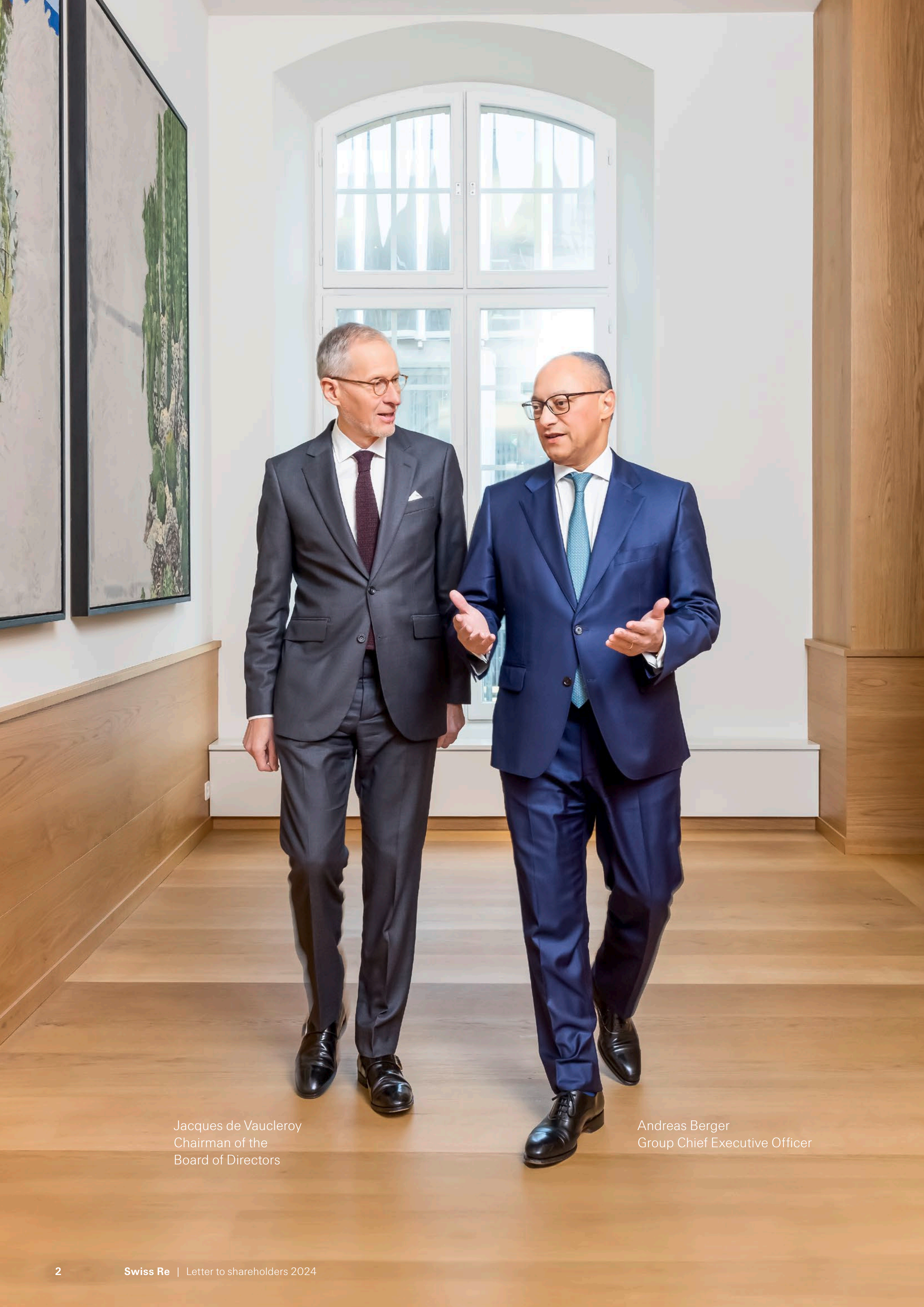
Swiss Re

Annual Report 2024

Letter to shareholders



Jacques de Vaucleroy
Chairman of the
Board of Directors

Andreas Berger
Group Chief Executive Officer

Letter to shareholders

Dear Shareholders,
Throughout 2024, we sharpened our focus on improving profitability and increasing the resilience of our businesses as we built a solid foundation for future growth. The Group reported improved full-year net income of USD 3.2 billion and a return on equity (ROE) of 15%, a level that exceeds our multi-year target.

This robust result, achieved during a year in which Swiss Re took decisive action to boost overall Property & Casualty reserves to the higher end of our best-estimate range, shows we are on the right track. The Group's earnings power as well as its strong capitalisation supports the Board of Directors' decision to propose a dividend of USD 7.35 per share, which represents an 8% increase.

In 2024, Swiss Re fulfilled its core mission: supporting clients with risk knowledge and protection against peak perils – the traditional domain of reinsurers. Disciplined underwriting helped us manage a fifth consecutive year in which insured natural catastrophe losses exceeded USD 100 billion, a level now built into expectations as economic expansion, inflation and intensifying climate-related hazards contribute to losses.

Swiss Re again demonstrated its value as a shock absorber, paying claims totalling more than USD 37 billion across the Group in 2024. This included supporting our clients with life insurance claims, helping protect complex global supply chains from a multitude of threats, and mitigating the impact of natural catastrophes on individuals, institutions and economies.

A turbulent start to 2025 highlights the importance of continued vigilance. The tragic Los Angeles wildfires and powerful winter storms that hit Europe in January once again illustrate that bolstering society's defences against natural catastrophes has never been more important.

In addition, geopolitical fragmentation, macroeconomic uncertainty and changing trade conditions are driving volatility on numerous fronts, underpinning demand for insurance and reinsurance protection.

Against this backdrop, Swiss Re is working from a position of strength characterised by an outstanding client franchise and strong capitalisation. Our core businesses aim to deliver on their full potential by focusing on technical excellence, sharpening data and technology capabilities, and strengthening our client-centric performance culture. With our increased focus on cost discipline and efficiency, we are targeting a reduction in run-rate operating expenses of approximately USD 300 million by 2027.

As we focused on our core businesses, we also announced our decision to withdraw from the white label digital insurance platform iptiQ in May 2024. This process is proceeding as planned.

Group and business performance
Swiss Re reported Group net income of USD 3.2 billion, up from USD 3.1 billion in 2023, helped by resilient underwriting and investment contributions from all Business Units. Insurance revenue increased to USD 45.6 billion, from USD 43.9 billion in the previous year.

"Swiss Re is working from a position of strength characterised by an outstanding client franchise and strong capitalisation."

“Our businesses have begun the year in a strong position, and we remain focused on delivering on our 2025 financial targets.”

Swiss Re’s investment portfolio also experienced continued improvement, with our full-year return on investments (ROI) increasing materially to 4.0%, up from 3.2% in 2023. The improved 2024 performance of Swiss Re’s investment portfolio was driven by a continued contribution from recurring income where the yield rose to 4.0%, from 3.5% in 2023. In the fourth quarter, the reinvestment yield was 4.6%.

As part of our asset management activities, we also made progress on key sustainability targets, including achieving a 50% reduction of the weighted average carbon intensity of Swiss Re’s corporate bond and listed equity portfolio as of 2024, relative to the 2018 baseline[1].

Swiss Re’s capital position continues to be strong, with a Group Swiss Solvency Test (SST) ratio as of 1 January 2025 of 257%[2], above the target range of 200–250%.

The robust underwriting performance of Property & Casualty Reinsurance (P&C Re) was impacted by net prior-year reserve additions of USD 2.6 billion for the full year 2024. Nevertheless, the Business Unit reported net income of USD 1.2 billion, compared with USD 1.5 billion in 2023.

P&C Re achieved an insurance service result of USD 1.8 billion versus USD 2.8 billion in 2023, and a combined ratio of 89.9%[3], which fell short of the target of less than 87% for 2024 following decisive third-quarter reserve strengthening.

Corporate Solutions, the commercial insurance arm of Swiss Re, delivered another outstanding performance in 2024, with net income rising 26% to USD 829 million, up from USD 658 million in the prior-year period. Corporate Solutions achieved a full-year combined ratio of 89.7%[4], outperforming the target of below 93% on the strength of disciplined underwriting and stringent portfolio steering.

Life & Health Reinsurance (L&H Re) achieved its net income target of USD 1.5 billion, improving from USD 1.4 billion in 2023. This reflects healthy in-force margins and strong investment income, partially offset by adverse experience and assumption updates. With this assumption review, we have increased the resilience of L&H Re’s results going forward. These updates are fully reflected in the 2025 net income target.

Sustainability remains a lever of how we do business. We are focused on supporting our clients in the transition to a net-zero economy and building societal resilience. In accordance with Swiss regulations, our Climate Transition Plan is being published in Swiss Re’s Sustainability Report 2024.

[1] Covering Scope 1 and 2 emissions.
[2] Estimated Group SST ratio as of 1 January 2025, subject to regular review by FINMA.
[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)].

Outlook and new profitability targets
Our businesses have begun the year in a strong position, and we remain focused on delivering on our 2025 financial targets announced in December 2024.

The Group aims for a net income of more than USD 4.4 billion, while L&H Re targets a net income of USD 1.6 billion. P&C Re targets a combined ratio of less than 85% and Corporate Solutions targets a combined ratio of less than 91%. The Group maintains its multi-year ROE target of more than 14% and aims for dividend per share growth of 7% or more per year in the 2025–2027 period.

Built into these projections, we expect P&C reinsurance pricing to remain attractive, with growing demand for protection in an elevated risk environment. On 1 January 2025, P&C Re renewed treaty contracts resulting in USD 13.3 billion in premium volume, reflecting a 7% volume increase compared to the business up for renewal. The resulting portfolio quality is consistent with the Group's 2025 financial targets.

For 2025, Swiss Re is continuing its focus on improving profitability through underwriting excellence and cost discipline. We are resolute in our commitment to strengthening key processes, boosting our efficiency and serving our clients' needs as we work toward extending Swiss Re's role as a reinsurance industry leader.

With a successful 2024 behind us and strong potential for improvement in the current year, we would like to thank Swiss Re's 15 000 global employees for their passion, energy and dedication to our company.

To our shareholders, we again thank you for your steadfast support and trust as we renew our commitment to fulfilling your expectations of Swiss Re.

"For 2025, Swiss Re is continuing its focus on improving profitability through underwriting excellence and cost discipline."

Zurich, 13 March 2025

Jacques de Vaucleroy
Chairman of the Board of Directors

Andreas Berger
Group Chief Executive Officer

Corporate calendar

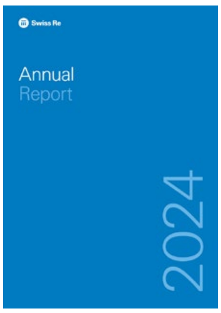
2025

11 April 2025
161st Annual General Meeting

16 May 2025
First quarter 2025 key financial data

14 August 2025
Half-year 2025 results

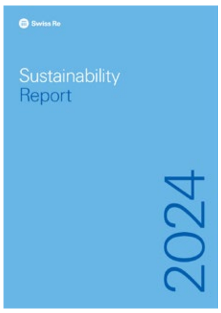
14 November 2025
Nine months 2025 key financial data



Annual Report 2024

Swiss Re's Annual Report presents the Swiss Re Group's business strategy and financial reports for 2024. It also includes disclosures on compensation, governance and risk management.

www.swissre.com/annualreport



Sustainability Report 2024

Swiss Re's Sustainability Report provides transparency on non-financial matters and includes the Group's Climate Transition Plan.

www.swissre.com/sustainabilityreport

Cautionary note on forward-looking statements

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

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

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

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

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

Swiss Re Ltd
Mythenquai 50/60
P.O. Box
8022 Zurich
Switzerland

Telephone +41 43 285 2121
www.swissre.com

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