the first interim consolidated financial statements prepared in accordance with IFRS Accounting Standards including application of IFRS 1 "First-time Adoption of International Financial Reporting Standards".

All significant intra-group transactions and balances have been eliminated on consolidation.

Principles of consolidation
The Group's financial statements include the consolidated financial statements of Swiss Re Ltd and its subsidiaries. Entities which Swiss Re Ltd directly or indirectly controls are consolidated in the Group's accounts. 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.

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 owns, 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's share of net profit or loss in investments accounted for under the equity method is included in "Net investment income". Equity and net income of these companies are adjusted as necessary to be in line 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.

Use of estimates in the preparation of financial statements
The preparation of financial statements requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as well as the related disclosure, including contingent assets and liabilities. The Group's insurance liabilities include estimates for premiums, claims and benefit data not received from ceding companies at the date of the financial statements. In addition, the Group uses certain financial instruments and invests in securities of certain entities for which exchange trading does not exist. The Group determines these estimates based on historical information, actuarial analyses, financial modelling and other analytical techniques. Actual results could differ significantly from the estimates described above.

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 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 costs continue to be valued at the rate applied at initial recognition. Non-monetary items carried at fair value are reported using the rate underlying the fair value measurement.

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 resulting from changes in amortised cost are recognised in the income statement while foreign exchange differences from other changes 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 and are measured at amortised cost, if they pass the "solely payments of principal and interest" test. If they fail the "solely payments of principal and interest" test described in the "Financial assets" section below, 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:

- a "hold to collect" business model with the objective to hold the financial asset to collect contractual cash flows over the life of the financial asset
- a "hold to collect and sell" business model with the objective to both collect contractual cash flows and sell the financial asset
- an "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 to realise the fair value of the financial asset by 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. Financial instruments designated at FVPL are not significant to the Group.

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.

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, 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 effective interest 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 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. 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.

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.

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-months ECL where the ECL results from default events that are possible within twelve 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 a significant credit risk, the Group reverts to recognising a 12-months 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 12-months or a lifetime ECL. The Group uses qualitative and quantitative factors to establish a threshold for significant increases in credit risk.

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 incur 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.

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. Making these determinations is 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 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 7 "Fair value disclosures".

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 as means of managing exposure to price, foreign currency and/or interest rate risk on planned or anticipated investment purchases, on 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.

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 agreement to repurchase at a future date are not derecognised from 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 recognised in "Other liabilities". The difference between the sale and repurchase price is accrued over the life of the agreement using the EIR and is recognised as interest expense in the "Investment result".

Under reverse repurchase agreements, the Group acquires securities against the payment of an amount with the obligation to resell the securities back to the seller at a future date. As the risks and rewards of ownership from the securities remain with the seller, securities purchased under reverse repurchase agreements are not recognised on the balance sheet and the amounts paid are recognised as a receivable within "Other invested assets". Interest income from these transactions is accrued over the life of the agreement using the EIR and recognised in the "Investment result". If securities purchased under an agreement to resell are subsequently sold to third parties, the obligation to return the securities is measured at FVPL with any gains and losses recognised in the "Investment result".

Securities lending and borrowing
The Group enters into securities lending arrangements under which it lends certain securities in exchange for collateral and receives securities lending fees. The Group’s policy is to require collateral, consisting of cash or securities with a value equal to at least 100% of the market value of the securities loaned.

The legal title of the loaned securities is transferred to the respective counterparty but the associated risks and rewards of ownership are retained by the Group. Therefore, the underlying securities remain on the balance sheet. Cash received as collateral is recognised as an asset with the corresponding obligation to return the cash recognised in "Other liabilities". 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 (short sale). Securities lending fees are recognised in the "Investment result".

The Group also enters into securities borrowing arrangements under which it borrows certain securities in exchange for collateral in form of cash or securities and pays securities borrowing fees. Cash provided as collateral is derecognised from the balance sheet and a receivable for cash transferred is recognised instead. Securities provided as collateral remain on the balance sheet because the associated risks and rewards of ownership are retained by the Group. Securities borrowed are not recognised on the balance sheet, unless they are sold by the Group to third parties, in which case the obligation to return the securities is measured at FVPL with any gains and losses recognised in the "Investment result". Securities borrowing fees 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, or which are made after the initial depreciation period of the building, will be 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-accounted investments, collateral receivables, deposits and time deposits, private equity fund investments, exchange traded- and money market fund investments.

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 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 "Financial Instruments" to determine if an embedded derivative should be separated from the insurance contract and accounted for under IFRS 9.
- Investment components that are not highly interrelated with the insurance contract. These components are 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 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 on a scenario with commercial substance. The assessment of significant insurance risk is conducted on a contract-by-contract basis at inception.

When a contract with the legal form of insurance transfers sufficient insurance risk, the Group accounts for the contract under IFRS 17. Contracts that may 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 its (re)insurance business accounted for under IFRS 17.

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 which 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 remaining contracts. 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.

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

Date of recognition
Swiss Re 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. 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.

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, eg from client managers' salaries, or externally, eg 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 if facts and circumstances indicate 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 to 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. No additional illiquidity premium is added to the discount rates.

The determination of discount rates requires judgement as the rates may not be directly observable in the market. Note 5, "Other re/insurance disclosures", 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 by a cost of capital method implemented via a factor-based approach. Risk adjustment factors are determined based on the Group's internal risk model, taking Group-wide risk diversification as well as the Group's capital allocation and risk tolerance principles into account. 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 to reflect Group-wide diversification.

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 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 non-life 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, may require 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.

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 to diversify its risks. The Group reports and accounts for reinsurance contracts held separately from the insurance business issued, since retroceding risks does not relieve the Group of its obligations to clients from the underlying contracts.

Generally, the recognition and measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, including using consistent assumptions for measurement. However, there are certain differences as described below.

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 of the remaining contracts in the portfolio

A group of reinsurance contracts held cannot be onerous.

Date of recognition

The Swiss Re 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.

Advanced recoveries of underlying groups of onerous 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 recognises a loss recovery component as an anticipated recovery in the income statement. The amount of 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

Determination of whether a contract was 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. 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 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-related 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 and changes in incurred claims and expenses from past periods. For groups of onerous contracts, losses are immediately recognised as "Insurance service expense".

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 Swiss Re 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 has defined its cash-generating units according to its operating segments.

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 of value. Adjustments to reflect impairment in value are recognised in the income statement in the period in which the determination of impairment is made.

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.

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.

Income taxes
Current and deferred income taxes are recognised in the income statement except when they relate to items recognised directly in OCI or shareholders' 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 shareholders' 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.

From 1 January 2024, current taxes are provided in accordance with the Pillar 2 rules published by the Organisation for Economic Co-operation & Development ("Pillar 2") whilst 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%. In the first six months of 2024, the Group recognised no additional income tax expense related to Pillar 2. Going forward, as Pillar 2 is implemented in more jurisdictions locally, the Group does not anticipate any material impact to its income tax expense.

Other liabilities
Other liabilities include derivatives (see Note 8 "Derivative financial instruments and hedge accounting"), liabilities from repurchase agreements and securities lending (see Note 6 "Investments"), payables related to investing activities, securities sold short, insurance contracts without significant risk transfer, net defined benefit liability, 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 and, in the case of financial liability not subsequently measured at FVPL, 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 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.

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

Earnings per share
Basic earnings per share is determined by dividing net income available to shareholders of the parent company by the weighted average number of ordinary shares entitled to dividends during the reporting period. Diluted earnings per share is determined by adjusting the net income and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

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 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 increase 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 30 June 2024, 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.

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.

Perpetual capital instruments
The Group's outstanding perpetual capital instruments have characteristics of financial liabilities but meet the definition of equity under IFRS as there is no contractual obligation for the Group to deliver cash either via interest payments or principal payments. Perpetual capital instruments are measured at cost. The amount originally credited to equity is subsequently neither remeasured nor reclassified to profit or loss. Costs related to issuance of perpetual capital instruments are accounted for as a deduction from equity. Interest payments related to these instruments are accounted for as distribution of profit (ie reduction of equity).

Date of approval for issue
The financial statements were approved for issue by the Group Audit Committee on 21 August 2024.

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 IFRS as of the effective date. On initial application this new IFRS will only impact how the Group presents its results in the financial statements; it will not have an impact on the Group's net profit.

There are no additional IFRS accounting standards issued by the International Accounting Standards Board and not yet effective for which the Swiss Re Group expects to be significantly impacted.

2 First-time adoption of IFRS

Swiss Re Group's audited financial statements will be prepared in accordance with IFRS for the first time for the year ended 31 December 2024. Financial statements for periods prior to or ending on 31 December 2023 were prepared in accordance with US GAAP.

Accordingly, the Group prepared its unaudited financial statements in accordance with IFRS for the first half of 2024, together with the comparative data for the period ended 30 June and 31 December 2023, respectively, as described in the summary of material accounting policies.

The Group's opening balance statement was prepared as of 1 January 2023, the Group's date of transition to IFRS:

Balance sheet

USD millions	As of 1 January 2023
Assets	
Cash and cash equivalents	4 053
Investments	
Fixed income securities	82 550
Equity investments	2 251
Mortgages and other loans	4 799
Investment property	2 687
Other invested assets	9 001
Total investments	**101 288**
Insurance contracts issued that are assets	4 200
Reinsurance contracts held that are assets	9 282
Goodwill and other intangible assets	4 175
Income taxes recoverable	356
Deferred tax assets	2 751
Other assets	3 497
Total assets	**129 602**
Liabilities	
Insurance contracts issued that are liabilities	89 025
Reinsurance contracts held that are liabilities	3 821
Short-term debt	790
Long-term debt	8 525
Income taxes payable	595
Deferred tax liabilities	1 829
Other liabilities	6 528
Total liabilities	**111 113**
Shareholders' equity	16 626
Perpetual capital instruments	1 761
Non-controlling interests	102
Total equity	**18 489**
Total liabilities and equity	**129 602**

IFRS allows first-time adopters certain exemptions from the retrospective application of IFRS. The Group has applied the following exemptions:

Business combinations
In line with IFRS exemption guidance, business combination requirements were not applied retrospectively. Consequently, US GAAP carrying amounts of assets and liabilities acquired in a business combination were their deemed cost at the date of the acquisition. Subsequent measurement post acquisition was carried out in accordance with IFRS. The same treatment has been applied to past acquisitions of investments in associates. In accordance with IFRS requirements, the Group did not recognise any assets or liabilities that were not recognised under US GAAP and did not exclude any previously recognised amounts.

In accordance with IFRS requirements, the US GAAP carrying amount of goodwill was included in the opening IFRS balance sheet. Goodwill from business combinations that occurred before the date of transition to IFRS was treated as an asset of the parent rather than an asset of the acquiree. Therefore, at the date of transition to IFRS, goodwill was measured based on the parent's functional currency. Goodwill from business combinations that occurred after the date of transition is measured based on the acquiree's functional currency.

The Group tested goodwill for impairment at the date of transition to IFRS in accordance with IFRS transition requirements. There was no impairment recognised on goodwill upon transition.

Foreign currency translation, net of tax
Cumulative currency translation differences for all foreign operations were set to zero as of 1 January 2023.

Share-based payment
IFRS share-based payment requirements had not been applied retrospectively to any equity instruments in share-based payment transactions vested before 1 January 2023. The same applied to liabilities related to cash-settled share-based payment transactions that were settled before 1 January 2023.

Leases
The Group measured the lease liability at the date of transition to IFRS at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to IFRS.

On a lease-by-lease basis, the Group measured the right-of-use assets at transition either (i) at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments recognised immediately before the date of transition to IFRS, or (ii) at their carrying amount as if IFRS had been applied since the commencement date of the lease, but discounted using the lessee's incremental borrowing rate at transition.

Financial instruments
The Group designated certain investments in equity instruments as measured at fair value through other comprehensive income (FVOCI) on the basis of the facts and circumstances that existed as of 1 January 2023 and with no future recycling of gains and losses through profit and loss.

The Group designated certain financial assets as measured at fair value through profit or loss (FVPL) in order to eliminate or significantly reduce the accounting mismatch that would otherwise arise from measuring the assets and related liabilities on different bases.

The Group applied the impracticability exception for retrospective application of the effective interest method for certain financial assets that were measured at FVPL under US GAAP. The fair value of these financial assets at the date of transition to IFRS became the new gross carrying amount of those assets.

The Group applied the derecognition requirements in IFRS 9 prospectively for transactions occurring on or after the date of transition to IFRS.

(Re)insurance contracts
On transition to IFRS, the Group measured each group of (re)insurance contracts and assets for (re)insurance acquisition cash flows as if IFRS 17 had always been applied unless impracticable. Impracticability is assessed on a group of insurance contracts basis. The recoverability assessment for the insurance acquisition cash flows has not been applied since it is not required before the transition date. The Group derecognised any existing balances that would not exist if IFRS 17 had always been applied and recognised any resulting net difference in equity.

Generally, the full retrospective approach was applied on transition to all insurance contracts that incepted on or after 1 January 2022. For insurance contracts incepting prior to 2022, the fair value approach or the modified retrospective approach were applied. Under the fair value approach, the contractual service margin (CSM) of a group of contracts at transition is defined as the difference between the fair value and the IFRS 17 fulfilment cash flows. If application of the fair value approach would have led to an unrealistic representation of the future earnings patterns or to unnecessary operational complexity, the modified retrospective approach was used.

Significant accounting judgements, estimates and assumptions
Estimates involve judgements based on the latest available, reliable information, and can be developed based on an entity's inputs and measurement techniques. Determining estimates, as well as the inputs used in determining estimates, can be highly judgmental. The Group's information used for the estimates in accordance with IFRS in the comparative period reflect conditions as of 1 January 2023, which is the date of transition to IFRS, and 30 June 2023 as well as 31 December 2023, the reporting dates of the comparatives. The estimates made under IFRS on the respective dates are consistent with the estimates made under US GAAP on the same dates, apart from adjustments made to reflect differences in accounting policies.

The Group has adopted IFRS after a number of subsidiaries which already apply IFRS as issued by the IASB. In these cases, the Group has measured the assets and liabilities of these subsidiaries at the same carrying amounts as in the subsidiaries' local financial statements, subject to applicable consolidation adjustments. In addition, the Group has other subsidiaries that already apply IFRS but have not issued an explicit and unreserved statement of compliance with IFRS as issued by the IASB. In these cases, the Group has concluded that these subsidiaries do not apply IFRS as issued by the IASB. Therefore, the Group has measured the assets and liabilities of these subsidiaries in accordance with the first-time adoption requirements for the Group's consolidated balance sheet as of 1 January 2023. As a result, the carrying amount of CSM attributable to these subsidiaries in the Group's consolidated balance sheet as of 1 January 2023 exceeds the aggregate carrying amount of CSM in the subsidiaries' local financial statements by USD 658 million.

Equity reconciliation
The main adjustments made by the Group in the transition from US GAAP financial statements to IFRS are presented below. A reconciliation of the Group equity previously published under US GAAP to the equity under IFRS is presented as follows:

USD millions	As of 31 December 2023	As of 30 June 2023	As of 1 January 2023
Total US GAAP equity	**16 371**	**12 854**	**12 809**
US GAAP net insurance liabilities	87 763	86 065	85 744
IFRS net insurance liabilities	–81 947	–79 029	–79 364
Other insurance changes	–33	–219	–237
Perpetual capital instruments reclassification from long-term debt	1 839	2 494	1 761
Net defined benefit assets	3	–444	–499
Investment property	–376	–261	–197
Other investment changes	50	254	283
Other changes	–290	–214	–257
Tax changes	–1 349	–1 823	–1 554
Total IFRS equity	**22 031**	**19 677**	**18 489**

US GAAP net insurance liabilities
With the transition to IFRS, the US GAAP net insurance liabilities were remeasured in accordance with IFRS 17. The total net insurance liabilities in US GAAP presented above in the equity reconciliation included the following balances:

USD millions	As of 31 December 2023	As of 30 June 2023	As of 1 January 2023
Premiums and other receivables	–19 077	–22 050	–18 145
Reinsurance recoverable on unpaid claims and policy benefits	–6 104	–6 441	–6 507
Funds held by ceding companies	–16 178	–15 419	–13 929
Deferred acquisition costs	–8 151	–8 372	–8 121
Acquired present value of future profits	–724	–755	–794
Unpaid claims and claim adjustment expenses	87 513	85 826	85 418
Liabilities for life and health policy benefits	20 624	21 050	20 925
Policyholder account balances	4 775	4 757	4 850
Unearned premiums	15 488	18 721	14 747
Funds held under reinsurance treaties	8 460	8 259	6 921
Reinsurance balances payable	2 733	2 329	1 837
Additional net insurance liabilities shown in other US GAAP balance sheet line items	–1 596	–1 840	–1 458
Total US GAAP net insurance liabilities	**87 763**	**86 065**	**85 744**

IFRS net insurance liabilities
Differences in accounting requirements between US GAAP and IFRS 17 lead to remeasurements in the net insurance liabilities at the transition date. For each of the measurement components of the IFRS net insurance liabilities, the main differences between US GAAP and IFRS 17 are mentioned below.

Present value of estimated future cash flows
Under IFRS, (re)insurance liabilities are sensitive to interest rate and credit spread movements. Under US GAAP, the liabilities were either undiscounted or calculated using locked-in assumptions.

Under IFRS, all estimates, including discount rates, are current to reflect conditions at each reporting period. Under US GAAP, estimates for future services were locked in.

Risk adjustment
Risk adjustment for non-financial risk is an explicit adjustment required by IFRS, whereas under US GAAP, only life insurance contracts had a provision for adverse deviation. The IFRS 17 risk adjustment measures the compensation required by the Group for the uncertainty related to non-financial risk arising from insurance contracts.

Contractual service margin
Profit emergence differs between US GAAP and IFRS for insurance contracts. Under IFRS 17, for the fully retrospective and modified retrospective transition methods, the amount of CSM released from inception of insurance contracts until the date of transition is based on coverage units. For the fair value transition method, the CSM is based on conditions at the transition date.

Other insurance changes (incl. insurance contracts not in scope of IFRS 17)
Other insurance changes include receivables related to deposit-accounting contracts that were reclassified from "Funds held by ceding companies" to "Other assets" as well as payables related to deposit-accounting contracts that were reclassified from "Funds held under reinsurance treaties" to "Other liabilities" and remeasured to meet IFRS 9 requirements.

Reclassification of perpetual capital instruments from long-term debt
Due to different definitions of equity between US GAAP and IFRS, perpetual debt instruments were reclassified from long-term debt to perpetual capital instruments as part of total equity at a revised carrying amount with the difference between the respective carrying amounts offset in retained earnings. The related accrued interest expenses were derecognised from accrued expenses and other liabilities and offset in retained earnings.

Net defined benefit assets
Unlike US GAAP, IFRS includes the concept of an asset ceiling for net defined benefit assets. An asset ceiling needs to be applied if a surplus is not available to the entity in the form of a reduction in future contributions or a cash refund, either directly to the entity or indirectly to another plan in deficit. An asset ceiling was identified for the Swiss pension fund. Based on this, the net defined benefit assets were set to zero at the transition date to IFRS with an offset in retained earnings.

Investment property
Unchanged to US GAAP, investment property is reported at amortised cost, net of impairment, under IFRS. Due to differences in the impairment guidance between US GAAP and IFRS, some properties were impaired at the transition date and written down to their respective fair value with an offset in retained earnings.

The functional currency of some entities holding investment property changed upon transition to IFRS. Consequently, the respective investment properties were revalued and written down with an offset in retained earnings.

Deferred tax liabilities recognised upon the acquisition of certain investment properties and credited against the respective asset and liability balance under US GAAP were reversed under IFRS with an offset in retained earnings.

Other investment changes
Other investment changes include the following main items:

The carrying amount of an associate investment was adjusted due to the associate's transition to IFRS 9 and IFRS 17, resulting in an increase in "Other invested assets" with an offset in retained earnings and other comprehensive income.

Within mortgages and other loans, certain financial instruments treated as fixed income securities with changes at FVOCI under US GAAP were reclassified to mortgages and other loans (at amortised cost). Those instruments meet the held to collect business model criteria and the classification criteria for loans under IFRS. The corresponding cumulative losses were derecognised from other comprehensive income and recognised as part of the book value of the loans.

Certain derivative financial instruments and policy loans were remeasured to IFRS 17.

The carrying value related to an associate for which the fair value option had been previously elected under US GAAP was adjusted resulting in a reduction of "Other invested assets" with an offset in retained earnings and other comprehensive income.

FX losses from remeasurement of the amortised cost value of fixed income securities available-for-sale and previously reported in other comprehensive income under US GAAP were reclassified to retained earnings in accordance with IFRS.

Certain investments held at FVOCI in accordance with US GAAP have failed the solely payment of principal and interest (SPPI) test under IFRS resulting in a change in classification and measurement from FVOCI to FVPL. The corresponding cumulative losses from previously recorded FVOCI fixed income securities were derecognised from other comprehensive income with an offset in retained earnings.

Other-than-temporary impairments on fixed income securities previously recognised in accordance with US GAAP were reversed and the corresponding cumulative losses were reclassified from retained earnings to other comprehensive income. Consequently, expected credit losses related to fixed income securities were recognised in other comprehensive income with an offset in retained earnings.

Other changes
Some leases were remeasured with new discount rates and further extension options with an offset in retained earnings.

Tax changes
The change in the total tax balances due to the remeasurement from US GAAP to IFRS as of 1 January 2023 is mainly driven by the differences in insurance liability accounting under IFRS 17 vs US GAAP. Further, deferred taxes on deferred acquisition costs and unearned premiums in line with US GAAP principles were released, whereas under IFRS deferred taxes on best estimate liabilities, risk adjustments and contractual service margins were established.

Balance sheet reclassifications
Below are the material balance sheet reclassifications from US GAAP to IFRS:

Short-term investments
"Short-term investments" were reclassified to "Fixed income securities" reflecting a presentational change.

Investments for unit-linked business
"Investments for unit-linked business" were reclassified to "Other assets" reflecting a presentational change.

Accrued investment income
"Accrued investment income" was reclassified to "Other assets" reflecting a presentational change.

Intangible assets
Intangible assets, including the capitalisation of software development, were reclassified from "Other assets" to "Goodwill and other intangible assets" reflecting a presentational change.

Exchange traded funds (ETFs) and money market funds
ETFs and money market funds were reclassified from "Equity investments" to "Other invested assets" reflecting a presentational change.

Private equities
Private equities were reclassified from "Other invested assets" to "Equity investments" reflecting a presentational change.

Mortgage loans
Mortgage loans backing insurance liabilities were reclassified from "Mortgages and other loans" to "Other assets". In addition, their carrying amounts were revised and designated as measured at FVPL eliminating the accounting mismatch in accordance with IFRS. The insignificant difference between the respective carrying amounts was offset in retained earnings.

Derivative financial instruments and related collateral
Other invested assets include derivative financial instruments and related collateral for which offsetting requirements were no longer met under IFRS. The offset was in "Accrued expenses and other liabilities", with no impact on retained earnings.

Non-cash collateral held from securities lending transactions
Non-cash collateral held from securities lending transactions previously reported under "Other invested assets" and corresponding obligation to return the collateral previously reported under "Accrued expenses and other liabilities" were derecognised from the balance sheet in accordance with IFRS, with no impact on retained earnings.

US GAAP reserves-related balances for assumed business
The US GAAP reserves-related balances for assumed business were replaced by the IFRS balance sheet line items "Insurance contracts issued that are liabilities" and "Insurance contracts issued that are assets".

US GAAP reserves-related balances for ceded business
The US GAAP reserves-related balances for ceded business were replaced by the IFRS balance sheet line items "Reinsurance contracts held that are assets" and "Reinsurance contracts held that are liabilities".

Foreign currency translation, net of tax
Foreign currency translation, net of tax, was derecognised from other comprehensive income with an offset in retained earnings.

Adjustment for pension and other post-employment benefits
Adjustment for pension and other post-employment benefits at the transition date to IFRS were set to zero, with an offset in retained earnings.

Comprehensive income reconciliation
A reconciliation of the Group's comprehensive income previously published under US GAAP to comprehensive income under IFRS for the year ended 31 December 2023 and six months ended 30 June 2023 is presented as follows:

			31 December 2023			30 June 2023
USD millions	Net income	Other comprehensive income[1]	Total comprehensive income	Net income	Other comprehensive income[1]	Total comprehensive income
US GAAP	**3 228**	**1 969**	**5 197**	**1 450**	**307**	**1 757**
Insurance	–1 632	–413	–2 045	–286	–24	–310
Investments	–1 127	–282	–1 409	–373	–62	–435
Other	2 197	776	2 973	1 079	166	1 245
Tax	406		406	–69		–69
IFRS	**3 072**	**2 050**	**5 122**	**1 801**	**387**	**2 188**

[1] Other comprehensive income is presented net of tax.

Net income
Under IFRS, more expenses were directly attributable and included in insurance, resulting in less expenses in the "Other" section. Hence, the underlying impact in insurance excluding expenses was higher, as earnings in insurance were higher than under US GAAP due to acceleration of profit recognition under IFRS. Further, income from deposits with ceding companies was reclassified from investments into insurance and accounted for under IFRS 17.

The decrease in investments from US GAAP to IFRS mainly results from the reclassification of income from deposits with ceding companies and from deposit-accounted contracts.

Other comprehensive income
Under IFRS, the effect of interest rate changes, the effect of measuring changes in estimates at current rates and adjusting the CSM at discount rates on initial recognition as well as the effect of the difference between measuring fulfilment cash flows at the current discount and locked-in rates is reflected in other comprehensive income.

In "Investments", the share in other comprehensive income of equity method investees to be reclassified to profit or loss is presented in other comprehensive income under IFRS.

In "Other", the change in foreign currency translation losses decreased in IFRS compared to US GAAP. This was offset by the adjustments in pension and other post-retirement benefits relating to the asset ceiling under IFRS.

Any tax impacts resulting from the difference between US GAAP and IFRS balances are recognised in the tax line item.

Statement of cash flows reconciliation

A reconciliation of the Group's statement of cash flows previously published under US GAAP to the statement of cash flows under IFRS for the six months ended 30 June 2023 is presented as follows:

USD millions	US GAAP	Remeasurement and reclassifications	IFRS
Net cash provided/used by operating activities	1 035	–33	1 002
Net cash provided/used by investing activities	1 031	–2	1 029
Net cash provided/used by financing activities	–1 805	2	–1 803
Total net cash provided/used	**261**	**–33**	**228**
Effect of foreign exchange	–22	45	23
Cash and cash equivalents as of 1 January	4 077	–24	4 053
Cash and cash equivalents as of 30 June	**4 316**	**–12**	**4 304**

Lease-related cash flows previously disclosed under "cash flows from operating activities" under US GAAP were reclassified to "cash flows from financing activities" under IFRS. Payments in relation to policyholder account balances from unit-linked business previously disclosed under "cash flows from financing activities" under US GAAP were reclassified to "cash flows from operating activities" under IFRS.

3 Information on operating segments

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

The Group presents three core operating business segments: Property & Casualty Reinsurance, Life & Health Reinsurance and Corporate Solutions. 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 will be specifically disclosed. For the six months ended 30 June 2024 and 2023, there are no special allocations to other segments.

Accounting policies applied by the business segments are in line with those described in the summary of material accounting policies (please refer to Note 1). Cross-segmental dividends and gains and losses on certain one-off transfers and transactions between segments are accounted for through segmental shareholders' equity.

The core operating business segments as well as Group items and Consolidation are outlined below.

Reinsurance business is managed through two operating 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 innovative 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
iptiQ results are reported within the Group items segment. Group items also includes items not allocated to the business segments, which encompass parts of Principal Investments, Swiss Re Ltd, the Group's ultimate parent company, certain Treasury units 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. Swiss Re Ltd charges trademark licence fees to the business segments which are reported as other income. The Group allocates the foreign exchange gains and losses in earnings to Group items. Certain administrative expenses of the corporate centre functions that are not recharged to the operating segments are reported under Group items.

In the second quarter of 2024, the Group announced its plans to withdraw from the iptiQ business. The Group will consider options for the different entities, subject to applicable regulatory approvals and notifications.

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, recharge of trademark licence fees and intersegmental funding.

Business segments – income statement

For the six months ended 30 June

2024 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Consolidation	Total
Insurance revenue	9 779	8 687	3 797	581	–365	22 479
Insurance service expense	–7 837	–7 233	–3 060	–645	422	–18 353
Insurance service result before reinsurance contracts held	**1 942**	**1 454**	**737**	**–64**	**57**	**4 126**
Allocation of reinsurance premiums	–649	–589	–817	–25	351	–1 729
Amounts recoverable from reinsurers for incurred claims	118	142	589	20	–408	461
Net income/expenses from reinsurance contracts held	**–531**	**–447**	**–228**	**–5**	**–57**	**–1 268**
Insurance service result	**1 411**	**1 007**	**509**	**–69**	**0**	**2 858**
Finance income/expenses from insurance contracts issued	–736	–300	–249		59	–1 226
Finance income/expenses from reinsurance contracts held	22	–1	109		–59	71
Insurance finance result	**–714**	**–301**	**–140**	**0**	**0**	**–1 155**
Net investment income	1 229	823	258	69	–306	2 073
Investment gains/losses	20	4	31	100		155
Investment result	**1 249**	**827**	**289**	**169**	**–306**	**2 228**
Other income	30	62	12	262	–250	116
Other expenses	–384	–342	–100	–513	250	–1 089
Financing costs	–350	–137	–12	–41	306	–234
Income/loss before income tax expense/benefit	**1 242**	**1 116**	**558**	**–192**	**0**	**2 724**
Income tax expense/benefit	–250	–233	–117	–27		–627
Net income/loss before attribution of non-controlling interests	**992**	**883**	**441**	**–219**	**0**	**2 097**
Income/loss attributable to non-controlling interests	–3		–6			–9
Net income/loss attributable to common shareholders	**989**	**883**	**435**	**–219**	**0**	**2 088**

Business segments – income statement

For the six months ended 30 June

2023 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Consolidation	Total
Insurance revenue	9 848	8 174	3 659	398	–296	21 783
Insurance service expense	–7 487	–7 602	–2 900	–425	134	–18 280
Insurance service result before reinsurance contracts held	2 361	572	759	–27	–162	3 503
Allocation of reinsurance premiums	–625	–620	–735	–25	295	–1 710
Amounts recoverable from reinsurers for incurred claims	–53	759	440	7	–133	1 020
Net income/expenses from reinsurance contracts held	–678	139	–295	–18	162	–690
Insurance service result	1 683	711	464	–45	0	2 813
Finance income/expenses from insurance contracts issued	–685	–437	–214	–10	60	–1 286
Finance income/expenses from reinsurance contracts held	26	46	89	1	–60	102
Insurance finance result	–659	–391	–125	–9	0	–1 184
Net investment income	870	660	164	130	–212	1 612
Investment gains/losses	–182	23	16	145		2
Investment result	688	683	180	275	–212	1 614
Other income	14		6	271	–253	38
Other expenses	–296	–147	–88	–476	253	–754
Financing costs	–238	–122	–13	–91	212	–252
Income/loss before income tax expense/benefit	1 192	734	424	–75	0	2 275
Income tax expense/benefit	–217	–130	–96	–31		–474
Net income/loss before attribution of non-controlling interests	975	604	328	–106	0	1 801
Income/loss attributable to non-controlling interests	–2		–11			–13
Net income/loss attributable to common shareholders	973	604	317	–106	0	1 788

Business segments – balance sheet

As of 30 June 2024

2024 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Consolidation	Total
Assets						
Cash and cash equivalents	1 458	608	685	541		**3 292**
Investments						
Fixed income securities	48 570	26 431	9 354	663		**85 018**
Equity investments	197	8	79	801		**1 085**
Mortgages and other loans	4 144	5 317	197	1 055	–4 890	**5 823**
Investment property	2 089	334	1			**2 424**
Other invested assets	8 520	375	189	425	–805	**8 704**
Total investments	**63 520**	**32 465**	**9 820**	**2 944**	**–5 695**	**103 054**
Insurance contracts issued that are assets	1 193	1 938	138	162	–951	**2 480**
Reinsurance contracts held that are assets	3 891	405	6 283	384	–4 259	**6 704**
Goodwill and other intangible assets	1 914	1 801	287	81		**4 083**
Income taxes recoverable	236	245	65	48		**594**
Deferred tax assets	1 793	1 444	187	985	–1 813	**2 596**
Other assets	14 498	10 626	3 143	5 062	–28 613	**4 716**
Total assets	**88 503**	**49 532**	**20 608**	**10 207**	**–41 331**	**127 519**
Liabilities						
Insurance contracts issued that are liabilities	47 263	25 361	13 708	1 566	–4 205	**83 693**
Reinsurance contracts held that are liabilities	3 593	267	972	35	–1 005	**3 862**
Short-term debt	233	276	500	60	–292	**777**
Long-term debt	4 075	7 028		800	–4 598	**7 305**
Income taxes payable	224	98	182	171		**675**
Deferred tax liabilities	1 378	2 976	320	311	–1 813	**3 172**
Other liabilities	19 618	9 299	817	5 309	–29 418	**5 625**
Total liabilities	**76 384**	**45 305**	**16 499**	**8 252**	**–41 331**	**105 109**

Business segments – balance sheet

As of 31 December 2023

2023 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Consolidation	Total
Assets						
Cash and cash equivalents	2 313	819	823	600		4 555
Investments						
Fixed income securities	47 635	28 009	9 497	670		85 811
Equity investments	177	7	83	881		1 148
Mortgages and other loans	4 426	5 345	230	1 168	–5 256	5 913
Investment property	2 157	328	1			2 486
Other invested assets	9 434	880	308	563	–1 685	9 500
Total investments	63 829	34 569	10 119	3 282	–6 941	104 858
Insurance contracts issued that are assets	1 050	2 411	234	156	–958	2 893
Reinsurance contracts held that are assets	3 922	2 427	6 238	408	–4 342	8 653
Goodwill and other intangible assets	1 913	1 801	304	210		4 228
Income taxes recoverable	226	235	18	53		532
Deferred tax assets	2 183	1 239	212	1 044	–2 291	2 387
Other assets	12 483	9 718	2 838	4 960	–24 717	5 282
Total assets	87 919	53 219	20 786	10 713	–39 249	133 388
Liabilities						
Insurance contracts issued that are liabilities	48 707	29 825	13 975	1 420	–4 233	89 694
Reinsurance contracts held that are liabilities	3 517	235	920	194	–1 067	3 799
Short-term debt	347	293	499	494	–345	1 288
Long-term debt	3 369	6 665		1 555	–4 912	6 677
Income taxes payable	239	111	144	202		696
Deferred tax liabilities	1 536	2 615	273	431	–2 291	2 564
Other liabilities	18 058	9 075	1 321	4 586	–26 401	6 639
Total liabilities	75 773	48 819	17 132	8 882	–39 249	111 357

4 Insurance information

The following table sets out the detail of insurance contracts issued net position for the period ended 30 June:

USD millions	2024
Closing assets	–2 480
Closing liabilities	83 693
Net liabilities for insurance contracts issued	**81 213**
Of which net payables/receivables that have not yet been allocated to a portfolio of insurance contracts	1 716
Net liabilities for insurance contracts issued excluding unallocated payables/receivables	**79 497**

The following disclosures are based on the net insurance contract liabilities excluding payables/receivables as presented above.

Insurance contracts issued
A reconciliation of the opening and closing balances are presented as follows for the six months ended 30 June:

USD millions	2024
Net (assets)/liabilities for insurance contracts issued as of 1 January	**85 122**
Expected incurred claims and other insurance service expenses	–15 925
Changes in risk adjustment for non-financial risk	–641
Contractual service margin recognised for services provided	–4 251
Experience adjustment for premium receipts related to current and past services	–257
Recovery of insurance acquisition cash flows	–1 405
Insurance revenue	**–22 479**
Insurance service expense	**18 353**
Insurance service result	**–4 126**
Finance income/expenses from insurance contracts issued	–492
Effect of foreign exchange	–1 360
Total changes in profit or loss and other comprehensive income	**–5 978**
Cash flows	**353**
Net (assets)/liabilities for insurance contracts issued as of 30 June	**79 497**

Insurance contracts issued: Measurement components

A reconciliation of the opening and closing balances for insurance contract liabilities analysed by measurement component for the six months ended 30 June is presented as follows:

2024 USD millions	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Net (assets)/liabilities for insurance contracts issued as of 1 January	**52 757**	**9 319**	**23 046**	**85 122**
Contractual service margin recognised for services provided			–4 251	–4 251
Changes in fulfilment cash flows (past/current)	286	–736		–450
Contracts initially recognised in period	–4 250	806	3 768	324
Changes in estimates (future)	166	–278	363	251
Insurance service result	**–3 798**	**–208**	**–120**	**–4 126**
Finance income/expenses from insurance contracts issued	–743	–161	412	–492
Effect of foreign exchange	–811	–136	–413	–1 360
Total changes in profit or loss and other comprehensive income	**–5 352**	**–505**	**–121**	**–5 978**
Cash flows	**353**	**0**	**0**	**353**
Net (assets)/liabilities for insurance contracts issued as of 30 June	**47 758**	**8 814**	**22 925**	**79 497**

5 Other re/insurance disclosures

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 OCI in the period.

2024 USD millions	Recognised in profit or loss	Recognised in OCI	Total
Net investment income	2 073		**2 073**
Investment gains/losses	155		**155**
Foreign currency translation		–161	**–161**
Cash flow hedges		–10	**–10**
Net unrealised investment gains/losses on fixed income securities		–942	**–942**
Net unrealised investment gains/losses on equity investments		–73	**–73**
Share of other comprehensive income of equity-method investees		4	**4**
Total investment return	**2 228**	**–1 182**	**1 046**
Finance income/expenses from insurance contracts issued	–1 226	1 338	**112**
Finance income/expenses from reinsurance contracts held	71	–49	**22**
Total insurance finance result	**–1 155**	**1 289**	**134**

2023 USD millions	Recognised in profit or loss	Recognised in OCI	Total
Net investment income	1 612		1 612
Investment gains/losses	2		2
Foreign currency translation		–29	–29
Cash flow hedges			0
Net unrealised investment gains/losses on fixed income securities		368	368
Net unrealised investment gains/losses on equity investments		–1	–1
Share of other comprehensive income of equity-method investees		–35	–35
Total investment return	1 614	303	1 917
Finance income/expenses from insurance contracts issued	–1 286	–107	–1 393
Finance income/expenses from reinsurance contracts held	102	83	185
Total insurance finance result	–1 184	–24	–1 208

Risk adjustment
As of 30 June 2024, the level of risk adjustment for non-financial risk net of reinsurance held as measured by the Group corresponds to a confidence level on the ultimate loss distribution ranging between 75% and 80%.

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 on significant changes to long-term expectations.

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

30 June 2024 Currency	1 Year	5 Years	10 Years	20 Years	30 Years	50 Years
AUD	4.423%	4.143%	4.421%	4.809%	4.839%	4.579%
CAD	4.435%	3.468%	3.521%	3.479%	3.404%	3.463%
EUR	3.232%	2.698%	2.849%	3.087%	3.107%	3.445%
GBP	4.669%	4.056%	4.256%	4.800%	4.767%	4.103%
JPY	0.182%	0.578%	1.090%	1.954%	2.306%	2.594%
USD	5.172%	4.396%	4.407%	4.819%	4.567%	4.191%

6 Investments

Investment result
Net investment income

For the six months ended 30 June

2024 USD millions	Investment income from financial assets/liabilities measured at: Fair value through other comprehensive income	Fair value through other comprehensive income (designated)	Fair value through profit or loss[1]	Fair value through profit or loss (designated)[1]	Amortised cost	Other investment income/expenses	Total
Fixed income securities	1 509		133	1			**1 643**
Equity investments		7					**7**
Investment property						129	**129**
Mortgages and other loans					192		**192**
Share in earnings of equity-accounted investees						52	**52**
Cash and cash equivalents			7		61		**68**
Other investment income			81		93	2	**176**
Gross investment income	**1 509**	**7**	**221**	**1**	**346**	**183**	**2 267**
Investment expenses						–194	**–194**
Net investment income	**1 509**	**7**	**221**	**1**	**346**	**–11**	**2 073**

[1] Investment income includes interest on financial assets measured at fair value through profit or loss calculated based on the effective interest rate as well as dividend income.

2023 USD millions	Investment income from financial assets/liabilities measured at: Fair value through other comprehensive income	Fair value through other comprehensive income (designated)	Fair value through profit or loss[1]	Fair value through profit or loss (designated)[1]	Amortised cost	Other investment income/expenses	Total
Fixed income securities	1 204		111	1			1 316
Equity investments		6	28				34
Investment property						123	123
Mortgages and other loans			1		148		149
Share in earnings of equity-accounted investees						28	28
Cash and cash equivalents			6		56		62
Other investment income			38		61		99
Gross investment income	1 204	6	184	1	265	151	1 811
Investment expenses						–199	–199
Net investment income	1 204	6	184	1	265	–48	1 612

[1] Investment income includes interest on financial assets measured at fair value through profit or loss calculated based on the effective interest rate as well as dividend income.

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 1 830 million and USD 1 436 million for the six months ended 30 June 2024 and 2023, respectively.

Investment gains/losses

For the six months ended 30 June

2024 USD millions	Investment gains/ losses from financial assets/liabilities measured at: Fair value through other comprehensive income	Fair value through profit or loss	Fair value through profit or loss (designated)	Amortised cost	Other investment gains/losses[1]	Total
Un/realised gains/losses on:						
Fixed income securities	−25	−31	4			**−52**
Equity investments		8				**8**
Other investments		151			−45	**106**
Insurance related derivatives		−13				**−13**
Change in expected credit losses	9			1		**10**
Foreign exchange gains/losses					96	**96**
Investment gains/losses	**−16**	**115**	**4**	**1**	**51**	**155**

[1] Gains/losses on "Other investments" include impairment losses of USD 32 million related to investment property as well as USD 13 million related to equity method investments.

2023 USD millions	Investment gains/ losses from financial assets/liabilities measured at: Fair value through other comprehensive income	Fair value through profit or loss	Fair value through profit or loss (designated)	Amortised cost	Other investment gains/losses[1]	Total
Un/realised gains/losses on:						
Fixed income securities	−60	22	1			−37
Equity investments		32				32
Other investments		−5		−1	−93	−99
Insurance related derivatives		−7				−7
Change in expected credit losses	−17			−10		−27
Foreign exchange gains/losses					140	140
Investment gains/losses	−77	42	1	−11	47	2

[1] Gains/losses on "Other investments" include impairment losses of USD 92 million related to investment property.

Change in expected credit losses related to financial assets presented within "Other assets" is recognised in "Other expenses" and amounted to losses of USD 42 million and nil for the six months ended 30 June 2024 and 2023, respectively.

Carrying amounts of investments and other liabilities
Total investments by measurement category

As of 30 June 2024

	Financial assets by measurement category						
2024 USD millions	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/liabilities	Total
Cash and cash equivalents			296		2 996		**3 292**
Investments							
Fixed income securities	81 334		3 631	53			**85 018**
Equity investments		1 062	23				**1 085**
Mortgages and other loans			8		5 815		**5 823**
Investment property						2 424	**2 424**
Other invested assets							
Derivative financial instruments			590				**590**
Reverse repurchase agreements					2 436		**2 436**
Securities borrowing					548		**548**
Equity-accounted investments						491	**491**
Other			3 979		660		**4 639**
Total investments	**81 334**	**1 062**	**8 231**	**53**	**9 459**	**2 915**	**103 054**

[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 expected credit loss ("ECL") allowances.

As of 31 December 2023

	Financial assets by measurement category						
2023 USD millions	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/liabilities	Total
Cash and cash equivalents			154		4 401		4 555
Investments							
Fixed income securities	83 412		2 349	50			85 811
Equity investments		1 133	15				1 148
Mortgages and other loans			8		5 905		5 913
Investment property						2 486	2 486
Other invested assets							
Derivative financial instruments			1 400				1 400
Reverse repurchase agreements					2 677		2 677
Securities borrowing					310		310
Equity-accounted investments						482	482
Other			3 601		1 030		4 631
Total investments	83 412	1 133	7 373	50	9 922	2 968	104 858

[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 expected credit loss ("ECL") allowances.

Financial assets measured at amortised cost with a carrying amount of USD 2 149 million and USD 2 720 million as of 30 June 2024 and 31 December 2023, respectively, were included in "Other assets".

Financial assets measured at fair value through profit and loss with a carrying amount of USD 689 million and USD 795 million as of 30 June 2024 and 31 December 2023, respectively, were included in "Other assets".

Other liabilities by measurement category

As of 30 June 2024

2024 USD millions	Financial liabilities by measurement category Fair value through profit or loss	Amortised cost	Non-financial liabilities	Total
Other liabilities				
Derivative financial instruments	766			**766**
Repurchase agreements		182		**182**
Securities lending		72		**72**
Securities sold short	984			**984**
Other		2 139	1 482	**3 621**
Other liabilities	**1 750**	**2 393**	**1 482**	**5 625**

As of 31 December 2023

2023 USD millions	Financial liabilities by measurement category Fair value through profit or loss	Amortised cost	Non-financial liabilities	Total
Other liabilities				
Derivative financial instruments	1 510			1 510
Repurchase agreements		153		153
Securities lending		15		15
Securities sold short	236			236
Other		3 005	1 720	4 725
Other liabilities	1 746	3 173	1 720	6 639

Risk concentration of fixed income securities

As of 30 June 2024 and 31 December 2023

USD millions	**2024**	2023
Debt securities issued by governments and government agencies:		
US Treasury and other US government corporations and agencies	**15 613**	13 012
US Agency securitised products	**5 501**	4 440
States of the United States and political subdivisions of the states	**1 126**	1 235
Canada	**3 564**	3 557
Japan	**2 192**	2 899
United Kingdom	**2 925**	2 732
France	**2 265**	2 260
Australia	**1 890**	2 023
Other	**10 377**	11 529
Total	**45 453**	43 687
Corporate debt securities	**34 495**	37 198
Securitised products	**5 070**	4 926
Fixed income securities	**85 018**	85 811

Equity instruments designated at FVOCI
The Group has designated certain equity investments as measured at fair value through other comprehensive income because it intends to hold them long term. Please refer to the "Total investments by measurement category" and "Net investment income" disclosures for the respective fair value and dividend income.

Maturity analysis for financial assets

As of 30 June 2024 and 31 December 2023

USD millions	2024 Fixed income securities	2024 Mortgages and other loans	2023 Fixed income securities	2023 Mortgages and other loans
Due within one year	16 727	250	17 290	102
Due between one and five years	28 921	2 518	28 934	2 431
Due between five and ten years	14 259	1 406	14 298	1 555
Due after ten years	21 711	1 649	21 856	1 825
Securitised products with no fixed maturity	3 400		3 433	
Total carrying value	**85 018**	**5 823**	**85 811**	**5 913**

Offsetting of financial assets and financial liabilities

As of 30 June 2024

2024 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	590		**590**	–379	–59	**152**
Reverse repurchase agreements	4 991	–2 555	**2 436**		–2 436	**0**
Securities borrowing	555	–7	**548**		–548	**0**
Total	**6 136**	**–2 562**	**3 574**	**–379**	**–3 043**	**152**

2024 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	–766		**–766**	379	289	**–98**
Repurchase agreements	–2 337	2 155	**–182**		182	**0**
Securities lending	–479	407	**–72**		72	**0**
Total	**–3 582**	**2 562**	**–1 020**	**379**	**543**	**–98**

As of 31 December 2023

2023 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	1 400		1 400	–970	–194	236
Reverse repurchase agreements	3 947	–1 270	2 677		–2 677	0
Securities borrowing	310		310		–310	0
Total	5 657	–1 270	4 387	–970	–3 181	236

2023 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	–1 510		–1 510	970	297	–243
Repurchase agreements	–1 023	870	–153		153	0
Securities lending	–415	400	–15		15	0
Total	–2 948	1 270	–1 678	970	465	–243

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, 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.

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. Management believes that master netting agreements or similar agreements provide for legally enforceable set-off in the event of default, which substantially reduces credit exposure. Upon occurrence of an event of default, the non-defaulting party may set off the obligation against collateral received regardless if it has been offset on the balance sheet prior to the defaulting event. The net amounts of the financial assets and liabilities presented on the balance sheet were recognised in "Other invested assets" and "Other liabilities".

Transferred assets and collateral

Collateral pledged by the Group excluding securities lending and repurchase agreements

As of 30 June 2024 and 31 December 2023, financial assets, excluding cash and cash equivalents, as well as investments in subsidiaries with a carrying value of USD 17 100 million and USD 17 979 million, respectively, were placed on deposit with regulatory agencies or posted to secure certain reinsurance, derivative and debt liabilities.

As of 30 June 2024 and 31 December 2023, a real estate portfolio with a carrying value of USD 196 million and USD 207 million, respectively, served as collateral for a credit facility.

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

As of 30 June 2024 and 31 December 2023, 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	2024	2023
Cash equivalents	204	1 191
Fixed income securities	17 800	15 454
Total investments	**18 004**	16 645
Corresponding liabilities recognised for the obligation to return collateral	254	168

The Group continues to recognise the transferred securities in their entirety because it retains substantially all of the risks and rewards of ownership. Corresponding liabilities were recognised in "Other liabilities".

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

As of 30 June 2024 and 31 December 2023, the fair value of assets accepted as collateral and other securities received where the Group is permitted to sell or repledge was USD 23 551 million and USD 22 267 million, respectively. Of this, the amount of USD 1 692 million and USD 1 085 million was sold or repledged as of 30 June 2024 and 31 December 2023. Securities received are not recognised in the balance sheet and the Group is obliged to return equivalent securities.

Investment property

As of 30 June 2024 and 31 December 2023

USD millions	2024	2023
Gross carrying amount as of 1 January	**3 759**	3 671
Additions		
From subsequent expenditure recognised as an asset	**35**	75
Disposals		–145
Transfer to and from owner-occupied property	**20**	
Effect of foreign exchange	**–105**	158
Other movements	**24**	
Gross carrying amount as of period end	**3 733**	3 759
Cumulative depreciation and impairment as of 1 January	**–1 273**	–984
Depreciation	**–29**	–66
Impairments	**–32**	–214
Disposals		47
Transfer to and from owner-occupied property	**–14**	
Effect of foreign exchange	**39**	–56
Cumulative depreciation and impairment as of period end	**–1 309**	–1 273
Carrying amount	**2 424**	2 486
Fair value	**5 343**	5 541

Amounts recognised in profit or loss

For the six months ended 30 June

USD millions	2024	2023
Rental income from investment property	**129**	123
Direct operating expenses arising from investment property that generated rental income during the period	**–30**	–26
Total amount recognised in profit or loss	**99**	97

7 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 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 private equity, less liquid corporate debt securities and certain asset-backed securities (ABS). 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 consumed from public exchanges. Therefore, MMFs are classified as level 1 instruments.

Fixed income securities mainly comprise of debt securities issued by governments and government agencies, corporate debt securities and securitised products, of which the majority are mortgage- and asset-backed securities.

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 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 indicative or non-executable market data, instruments are categorised within level 2.

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 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 mainly 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, as they do not have an active exit market. For 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 financial 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 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 financial liabilities 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.

Investment property is fair valued primarily by 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.

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 processes for level 3
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 30 June 2024 and 31 December 2023, the allocation of assets and liabilities by level of input was as follows:

2024 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	296			**296**
Fixed income securities	35 740	48 311	967	**85 018**
Equity investments	168	10	907	**1 085**
Derivative financial instruments	7	561	22	**590**
Mortgages and other loans			8	**8**
Other financial assets	315	96	3 568	**3 979**
Other assets[1]	281		408	**689**
Total assets measured at fair value on a recurring basis	**36 807**	**48 978**	**5 880**	**91 665**
Assets measured at fair value on a non-recurring basis				
Investment property[2]			54	**54**
Total assets measured at fair value on a non-recurring basis	**0**	**0**	**54**	**54**
Assets not measured at fair value but for which the fair value is disclosed				
Mortgages and other loans		47	5 514	**5 561**
Investment property			5 289	**5 289**
Other financial assets		146	37	**183**
Total assets not measured at fair value but for which the fair value is disclosed	**0**	**193**	**10 840**	**11 033**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments	–9	–724	–33	**–766**
Other financial liabilities	–93	–891		**–984**
Total liabilities measured at fair value on a recurring basis	**–102**	**–1 615**	**–33**	**–1 750**
Liabilities not measured at fair value but for which the fair value is disclosed				
Long-term debt	–2 218	–3 319	–2 097	**–7 634**
Short-term debt		–775	–1	**–776**
Total liabilities not measured at fair value but for which the fair value is disclosed	**–2 218**	**–4 094**	**–2 098**	**–8 410**

[1] Reflects unit-linked and insurance-linked mortgage loan investments presented in "Other assets".
[2] In the second quarter of 2024, the carrying amount of certain investment properties was written down to their respective fair values.

2023 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	154			154
Fixed income securities	25 411	59 672	728	85 811
Equity investments	75	99	974	1 148
Derivative financial instruments	5	1 365	30	1 400
Mortgages and other loans			8	8
Other financial assets	54	110	3 437	3 601
Other assets[1]	325		470	795
Total assets measured at fair value on a recurring basis	26 024	61 246	5 647	92 917
Assets measured at fair value on a non-recurring basis				
Investment property[2]			562	562
Total assets measured at fair value on a non-recurring basis	0	0	562	562
Assets not measured at fair value but for which the fair value is disclosed				
Mortgages and other loans		73	5 594	5 667
Investment property			4 979	4 979
Other financial assets		144	43	187
Total assets not measured at fair value but for which the fair value is disclosed	0	217	10 616	10 833
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments	–3	–1 456	–51	–1 510
Other financial liabilities	–32	–204		–236
Total liabilities measured at fair value on a recurring basis	–35	–1 660	–51	–1 746
Liabilities not measured at fair value but for which the fair value is disclosed				
Long-term debt		–4 861	–2 282	–7 143
Short-term debt		–1 279	–2	–1 281
Total liabilities not measured at fair value but for which the fair value is disclosed	0	–6 140	–2 284	–8 424

[1] Reflects unit-linked and insurance-linked mortgage loan investments presented in "Other assets".
[2] In the fourth quarter of 2023, the carrying amount of certain investment properties was written down to their respective fair values.

Assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3)
The following tables shows a reconciliation from the opening balances to the closing balances for recurring fair value measurements in level 3 of the fair value hierarchy and analyses the total gains and losses recognised in the income statement and OCI as of 30 June 2024 and 31 December 2023:

2024 USD millions	Fixed income securities	Equity investments	Derivative financial instruments	Mortgages and other loans	Other financial assets	Other assets	Total assets	Derivative financial instruments	Total liabilities
Balance as of 1 January	**728**	**974**	**30**	**8**	**3 437**	**470**	**5 647**	**–51**	**–51**
Realised/unrealised gains/losses:									
Included in net income[1]	–1		47	–2	69	–13	**100**	–9	**–9**
Included in other comprehensive income[2]	–3	–81					**–84**		**0**
Purchases	5	12		4	164	15	**200**		**0**
Sales	–126			–2	–111	–51	**–290**		**0**
Settlements	–62		–55				**–117**	26	**26**
Transfers into level	506				22		**528**		**0**
Transfers out of level	–78						**–78**		**0**
Impact of foreign exchange movements	–2	2			–13	–13	**–26**	1	**1**
Closing balance as of 30 June	**967**	**907**	**22**	**8**	**3 568**	**408**	**5 880**	**–33**	**–33**

[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.

2023 USD millions	Fixed income securities	Equity investments	Derivative financial instruments	Mortgages and other loans	Other financial assets	Other assets	Total assets	Derivative financial instruments	Total liabilities
Balance as of 1 January	957	594	56	25	3 167	517	5 316	–47	–47
Realised/unrealised gains/losses:									
Included in net income[1]	8	–1	108		116	2	233	–15	–15
Included in other comprehensive income[2]	21	14					35		0
Purchases		376		8	356	30	770		0
Sales		–1		–28	–208	–96	–333		0
Settlements	–139		–134	2			–271	14	14
Transfers into level	89						89		0
Transfers out of level	–212						–212		0
Impact of foreign exchange movements	4	–8		1	6	17	20	–3	–3
Closing balance as of 31 December	728	974	30	8	3 437	470	5 647	–51	–51

[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.

Transfers between fair value 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 as at the end of the reporting period.

The following tables show the level transfer for assets and liabilities measured at fair value on a recurring basis as of 30 June 2024 and 31 December 2023:

2024			**Transfers from**			**Transfers to**
USD millions	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Fixed income securities	3 575	12 306	78	11 800	3 653	506
Equity instruments	8	100		100	8	
Other financial assets		22				22
Liabilities						
Other financial liabilities	101	54		54	101	

2023			**Transfers from**			**Transfers to**
USD millions	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Fixed income securities	6 847	5 729	212	5 640	7 059	89
Equity instruments						
Other financial assets						
Liabilities						
Other financial liabilities						

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 six months ended 30 June were as follows:

USD millions	**2024**	2023
Gains/(losses) included in net income for the period	**91**	151
Whereof change in unrealised gains/losses relating to assets and liabilities still held at the reporting date	**56**	123

Financial instruments in fair value hierarchy level 3: Unobservable inputs used in measuring fair value
The table below sets out information about unobservable inputs used in measuring financial instruments categorised in level 3 of the fair value hierarchy as of 31 December 2023 and 30 June 2024:

USD millions Type of financial instrument	2023 Fair value	**2024** Fair value	Valuation technique	Significant unobservable input
Assets				
Fixed income securities	728	**967**		
Securitised products	341	585	Discounted cash flow model	Credit spread
Private placement corporate debt	387	382	Discounted cash flow model	Credit spread
Equity investments	974	**907**		
Private equity	974	907	Discounted cash flow model / Peer multiples approach / Market capitalisation method	Financial statements multiples / Cashflow projections / Earnings projections
Derivative financial instruments	30	**22**		
Weather contracts	4	7	Proprietary option model	Risk margin Volatility (temperature) Index value (temperature)
Mortgages and other loans	8	**8**		
Infrastructure loans	7	7	Discounted cash flow model	Valuation spread
Other financial assets	3 437	**3 568**		
Private equity funds	3 437	3 546	Net asset value	n/a
Other assets	470	**408**		
Insurance-linked mortgage loans	470	408	Discounted cash flow model	Lapse rate Mortality rate
Liabilities				
Derivative financial instruments	–51	**–33**		
Weather contracts	–47	–26	Proprietary option model	Risk margin Correlation Volatility (power/gas) Volatility (temperature) Index value (temperature)

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 mortgage-backed securities 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.

The significant unobservable input used in the fair value measurement of the Group's private equity is dependent on the valuation technique utilised, ie financial statements multiples, cash flow and/or earnings projections. A significant increase (decrease) in this input in isolation would result in a significantly higher (lower) fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Group's weather contracts are risk margin, correlation, volatility and index value. Where the Group has a long position, a significant increase (decrease) in the risk margin input in isolation would result in a significantly higher (lower) fair value measurement. Where the Group has a long volatility or correlation position, a significant increase (decrease) in the correlation and volatility inputs would result in a significantly higher (lower) fair value measurement. Where the Group has a long index position, an increase (decrease) in the index value input in isolation would result in a significantly higher (lower) fair value measurement. Where the Group has a short position, a significant increase (decrease) in the risk margin input in isolation would result in a significantly lower (higher) fair value measurement. Where the Group has a short volatility or correlation position, a significant increase (decrease) in the correlation and volatility inputs would result in a significantly lower (higher) fair value measurement. Where the Group has a short index position, an increase (decrease) in the index value 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 infrastructure loans is valuation 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 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 decrease (increase) in the mortality rates in isolation would result in a significantly higher (lower) fair value measurement. A significant decrease (increase) in the lapse rates in isolation would result in a significantly higher (lower) fair value measurement.

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8 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 30 June 2024 and 31 December 2023, the notional amounts of derivatives designated as hedging instruments outstanding were as follows:

	Maturity by nominal amount			
2024 USD millions	Due within one year	Due between one and five years	Due after five years	Notional amount assets/liabilities
Derivatives designated as hedging instruments				
Fair value hedges				
Interest rate contracts	278	278	858	1 414
Cash flow hedges				
Interest rate contracts				
Hedge of net investment in foreign operations				
Foreign exchange contracts	8 809			8 809
Total	**9 087**	**278**	**858**	**10 223**

	Maturity by nominal amount			
2023 USD millions	Due within one year	Due between one and five years	Due after five years	Notional amount assets/liabilities
Derivatives designated as hedging instruments				
Fair value hedges				
Interest rate contracts	297	297	884	1 478
Cash flow hedges				
Interest rate contracts	204			204
Hedge of net investment in foreign operations				
Foreign exchange contracts	5 324			5 324
Total	5 825	297	884	7 006

As of 30 June 2024 and 31 December 2023, the fair values of derivatives outstanding were as follows:

2024 USD millions	Fair value assets Due within one year	Due between one and five years	Due after five years	Total fair value assets
Derivatives not designated as hedging instruments				
Interest rate contracts	14	131	162	**307**
Foreign exchange contracts	85	83	13	**181**
Equity contracts	8	17	19	**44**
Credit contracts				**0**
Other contracts	7	2	12	**21**
Total	**114**	**233**	**206**	**553**
Derivatives designated as hedging instruments				
Fair value hedges				
Interest rate contracts				**0**
Cash flow hedges				
Interest rate contracts				**0**
Hedge of net investment in foreign operations				
Foreign exchange contracts	37			**37**
Total	**37**	**0**	**0**	**37**
Total net amount of derivative financial instruments				**590**

2023 USD millions	Fair value assets Due within one year	Due between one and five years	Due after five years	Total fair value assets
Derivatives not designated as hedging instruments				
Interest rate contracts	7	115	126	248
Foreign exchange contracts	766	73	14	853
Equity contracts	5	16	5	26
Credit contracts	1			1
Other contracts	118	119	23	260
Total	897	323	168	1 388
Derivatives designated as hedging instruments				
Fair value hedges				
Interest rate contracts				
Cash flow hedges				
Interest rate contracts	12			12
Hedge of net investment in foreign operations				
Foreign exchange contracts				
Total	12			12
Total net amount of derivative financial instruments[1]				1 400

[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".

		Fair value liabilities		
Due within one year	Due between one and five years	Due after five years	**Total fair value liabilities**	**Carrying value assets/liabilities**
–29	–68	–131	**–228**	**79**
–114	–31	–14	**–159**	**22**
–24	–113		**–137**	**–93**
–1			**–1**	**–1**
–29	–6		**–35**	**–14**
–197	**–218**	**–145**	**–560**	**–7**
–6	–13	–177	**–196**	**–196**
			0	**0**
–10			**–10**	**27**
–16	**–13**	**–177**	**–206**	**–169**
			–766	**–176**

		Fair value liabilities		
Due within one year	Due between one and five years	Due after five years	**Total fair value liabilities**	**Carrying value assets/liabilities**
–3	–132	–95	–230	18
–696	–9	–19	–724	129
–19	–94		–113	–87
–3			–3	–2
–163			–163	97
–884	–235	–114	–1 233	155
–7	–20	–186	–213	–213
				12
–64			–64	–64
–71	–20	–186	–277	–265
			–1 510	–110

The fair value liabilities are included in “Other liabilities”.

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 in the income statement.

For the six months ended 30 June 2024 and 2023, the gains and losses of derivative financial instruments not designated as hedging instruments were as follows:

USD millions	2024	2023
Derivatives not designated as hedging instruments		
Interest rate contracts		16
Foreign exchange contracts	**–57**	104
Equity contracts	**–35**	–202
Credit contracts	**4**	–61
Other contracts	**44**	78
Total	**–44**	–65

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.

Swiss Re assesses periodically whether the hedging relationship meets the hedge effectiveness requirements. One of the effectiveness requirements is that an economic relationship exists between the hedging instrument and the hedged item, or in other words, that the hedging instrument and the hedged item have values that will generally move in opposite directions. Swiss Re can use an array of methods, qualitative and quantitative, that capture the relevant characteristics of the hedging relationship, including the sources of hedge ineffectiveness. This mostly includes the critical terms method (qualitative assessment of the critical terms of the hedged item and hedging instrument), simple scenario analysis method (hypothetical derivative method) and linear regression analysis method. The method used depends primarily on the complexity of the relationship between the hedged item and hedging instrument.

Swiss Re carefully considers the economic relationship between the 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 of fixed rate debt positions. These derivative instruments are designated as hedging instruments in qualifying fair value hedges. The main sources of ineffectiveness are the differences between the repricing dates of the swaps and the debt positions.

For the six months ended 30 June 2024 and 2023, the gains and losses attributable to the hedged risks were as follows:

USD millions	2024 Interest expenses	2023 Interest expenses
Interest rate contracts		
Gains/losses on derivatives	**–6**	37
Gains/losses on hedged items	**6**	–34

As of 30 June 2024 and 31 December 2023, the carrying values of the hedged liabilities, and the cumulative amounts of fair value hedging adjustments included therein, recognised in the balance sheet, were as follows:

	2024		2023	
USD millions	Carrying value	Cumulative basis adjustment	Carrying value	Cumulative basis adjustment
Liabilities				
Short-term debt	**–276**	**2**	–293	4
Long-term debt	**–953**	**180**	–1 001	177

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.

As of 30 June 2024, and 31 December 2023, the cash flow hedge reserve amounted to nil and a net gain of USD 12 million, respectively. The forecast transaction took place in the first quarter of 2024 and the associated bonds were subsequently sold. For the six months ended 30 June 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 was reclassified to the income statement.

Hedges of the net investment in foreign operations
The Group designates derivative and non-derivative monetary financial instruments as hedging the foreign currency exposure of its net investment in certain foreign operations. 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 exceed the cumulative change in fair value of the hedged item, both calculated from inception of the hedge (overhedge).

For the six months ended 30 June 2024 and 2023, the Group recorded an accumulated net unrealised foreign currency remeasurement gain of USD 228 million and a loss of USD 108 million, respectively, in "Other comprehensive income – Foreign currency translation". These offset translation gains and losses on the hedged net investment. As of 30 June 2024, and 31 December 2023, the total foreign currency translation reserve amounted to a net loss of USD 46 million and a net loss of USD 274 million, respectively.

9 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 is measured at amortised cost.

The Group's debt as of 30 June 2024 and 31 December 2023 was as follows:

USD millions	2024	2023
Senior debt	277	294
Subordinated debt	500	500
Contingent capital instruments classified as debt		494
Short-term debt	**777**	1 288
Senior debt	1 182	1 200
Subordinated debt	6 123	5 477
Long-term debt	**7 305**	6 677
Total carrying value	**8 082**	7 965
Total fair value	**8 410**	8 424
Subordinated debt classified as equity	1 839	1 839
Perpetual capital instruments classified as equity	**1 839**	1 839

As of 30 June 2024 and 31 December 2023, operational debt, ie debt related to operational leverage, amounted to:

USD millions	2024	2023
Operational debt	1 703	1 746
Thereof limited- or non-recourse	1 599	1 644

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 30 June 2024 and 31 December 2023, long-term debt as reported above had the following maturities:

	2024		2023	
USD millions	Carrying value	Undiscounted cash flows[1]	Carrying value	Undiscounted cash flows[1]
Due between one and five years	3 087	3 626	2 346	2 682
Due between five and ten years	2 303	3 267	2 371	3 120
Due after ten years	1 915	3 911	1 960	4 023
Total	**7 305**	**10 804**	6 677	9 825

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

Changes in liabilities arising from financing activities

As of 30 June 2024

2024 USD millions	Short-term debt issued	Long-term debt issued	Total
Balance as of 1 January	**1 288**	**6 677**	**7 965**
Financing cash flows	–501	714	**213**
Effect of foreign exchange	–19	–78	**–97**
Reclassifications from long-term to short-term debt			**0**
Other	9	–8	**1**
Balance as of 30 June	**777**	**7 305**	**8 082**

As of 31 December 2023

2023 USD millions	Short-term debt issued	Long-term debt issued	Total
Balance as of 1 January	790	8 525	9 315
Financing cash flows	–806	–810	–1 616
Effect of foreign exchange	22	175	197
Reclassifications from long-term to short-term debt	1 251	–1 251	0
Other	31	38	69
Balance as of 31 December	1 288	6 677	7 965

Financing costs
Financing costs for the six months ended 30 June 2024 and 2023 were as follows:

USD millions	**2024**	2023
Senior debt	**25**	27
Subordinated debt	**154**	173
Contingent capital instruments classified as debt		13
Interest expense on long-term debt	**179**	213
Interest expense on short-term debt	**19**	7
Net impact of hedging		–3
Other	**36**	35
Total financing costs	**234**	252

Long-term debt issued in 2024
In April 2024, Swiss Re Subordinated Finance Plc, a subsidiary of Swiss Re Ltd, issued 11-year guaranteed subordinated fixed-to-floating rate notes, which are callable from 5 January 2034. The notes have an aggregate face value of USD 750 million, with a fixed coupon of 5.698% until the reset date on 5 April 2034. The notes are guaranteed on a subordinated basis by Swiss Re Ltd.

Convertible debt
In June 2018, Swiss Re Ltd issued six-year senior unsecured exchangeable notes with issuer stock settlement. The notes had a face value of USD 500 million, with a fixed coupon of 3.25% per annum, payable semi-annually in arrear until the maturity date (13 June 2024). In accordance with the conditions of the notes, noteholders exercised their right to exchange their notes for ordinary shares of Swiss Re Ltd in respect of the full principal amount between January 2024 and the maturity date. Swiss Re Ltd elected to settle all noteholder-initiated exchanges in cash and, accordingly, no new Swiss Re Ltd shares were issued. The call options on Swiss Re Ltd shares purchased by Swiss Re Ltd to economically offset the settlement of the noteholder-initiated exchanges were exercised.

Subsequent events
On 8 July 2024, Swiss Re delivered a notice of early redemption to holders of its USD 1 billion Guaranteed Perpetual Subordinated Fixed Spread Callable Notes issued by Swiss Re Finance (Luxembourg) S.A. and guaranteed by Swiss Reinsurance Company Ltd of which USD 631 million in aggregate principal amount is outstanding, electing to redeem the notes on 4 September 2024 in accordance with the terms of the notes.

On 15 July 2024, Swiss Re delivered a notice of early redemption to holders of its USD 500 million Subordinated Fixed Rate Resettable Callable Loan Notes with a scheduled maturity in 2044 issued by Swiss Reinsurance Company Ltd (originally issued by Swiss Re Corporate Solutions Ltd) of which USD 500 million in aggregate principal amount is outstanding, electing to redeem the notes on 11 September 2024 in accordance with the terms of the notes.

10 Earnings per share

Earnings per share for the six months ended 30 June were as follows:

USD millions (except share data)	2024	2023
Basic earnings per share		
Net income/loss	**2 097**	1 801
Coupon paid on perpetual capital instruments	**–62**	–89
Non-controlling interests	**–9**	–13
Net income/loss attributable to common shareholders	**2 026**	1 699
Weighted average common shares outstanding	**290 692 343**	289 438 373
Net income/loss per share in USD	**6.97**	5.87
Net income/loss per share in CHF[1]	**6.19**	5.36
Effect of dilutive securities		
Change in income/loss available to common shares due to convertible debt	**4**	12
Change in average number of shares due to convertible debt	**2 488 121**	5 310 054
Change in average number of shares due to employee options	**1 929 419**	1 293 259
Diluted earnings per share		
Net income/loss assuming debt conversion and exercise of options	**2 030**	1 711
Weighted average common shares outstanding	**295 109 883**	296 041 686
Net income/loss per share in USD	**6.88**	5.78
Net income/loss per share in CHF[1]	**6.11**	5.28

[1] The translation from USD to CHF is shown for informational purposes only and has been calculated using the Group’s average exchange rates.

Dividends are declared in US dollars in line with the Group's reporting currency and are paid in Swiss francs. During the six months ended 30 June 2024 and the year ended 31 December 2023, the parent company of the Group (Swiss Re Ltd) paid dividends per share of CHF 6.22 (USD 6.80) and CHF 5.69 (USD 6.40), respectively.

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Cautionary note on forward-looking statements

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

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

- macro-economic events or developments including inflation rates, increased volatility of, and/or disruption in, global capital, credit, foreign exchange and other markets and their impact on the respective prices, interest and exchange rates and other benchmarks of such markets;
- elevated geopolitical risks or tensions which may consist of conflicts arising in and between, or otherwise impacting, countries that are operationally and/or financially material to the Group or significant elections that may result in domestic and/or regional political tensions as well as contributing to or causing macro-economic events or developments as described above;
- the frequency, severity and development of, and losses associated with, insured claim events, particularly natural catastrophes, human-made disasters, pandemics, social inflation litigation, acts of terrorism or acts of war, including the ongoing war in Ukraine as well as conflicts in the Middle East, and any associated governmental and other measures such as sanctions, expropriations and seizures of assets as well as the economic consequences of the foregoing;
- the Group's adherence to standards related to environmental, social and governance ("ESG"), sustainability and corporate social responsibility ("CSR") matters and ability to fully achieve goals, targets, ambitions or stakeholder expectations related to such matters;
- the Group's ability to achieve its strategic objectives;
- legal actions or regulatory investigations or actions, including in respect of industry requirements or business conduct rules of general applicability, the intensity and frequency of which may also increase as a result of social inflation;
- central bank intervention in the financial markets, trade wars or other protectionist measures relating to international trade arrangements, adverse geopolitical events, domestic political upheavals or other developments that adversely impact global economic conditions;

- mortality, morbidity and longevity experience;
- the cyclicality of the reinsurance sector;
- the Group's ability to maintain sufficient liquidity and access to capital markets, including sufficient liquidity to cover potential recapture of reinsurance agreements, early calls of debt or debt-like arrangements and collateral calls due to actual or perceived deterioration of the Group's financial strength or otherwise;
- the Group's inability to realise amounts on sales of securities on the Group's balance sheet equivalent to their values recorded for accounting purposes;
- the Group's inability to generate sufficient investment income from its investment portfolio, including as a result of fluctuations in the equity and fixed income markets, the composition of the investment portfolio or otherwise;
- changes in legislation and regulation or the interpretations thereof by regulators and courts, affecting the Group or its ceding companies, including as a result of comprehensive reform or shifts away from multilateral approaches to regulation of global operations;
- matters negatively affecting the reputation of the Group, its board of directors or its management;
- the lowering, loss or giving up of one of the financial strength or other ratings of one or more companies in the Group, and developments adversely affecting its ability to achieve improved ratings;
- uncertainties in estimating reserves, including differences between actual claims experience and underwriting and reserving assumptions, including in Life & Health and in Property & Casualty Reinsurance due to higher costs caused by pandemic-related or inflation and supply chain issues;
- changes in our policy renewal and lapse rates and their impact on the Group's business;
- the outcome of tax audits, the ability to realise tax loss carryforwards and the ability to realise deferred tax assets (including by reason of the mix of earnings in a jurisdiction or deemed change of control), which could negatively impact future earnings, and the overall impact of changes in tax regimes on the Group's business model;
- changes in accounting estimates or assumptions that affect reported amounts of assets, liabilities, revenues or expenses, including contingent assets and liabilities as well as changes in accounting standards, practices or policies, including the Group's decision to transition from US GAAP to IFRS beginning 1 January 2024;
- strengthening or weakening of foreign currencies;
- reforms of, or other potential changes to, benchmark reference rates;
- failure of the Group's hedging arrangements to be effective;
- significant investments, acquisitions or dispositions, and any delays, unforeseen liabilities or other costs, lower-than-expected benefits, impairments, ratings action or other issues experienced in connection with any such transactions;
- extraordinary events affecting the Group's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- changing levels of competition in the markets and geographies in which the Group competes;
- the effects of business disruption due to terrorist attacks, cyberattacks, natural catastrophes, public health emergencies, hostilities or other events;
- limitations on the ability of the Group's subsidiaries to pay dividends or make other distributions; and
- operational factors, including the efficacy of risk management or the transition to IFRS as well as other internal procedures in anticipating and managing the foregoing risks.

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 Re Ltd (SRL) and its subsidiaries (collectively, the "Group" or "Swiss Re") are subject to a range of risks that could adversely impact the Group's business, financial condition, results of operations, liquidity and cash flows.

General impact of adverse market conditions
Swiss Re's operations as well as its investment returns are subject to conditions in the financial markets and macroeconomic factors. Financial, credit and foreign exchange markets are experiencing continued periods of volatility reflecting a range of political, geopolitical, economic and other uncertainties, some of the more significant of which are inter-related, including inflation.

For example, 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 resurgences. Respectively in Life & Health Reinsurance, potential increases in excess mortality, outbreaks of pandemics, higher medical costs or delayed medical care, may, as a result, represent a risk that Swiss Re's reserves may not be adequate to address such claims in the future.

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

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

Impact of the military conflict in Ukraine and other geopolitical tensions
The ongoing military conflict in Ukraine as well as in the Middle East, sanctions, rising global trade tensions, and other potential impacts on the global economic environment and currencies may cause demand for the Group's products to be volatile, cause abrupt changes in the Group's customers' buying patterns, result in higher than usual re/insurance claims (including in relation to aviation, marine and business interruption re/insurance claims), interrupt the Group's ability to supply products to these regions or to fulfil contractual obligations or limit customers' access to financial resources, which may impact such customers' ability to satisfy obligations to the Group. Events that may arise from or relating to geopolitical tensions, which may consist of conflicts arising in and between, or otherwise impacting, countries that are operationally and/or financially material to the Group or significant elections that may result in domestic and/or regional political tensions, may adversely impact the global economy and supply chain, banking and monetary systems, markets or customers of Swiss Re's products, including as a result of the enactment of associated governmental and other measures such as sanctions (which may include seizures, nationalisation or expropriations) or as a result of public or political pressure. Such events could adversely affect Swiss Re's results or operations.

Sustainability and environmental, social and governance activities and disclosures
Swiss Re's investors, shareholders, business partners, customers and other third parties, including regulators and public authorities, are increasingly focused on environmental, social and governance (ESG), sustainability and corporate social responsibility (CSR) endeavours and reporting. Swiss Re's statutory ESG reporting requirements were applicable for the first time with respect to the 2023 financial year. Swiss Re is committed to net-zero greenhouse gas emissions by 2050.

Swiss Re may be subject to greater scrutiny when it comes to its own CSR, ESG and/or sustainability endeavours and reporting and commitment to net-zero greenhouse gas emissions by 2050. If Swiss Re does not adapt to or comply with the evolving investor, shareholder, business partner or third party, including regulators and public authorities, expectations and CSR, ESG and/or sustainability recommendations, standards, norms, metrics or regulatory requirements and/or does not meet its CSR, ESG and/or sustainability targets, goals and/or ambitions, Swiss Re can be perceived to have not responded appropriately to CSR, ESG and/or sustainability recommendations, standards, norms, metrics or regulatory requirements. Furthermore, Swiss Re may suffer from reputational damage and/or litigation or regulatory proceedings, which could result in its financial condition, results of operations, business and prospects being materially and adversely affected. In addition, changes and uncertainty in relation to policies or regulations regarding sustainability, ESG or CSR matters as well as the fragmentation of ESG legislation globally, may result in potential investigation and litigation, higher regulatory and compliance costs and increased capital expenditures, which could result in Swiss Re's financial condition being materially and adversely affected.

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

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

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

Insurance, operational and other risks

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

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

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

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

Legal, regulatory and tax risks
In the ordinary course of business, the Group is involved in lawsuits, arbitrations and other formal and informal dispute resolution procedures, the outcomes of which determine the Group's rights and obligations under insurance, reinsurance or other contractual agreements. From time to time, the Group may institute, or be named as a defendant in, legal proceedings, and the Group may be a claimant or respondent in arbitration proceedings. These proceedings could involve coverage or other disputes with ceding companies, disputes with parties to which the Group transfers risk under reinsurance arrangements, disputes with other counterparties or other matters. The Group cannot predict the outcome of any of the foregoing, which could be material for the Group.

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

Changes in the legal, regulatory or tax environment
Swiss Re and its subsidiaries operate in a highly regulated environment, which continues to change over time. The regulatory regimes to which members of the Group are subject have changed significantly in recent years and are 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 patchwork of global, national and regional standards. Swiss Re and its subsidiaries are subject to group supervision and 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 legal entities and branches organised in the European Economic Area are subject to Solvency II.

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

While certain regulatory processes are designed in part to foster convergence and achieve recognition of group supervisory schemes, the Group continues to face risks of extra-territorial 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 supervision for example, to higher compliance and legal costs and risks, as well as the possibility of higher operational, capital and liquidity costs.

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

Large internationally active insurance groups (IAIGs), which are identified by group-wide supervisors based on IAIS defined criteria, are expected to become subject to a risk-based group-wide global insurance capital standard (ICS). ICS is planned to be adopted at year-end 2024, ahead of becoming a Prescribed Capital Requirement (PCR) in 2025. As an international standard, the ICS should be implemented in the local jurisdiction, i.e. for Swiss Re in Switzerland. While the Swiss insurance industry and the Swiss authorities see the Swiss Solvency Test as the Swiss implementation of the ICS, this will be tested by IAIS and IMF in the next five years through assessment programmes.

The Group can neither predict which legislative and/or regulatory initiatives will be enacted or promulgated, nor their scope and content, their date of enactment or their implications for the industry, in general, and for the Group, in particular. The Group may be subject to changes in views of 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. These changes, or inconsistencies between the various regimes that apply to the Group, could increase the costs of doing business (including due to increased capital requirements), reduce access to liquidity, limit the scope of current or future business or affect the competitive balance, or could make reinsurance less attractive to primary insurers. In 2023, some countries, including Switzerland, introduced Base Erosion and Profit Shifting (BEPS), a minimum tax scheme related to the OECD initiative to get to a worldwide minimum taxation of 15% (and other countries are expected to follow in 2024). The rules will impact the overall tax payments of the Group and will significantly increase Swiss Re's tax compliance cost.

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

The Group's solicited ratings reflect the current opinion of the rating agencies with whom we maintain an interactive rating relationship for the purpose of solicited ratings. One or more of the Group's ratings could be downgraded or withdrawn in the future, or the Group may decide to give up such rating voluntarily. In addition, unsolicited ratings may also be downgraded or withdrawn, such as the downgrade in April 2020 of unsolicited insurer financial strength and long-term issuer default ratings assigned to various entities within the Group. Rating agencies may, in their sole discretion, increase the frequency and scope of ratings reviews, revise their criteria or take other actions that may negatively impact the Group's ratings and/or the ratings of its legal entities, which it cannot predict. In addition, changes to the process or methodology of issuing ratings, changes in regulation, or the occurrence of events or developments affecting the Group, could adversely affect the Group's existing ratings or make it more difficult for the Group to achieve improved ratings which it would otherwise have expected. In particular, it is possible that the Group's ratings could be negatively affected by a range of factors such as challenging market environment, the level of natural catastrophe losses, underwriting performance, adequacy of reserves, changes in senior management, economic trends and financial market performance on the Group. Any of the foregoing, or a combination of the foregoing, could have a negative impact on the Group's business.

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

Pandemic risk
The emergence of new diseases or infections or future outbreaks of pandemics (including new variants of the SARS-CoV-2 virus) and the actions that may be taken to slow the spread of such diseases could have an adverse impact on communities, social and business interactions, economic activity and economies across the globe. The global insurance industry remains exposed to adverse claims with regards to additional health care costs, higher mortality and lockdown measures. Many pandemic-related developments continue to interact with long-term trends on the insurance industry. It also remains to be seen how public-private partnership initiatives may evolve to address future pandemics.

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

The Group's results may be impacted by changes in accounting standards, or changes in the interpretation of accounting standards. Changes in accounting standards could impact future reported results or require restatement of past reported results. The Group's results may also be impacted if regulatory authorities take issue with any conclusions the Group may reach in respect of accounting matters. This applies to the financial reporting under IFRS from 2024 onwards. The adoption of IFRS for the Group's consolidated accounts may also result in additional complexity in the Group's financial reporting, including the publication of financial information, or other unexpected impacts.

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-GAAP 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 business, 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), 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 arrangements, the amounts of which may be material and the meeting of which could require the Group to liquidate cash equivalents or other securities.

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

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

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

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

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Corporate calendar

14 November 2024
Nine-month 2024 results

27 February 2025
Full-year 2024 results

13 March 2025
Publication of the Annual Report 2024

11 April 2025
161st Annual General Meeting

Title:
Swiss Re Group
2024 Half-Year Report

Production:
Swiss Re Corporate Real Estate & Services/
Media Services, Zurich

The web version of the 2024 Half-Year Report
is available at: www.swissre.com/investors

CCHCC, 08/24

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