

Swiss Reinsurance Company
Consolidated
Annual Report

2024

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Income statement

For the years ended 31 December

USD millions	Note	2024	2023
Insurance revenue	4	45 598	43 898
Insurance service expense	4	-39 137	-37 429
Insurance service result before reinsurance contracts held		6 461	6 469
Allocation of reinsurance premiums	4	-3 312	-3 771
Amounts recoverable from reinsurers for incurred claims	4	1 155	1 987
Net income/expenses from reinsurance contracts held		-2 157	-1 784
Insurance service result		4 304	4 685
Finance income/expenses from insurance contracts issued	5	-2 632	-2 521
Finance income/expenses from reinsurance contracts held	5	167	210
Insurance finance result		-2 465	-2 311
Net investment income	7	4 226	3 388
Investment gains/losses	7	434	50
Investment result		4 660	3 438
Other income	15	334	198
Other expenses	15	-2 392	-1 862
Financing costs	11	-700	-679
Income/loss before income tax expense/benefit		3 741	3 469
Income tax expense/benefit	18	-738	-691
Net income/loss		3 003	2 778
Thereof			
Net income/loss attributable to non-controlling interests		-3	30
Net income/loss attributable to common shareholder		3 006	2 748

Statement of comprehensive income

For the years ended 31 December

USD millions	2024	2023
Net income/loss	3 003	2 778
Other comprehensive income reclassifiable to income statement		
Foreign currency translation		
Change during the period	-352	-31
Reclassified to income statement		
Tax	-115	36
Cash flow hedges		
Change during the period	-7	12
Reclassified to income statement	-5	
Tax	2	-2
Net unrealised investment gains/losses on fixed income securities		
Change during the period	-624	2 634
Reclassified to income statement	-28	-146
Tax	136	-565
Finance income/expenses from insurance contracts issued		
Change during the period	1 660	-674
Reclassified to income statement		
Tax	-349	186
Finance income/expenses from reinsurance contracts held		
Change during the period	-114	102
Reclassified to income statement		
Tax	30	-27
Share of other comprehensive income of equity-method investments		
Change during the period		42
Reclassified to income statement		
Tax	-4	4
Cost of hedging		
Change during the period	205	152
Reclassified to income statement	-199	-152
Tax	-1	
Total other comprehensive income reclassifiable to income statement	235	1 571
Other comprehensive income not reclassifiable to income statement		
Remeasurement of defined benefit liability		
Change during the period	-207	630
Tax	40	-119
Net unrealised investment gains/losses on equity investments		
Change during the period	-328	-35
Tax	3	-3
Share of other comprehensive income of equity-method investments		
Change during the period	2	
Tax		
Total other comprehensive income not reclassifiable to income statement	-490	473
Total other comprehensive income	-255	2 044
Total comprehensive income	2 748	4 822
Thereof		
Total comprehensive income attributable to non-controlling interests	-23	40
Total comprehensive income attributable to common shareholder	2 771	4 782

Balance sheet

USD millions	Note	31.12.2024	31.12.2023 ¹	01.01.2023 ¹
Assets				
Cash and cash equivalents		4 091	4 467	4 026
Investments	7, 8, 9, 10			
Fixed income securities		83 615	85 937	82 493
Equity investments		759	1 071	2 178
Mortgages and other loans		8 245	6 676	4 859
Investment property		2 415	2 486	2 687
Other invested assets		8 756	8 973	7 790
Total investments		103 790	105 143	100 007
Insurance contracts issued that are assets	4	2 916	3 219	4 193
Reinsurance contracts held that are assets	4	6 573	8 626	9 239
Goodwill and other intangible assets	17	4 050	4 228	4 174
Income taxes recoverable		585	482	312
Deferred tax assets	18	2 046	2 771	2 868
Other assets		4 493	5 044	3 191
Assets held for sale ²		377		
Total assets		128 921	133 980	128 010

USD millions	Note	31.12.2024	31.12.2023 ¹	01.01.2023 ¹
Liabilities				
Insurance contracts issued that are liabilities	4	83 362	89 867	88 924
Reinsurance contracts held that are liabilities	4	3 920	3 788	3 821
Short-term debt	11	3 880	3 038	2 620
Long-term debt	11	6 322	8 157	10 104
Income taxes payable		588	455	385
Deferred tax liabilities	18	2 362	2 766	1 689
Other liabilities	7, 9, 10	7 548	8 798	7 294
Liabilities held for sale ²		888		
Total liabilities		108 870	116 869	114 837
Equity				
Common shares	13	32	32	32
Additional paid-in capital		10 606	10 351	11 335
Shares in Swiss Re Ltd				-22
Accumulated other comprehensive income		-3 872	-3 809	-5 335
Retained earnings		13 151	10 308	7 052
Shareholder's equity		19 917	16 882	13 062
Non-controlling interests		134	229	111
Total equity		20 051	17 111	13 173
Total liabilities and equity		128 921	133 980	128 010

¹ The balance sheet has been revised since the information was published in the Half-Year 2024 Report. The changes were due to adjustments made in re/insurance contracts issued and held as well as income and deferred taxes, with a total impact to "Total equity" of USD 435 million as of 1 January 2023 and USD 508 million as of 31 December 2023. In addition, there were reclassifications between "Fixed income securities" and "Mortgage and other loans" as well as between "Other invested assets" and "Other liabilities". Please refer to Note 2 "First-time adoption of IFRS" for more details.

² Please refer to Note 14 "Assets held for sale" for more details.

Statement of changes in shareholder's equity

For the years ended 31 December

2024 USD millions	Common shares	Additional paid-in capital	Shares in Swiss Re Ltd	Foreign currency translation	Cash flow hedges	Net unrealised investment gains/losses on fixed income securities
Balance as of 1 January	32	10 351	0	-2	10	-4 224
Dividends		-1 600				
Share-based payments		16				
Change in shares in Swiss Re Ltd						
Realised gains/losses on shares in Swiss Re Ltd		-10				
Transfer of gains/losses on disposal to retained earnings - net of tax						
Transactions under common control		1 849				
Transactions with non-controlling interests						
Total comprehensive income						
Net income/loss						
Other comprehensive income, net of tax				-443	-10	-513
Total comprehensive income	0	0	0	-443	-10	-513
Balance as of 31 December	32	10 606	0	-445	0	-4 737

2023 USD millions	Common shares	Additional paid-in capital	Shares in Swiss Re Ltd	Foreign currency translation	Cash flow hedges	Net unrealised investment gains/losses on fixed income securities
Balance as of 1 January¹	32	11 335	-22	0	0	-6 145
Dividends		-1 200				
Share-based payments		33				
Change in shares in Swiss Re Ltd			7			
Realised gains/losses on shares in Swiss Re Ltd		9				
Transfer of gains/losses on disposal to retained earnings - net of tax						
Transactions under common control		174	15			
Transactions with non-controlling interests						
Total comprehensive income						
Net income/loss						
Other comprehensive income, net of tax				-2	10	1 921
Total comprehensive income	0	0	0	-2	10	1 921
Balance as of 31 December	32	10 351	0	-2	10	-4 224

¹ The total equity has been revised since the information was published in the Half-Year 2024 Report. The changes were due to adjustments made in re/insurance contracts issued and held as well as income and deferred taxes, with a total impact of USD 435 million as of 1 January 2023.

Net unrealised investment gains/losses on equity investments	Cost of hedging	Finance income/ expenses from insurance contracts issued	Finance income/ expenses from reinsurance contracts held	Share of other comprehensive income of equity- method investments	Retained earnings	Shareholder's equity	Non-controlling interests	Total equity
-120	0	585	-55	-3	10 308	16 882	229	17 111
						-1 600	-11	-1 611
						16		16
						0		0
						-10		-10
2					-2	0		0
					9	1 858		1 858
						0	-61	-61
						0		
					3 006	3 006	-3	3 003
-328	5	1 304	-79	-1	-170	-235	-20	-255
-328	5	1 304	-79	-1	2 836	2 771	-23	2 748
-446	5	1 889	-134	-4	13 151	19 917	134	20 051

Net unrealised investment gains/losses on equity investments	Cost of hedging	Finance income/ expenses from insurance contracts issued	Finance income/ expenses from reinsurance contracts held	Share of other comprehensive income of equity- method investments	Retained earnings	Shareholder's equity	Non-controlling interests	Total equity
-81	0	1 067	-126	-48	7 050	13 062	111	13 173
						-1 200	-3	-1 203
						33		33
						7		7
						9		9
						0		0
						189		189
						0	81	81
						0		
					2 748	2 748	30	2 778
-39		-482	71	45	510	2 034	10	2 044
-39	0	-482	71	45	3 258	4 782	40	4 822
-120	0	585	-55	-3	10 308	16 882	229	17 111

Statement of cash flows

For the years ended 31 December

USD millions	2024	2023
Cash flow from operating activities		
Net income/loss	3 003	2 778
Adjustments to reconcile net income to net cash provided/used by operating activities:		
Depreciation, amortisation and other non-cash items	-360	-145
Investment gains/losses	-399	-50
Income from equity-method investments, net of dividends received	-33	-5
Change in:		
Insurance contracts issued	-14	603
Reinsurance contracts held	485	691
Other assets and liabilities, net	-828	180
Income taxes payable/recoverable	182	201
Trading positions, net	336	140
Net cash provided/used by operating activities	2 372	4 393
Cash flow from investing activities		
Fixed income securities:		
Sales and maturities	58 118	65 445
Purchases	-57 938	-65 800
Equity securities:		
Sales	121	2 229
Purchases	-122	-759
Securities purchased/sold under agreement to resell/repurchase, net	-191	-832
Acquisition of group companies, net of cash acquired		-42
Net purchases/sales/maturities of other investments	-348	-694
Net cash provided/used by investing activities	-360	-453
Cash flow from financing activities		
Issuance of debt	747	61
Repayment of debt	-1 582	-2 405
Payments of lease liabilities	-56	-46
Purchase/sale of shares in Swiss Re Ltd		23
Dividends paid to shareholder	-1 600	-1 200
Dividends paid to non-controlling interests	-11	-3
Transactions with non-controlling interests	-61	81
Transactions under common control	339	
Net cash provided/used by financing activities	-2 224	-3 489

USD millions	2024	2023
Total net cash provided/used	-212	451
Effect of foreign exchange	-133	-10
Change in cash and cash equivalents	-345	441
Cash and cash equivalents as of 1 January	4 467	4 026
Reclassified to assets held for sale	-31	
Cash and cash equivalents as of 31 December	4 091	4 467
Supplementary information on the statement of cash flows		
Tax paid (operating activities)	556	490
Dividends received (operating activities)	18	41
Interest received (operating activities)	3 740	3 107
Interest paid (operating activities)	695	745
Interest paid (financing activities)	14	11

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

Components of cash and cash equivalents

As of 31 December 2024 and 2023, cash and cash equivalents included USD 658 million and USD 758 million cash at bank and in hand, and USD 3 433 million and USD 3 709 million of cash equivalents, respectively.

As of 31 December 2024 and 2023, cash and cash equivalents included USD 646 million and USD 671 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 Reinsurance Company Group, which is headquartered in Zurich, Switzerland, comprises Swiss Reinsurance Company Ltd (the parent company, referred to as "SRZ") and its subsidiaries (collectively, the "Group"). The Group is a wholesale provider of reinsurance, insurance and other insurance-based forms of risk transfer as well as other insurance-related services. Working through brokers and a network of offices around the globe, the Group serves a client base consisting of insurance companies, mid- to large-sized corporations and public sector clients.

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

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

Basis of presentation

The accompanying consolidated financial statements for the year ended 31 December 2024 are the first annual consolidated financial statements prepared in accordance with IFRS Accounting Standards, including the application of IFRS 1 "First-time Adoption of International Financial Reporting Standards". The consolidated financial statements comply with Swiss law.

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

Use of judgements and estimates in the preparation of financial statements

The preparation of these consolidated financial statements requires management to use judgement and make specific estimates that affect the reported amounts of assets, liabilities, income and expenses. Material judgements and estimates primarily impact the following areas:

- Basis of consolidation
- Financial instruments classification and impairment
- Insurance contracts issued and reinsurance contracts held
- Goodwill and other intangible assets
- Income tax and related assets and liabilities
- Fair value of assets and liabilities
- Contingent liabilities
- Pension plans and other post-employment benefits

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

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

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

Insurance risk

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

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

Property and casualty risk

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

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

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

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

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

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

Life and health risk

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

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

As with the Group's property and casualty risk, assumptions which impact the liability for incurred claims are reflected in reserves for reported losses, IBNR reserves and loss adjustment expenses. The liability for incurred claims is determined by product line, country and underwriting year. The Group considers past events, claim trends, patterns of loss payments and statistical models to estimate the liability for incurred claims.

In addition to potential shock events such as severe pandemics, the underlying risks inherent in life and health contracts arise when mortality, morbidity or lapse experience deviates from expectations. These risks are described below.

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

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

See Note 12 “Risk disclosures” for further details.

Principles of consolidation

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

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

The Group also holds interests in investees, of which it owns more than 20% but the Group does not have any voting power associated with this equity interest and has therefore determined that no significant influence exists.

The Group holds interests in fund investments, in which it invests more than 20% or 50% but the Group only acts as limited partner or it has no ability to exercise power over the entity. Therefore, it has been determined that the Group has neither control nor significant influence.

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 investees 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.

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

Foreign currency remeasurement and translation

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

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

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

- "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
- "Hold to collect and sell" business model with the objective to both collect contractual cash flows and sell the financial asset
- "Other" business model which applies to financial assets not held within the "hold to collect" or "hold to collect and sell" categories and with the primary objective 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.

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

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

Financial assets measured at amortised cost

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

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

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

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

Financial assets measured at fair value through profit or loss

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

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

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

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

Financial assets designated at fair value through profit or loss

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

Impairment of financial assets

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

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

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

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

The assessment of a significant increase in credit risk is key to establishing the point of time for switching between the requirements to measure an ECL based on a 12-month or a lifetime ECL. The Group uses qualitative and quantitative factors to establish a threshold for significant increases in credit risk. Judgement is required in assessing whether the financial asset satisfies the criteria of significant increases in credit risk. Please refer to Note 8 "Expected credit loss" for further details.

The ECL method applies the following principal factors which are generally determined on an individual financial asset level: probability of default, loss given default, exposure at default and discount factor. The Group calculates the allowance for expected credit losses by using the discounted cash shortfalls that would occur in various default scenarios for prescribed future periods (loss given default) and multiplying the shortfalls by the probability of each scenario occurring (probability of default). The loss allowance is the sum of these probability-weighted outcomes. See Note 8 "Expected credit loss" for further details.

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

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

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

Fair value measurement

A significant portion of the Group's assets and liabilities are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assessing whether a transaction is orderly can be difficult if there has been a significant decrease in the volume or level of market activity for an asset or a liability. The Group considers various factors when assessing whether there has been a significant decrease in the volume or level of activity in the market as well as circumstances that may indicate that a transaction is not orderly. 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 9 "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 shareholder's 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 shareholder's equity is transferred to the income statement.

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

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

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

Repurchase and reverse repurchase agreements

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

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

Securities lending and borrowing

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

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

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

Investment property

Investment in real estate that the Group intends to hold to earn rental income and/or for capital appreciation is carried at amortised cost, net of impairment. Buildings are depreciated on a straight-line basis over a useful life of 40 years. Renovation projects during the initial 40 years that create future service potential, or which are made after the initial depreciation period of the building, are depreciated over the expected lifetime of the renovations, which usually does not exceed 40 years. Land is not depreciated. Rental income from investment property is recognised on a straight-line basis over the lease term.

An impairment test is required if there is an indication of a possible impairment. When testing investment property for impairment, the market value is determined using accepted valuation methods. The market value is then compared with the carrying amount of the investment property. Any resulting impairment loss is recognised in the income statement. If, in subsequent periods, the market value rises above the carrying amount, the previously recognised impairment loss is reversed to the extent of the difference between the impaired net carrying amount and the lower of the market value or depreciated cost before impairment.

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

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

Other invested assets

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

Insurance contracts

Scope

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

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

- Cash flows embedded in an insurance contract that respond in a similar way to stand-alone derivatives (embedded derivatives). The Group applies IFRS 9 to determine if an embedded derivative should be separated from the insurance contract and accounted for under IFRS 9.
- Investment components that are 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 of whether the contract transfers significant insurance risk on a "reasonably self-evident" basis, or whether a reinsurance contract transfers substantially all the insurance risk. A quantitative assessment requires significant result variance and a possibility of a loss from a scenario with commercial substance. The assessment of significant insurance risk is conducted on a contract-by-contract basis at inception.

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

The Group applies the General Measurement Model (GMM) to all 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 all remaining contracts. Judgement is used in determining the grouping into profitability categories. The group of insurance contracts designation is not impacted when, upon subsequent measurement, a group of profitable insurance contracts becomes onerous, or an onerous group becomes profitable due to changes in fulfilment cash flows related to future service.

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

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

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

As of 1 January 2024, the Group combines certain insurance contracts entered into simultaneously to achieve an overall commercial effect, where the policyholder and the reinsurer are the same counterparty. These result in the net retention by the Group, as presented on the balance sheet and in the income statement.

Date of recognition

The Group recognises a group of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of insurance contracts
- The date when the first payment from a policyholder in the group becomes due
- For a group of onerous insurance contracts, when the group becomes onerous

Measurement

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

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

Estimated future cash flows

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

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

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

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

Insurance acquisition cash flows are cash flows which arise from selling, underwriting or starting a group of insurance contracts and are directly attributed to the portfolio to which the group of insurance contracts belongs. Insurance acquisition cash flows relate to successful and unsuccessful efforts. They can arise internally, 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 for indications that the asset may be impaired. If an impairment loss is identified, the Group writes down the carrying amount of the asset and recognises an impairment loss in the income statement to the extent that the asset for insurance acquisition cash flows exceeds the expected future net cash inflows of the related group of insurance contracts.

The asset for insurance acquisition cash flows is of minor significance 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. For cash flows of insurance contracts that vary based on the returns of financial underlying items, the Group discounts the cash flows using rates that reflect that variability.

The determination of discount rates requires judgement as the rates for certain maturities and currencies are not directly observable in the market. Note 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 using a cost of capital method implemented via a factor-based approach. Risk adjustment factors are based on a 7% capital cost rate and an amount of allocated capital derived from the Group's internal risk model, taking Group-wide risk diversification into account on a going concern basis. The resulting risk adjustment cash flows are discounted using the same rates applied when discounting all other IFRS 17 fulfilment cash flows for the equivalent maturity and currency. The confidence level of the risk adjustment under the cost of capital method is measured on the ultimate loss distribution. Risk adjustment factors are reviewed at least annually.

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

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

Contractual service margin (CSM)

At initial recognition, the CSM represents the unearned profit of a group of insurance contracts and is included in the liability for remaining coverage.

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

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

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

Liability for remaining coverage (LRC) and liability for incurred claims (LIC)

The LRC represents the Group's current obligations to provide insurance contract services for insurance events that have not yet occurred. The LIC comprises the Group's current obligations to pay claims, including associated costs for investigating claims, for insurance events that have already occurred.

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

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

Loss component

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

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

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

Reinsurance contracts held

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

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

Estimated future cash flows

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

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

Net gain or loss on initial recognition

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

Level of aggregation

At initial recognition, the portfolio and annual cohort dimensions for determining the level of aggregation are the same as for insurance contracts issued, but the profitability groups considered comprise:

- a group with a net gain at initial recognition
- a group with no significant possibility of a net gain subsequently
- a group of all remaining contracts in the portfolio

A group of reinsurance contracts held cannot be onerous.

Date of recognition

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

Non-performance risk

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

Reinsurance of onerous underlying insurance contracts

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

Modification of insurance and reinsurance contracts

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

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

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

Presentation in the income statement

Insurance service result before reinsurance contracts held

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

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

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

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

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

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

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

Net income/expenses from reinsurance contracts held

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

Insurance finance result

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

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

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

Currency remeasurement of multi-currency groups of insurance contracts

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

Previously reported estimates

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

Business combinations

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

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

Goodwill and other intangible assets

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

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

Other assets

Other assets include receivables related to investing activities, investments for unit-linked business, net defined benefit assets, 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 shareholder's equity. Income taxes are calculated using the tax rates enacted or substantively enacted as of the balance sheet date.

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

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

future taxable profits. Judgement is applied to determine whether it is probable that sufficient future taxable profits will be available to utilise the deferred tax asset.

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

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

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

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

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). 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%. 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 10 "Derivative financial instruments and hedge accounting"), liabilities from repurchase agreements and securities lending (see Note 7 "Investments"), payables related to investing activities, securities sold short, insurance contracts without significant risk transfer, net defined benefit liabilities, contract liabilities and payables, lease liabilities, accrual on variable compensation plans and other liabilities.

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

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

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

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

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

Shares in SRL

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

Pensions and other post-employment benefits

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

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

Defined benefit plans specify an amount of benefits that the employee will receive upon retirement. The net defined benefit liability (asset) is recognised on the balance sheet in "Other liabilities" ("Other assets"). The net defined benefit liability (asset) is determined by deducting the fair value of plan assets from the present value of the defined benefit obligation. The recognition of a net defined benefit asset may be limited by the asset ceiling. The asset ceiling is the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The defined benefit obligation as well as the related service and interest costs recognised in the income statement are based on periodic actuarial determinations. Remeasurements of the net defined benefit liability (asset) are recognised in OCI 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 31 December 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 share plans is determined at the grant date and is recognised as an expense in income over the vesting period, with a corresponding increase recorded in additional paid-in capital. Subsequently, depending on the underlying performance metrics, the Group revises its estimates of the number of shares that are expected to be vested and recognises the impact of the revision in income with a corresponding adjustment to additional paid-in capital.

Total compensation cost for share-based compensation plans recognised in net income was USD 75 million for the year ended 31 December 2024. As of 31 December 2024, the accrual for share-based compensation plans in additional paid-in capital was USD 106 million.

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

Date of approval for issue

The financial statements were approved for issue by the SRZ's Board of Directors on 12 March 2025 and will be submitted for approval to the Shareholder's Annual General Meeting to be held on 13 March 2025.

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 and discloses its results in the financial statements; it will not have an affect the Group's net income.

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

2 First-time adoption of IFRS

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

Accordingly, the Group has prepared its audited financial statements in accordance with IFRS applicable as of 31 December 2024, together with the comparative period information for the year ended 31 December 2023 and the opening balance sheet as of 1 January 2023, the Group's date of transition to IFRS, as described in the summary of significant accounting policies.

This note explains the principal adjustments made by the Group in restating its US GAAP financial statements, including the opening balance sheet as of 1 January 2023 and the financial statements for the year ended 31 December 2023.

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 have not been applied retrospectively to any equity instruments in share-based payment transactions vested before 1 January 2023. The same applies 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 including insurance-linked mortgage loan investments 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 derecognised the existing insurance contract-related balances under US GAAP and remeasured the in-force contracts using one of three IFRS 17 transition approaches, while recognising the difference in equity. The full retrospective approach was used to measure groups of insurance contracts as if IFRS 17 had always been applied, unless it was impracticable to do so.

In applying the full retrospective approach, the CSM or loss component of the liability for remaining coverage of a group of contracts is based on initial assumptions when that group inceptioned and was rolled forward to the date of transition. Where it was impracticable to apply the full retrospective approach (eg information required was not available or could not be made available without undue cost or effort), the modified retrospective approach or the fair value approach was applied. Impracticability was assessed on a group of insurance contracts basis.

For Swiss Re Group, the full retrospective approach was generally applied to all insurance contracts that inceptioned on or after 1 January 2022 after assessing the impracticability. For insurance contracts inceptioning prior to 2022, the modified retrospective approach or the fair value approach was applied. The modified retrospective approach was chosen for those groups of contracts where application of the fair value approach would lead to an unrealistic representation of the future earning patterns or to unnecessary operational complexity. For the modified retrospective approach, the Group determined the expected release of the risk adjustment for non-financial risk as for similar insurance contracts that are issued at transition date.

Under the fair value approach, the CSM or loss component of a group of contracts at transition is defined as the difference between the fair value of the group and the IFRS 17 fulfilment cash flows. The fair value is the price at which an orderly transaction to transfer the insurance contracts would take between market participants under current market conditions at the transition date.

Determining the fair value of groups of insurance contracts involved significant judgement, with the following considerations:

- Applying a market-calibrated income approach which leverages current new business data to form a view of the fair value for in-force contracts at the transition date.
- Reviewing cost targets, minimum margins, the nature of the business and any available external retrocession pricing at a granular market/portfolio level to ensure the new business data represented the compensation that market participants would demand for assuming obligations under the insurance contracts.
- Concluding that the effect of non-performance risk was low since the estimated cash flows used in the fair value calculation already reflected the market allowance for counterparty credit risk.

When applying the modified retrospective approach and the fair value approach, the Group used the transition relief allowed by IFRS 17 to set the accumulated insurance finance income or expenses in "Other comprehensive income" to zero at transition.

Gap year between local and Group transition date

The Group adopted IFRS after several subsidiaries had already applied IFRS as issued by the IASB. In these cases, the Group 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 applied IFRS earlier than the Group but did not issue an explicit and unreserved statement of compliance with IFRS as issued by the IASB. In these cases, the Group concluded that these subsidiaries do not apply IFRS as issued by the IASB. For these subsidiaries, the Group measured the assets and liabilities 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.

Significant accounting judgements, estimates and assumptions

Estimates involve judgements based on the latest available and 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, the date of transition to IFRS, and 31 December 2023, the reporting date 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.

Equity reconciliation

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

USD millions	As of 31 December 2023	As of 1 January 2023
Total US GAAP equity	12 799	8 743
US GAAP net insurance liabilities	87 763	85 744
Present value of estimated future cash flows	-49 937	-47 650
Risk adjustment	-8 247	-7 597
Contractual service margin	-22 148	-23 368
Other insurance receivables and payables	-1 478	-698
Other insurance changes	-33	-237
Net defined benefit assets	3	-499
Investment property ¹	-376	-197
Other investment changes	-7	335
Other changes	-328	-259
Tax changes	-900	-1 144
Total IFRS equity²	17 111	13 173

¹ Thereof USD 149 million was impaired at the transition date.

² The IFRS equity has been revised since the information was published in the Half-Year 2024 Report. The changes were due to adjustments made in re/insurance contracts issued and held as well as income and deferred taxes, with a total impact of USD 435 million as of 1 January 2023 and USD 508 million as of 31 December 2023. Further details are presented at the end of this note.

US GAAP net insurance line items

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

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

IFRS net insurance liabilities

Differences in accounting requirements between US GAAP and IFRS 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 are mentioned below.

Present value of estimated future cash flows

Under IFRS, insurance assets and liabilities are sensitive to interest rate and credit spread movements. Under US GAAP, insurance assets and liabilities were either undiscounted or calculated using locked-in assumptions.

Under IFRS, all estimates, including discount rates reflect current conditions at each reporting period end. 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 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, 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

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.

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 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 items:

The carrying amount of an associate investment was adjusted due to the associate's adoption of 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 USGAAP 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 accounting under IFRS and 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 insurance assets and liabilities were established.

Balance sheet reclassifications

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

Short-term investments

"Short-term investments" were reclassified to "Fixed income securities".

Investments for unit-linked business

"Investments for unit-linked business" were reclassified to "Other assets".

Accrued investment income

"Accrued investment income" was reclassified to "Other assets".

Intangible assets

Intangible assets, including capitalised software development and costs, were reclassified from "Other assets" to "Goodwill and other intangible assets".

Exchange traded funds (ETFs) and certain money market funds

ETFs and certain money market funds were reclassified from "Equity investments" to "Other invested assets".

Private equities

Private equities were reclassified from "Other invested assets" to "Equity investments".

Mortgage loans

Mortgage loans backing insurance liabilities were reclassified from "Mortgages and other loans" to "Other assets". In addition, they were designated as measured at FVPL, eliminating the accounting mismatch in accordance with IFRS. Their carrying amount was revised from USD 507 million under US GAAP to USD 517 million under IFRS and the difference between the respective carrying amounts was recognised 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 the 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.

Insurance contract-related balances for assumed business

The US GAAP insurance contract-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".

Insurance contract-related balances for ceded business

The US GAAP insurance contract-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.

Remeasurement of defined benefit liability

Remeasurement of defined benefit liability 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 is presented in the following table and explained further in the sections "Net income" and "Other comprehensive income":

USD millions	Net income	Other comprehensive income ¹	Total comprehensive income
US GAAP	2 914	2 023	4 937
Insurance	-1 580	-411	-1 991
Investments	-1 238	-307	-1 545
Other	2 145	739	2 884
Tax	537		537
IFRS²	2 778	2 044	4 822

¹Other comprehensive income is presented net of tax.

²Total IFRS comprehensive income has been revised since the information was published in the Half-Year 2024 Report. The changes were due to adjustments made in re/insurance contracts issued and held as well as income and deferred taxes, with a total impact of USD 73 million as of 31 December 2023.

Net income

Under IFRS, more expenses were considered directly attributable and thus included in "Insurance", resulting in lower expenses in "Other". However, the underlying impact in "Insurance" excluding expenses was higher 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 of other comprehensive income of equity-method investments 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 under IFRS compared to US GAAP. This was offset by the remeasurement of defined benefit liability relating to the asset ceiling under IFRS.

Any tax impacts resulting from the difference between US GAAP and IFRS balances are shown in "Tax".

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 year ended 31 December 2023 is presented as follows:

USD millions	US GAAP	Remeasurement and reclassifications	IFRS
Net cash provided/used by operating activities	4 442	-49	4 393
Net cash provided/used by investing activities	-443	-10	-453
Net cash provided/used by financing activities	-3 508	19	-3 489
Total net cash provided/used	491	-40	451
Effect of foreign exchange	-45	35	-10
Cash and cash equivalents as of 1 January	4 050	-24	4 026
Cash and cash equivalents as of 31 December	4 496	-29	4 467

Lease-related cash flows previously included in 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 included in cash flows from financing activities under US GAAP were reclassified to cash flows from operating activities under IFRS.

Changes in the balance sheet as of 1 January and 31 December 2023 since the publication of Half-Year Report 2024

Re/insurance

The accounting for certain re/insurance contracts issued and held has been revised since the information was published in the Half-Year 2024 Report. The changes impacted all re/insurance related line items, including finance income/expense from re/insurance contracts issued and held, as well as "Other liabilities". The impact on total equity impact was an increase of USD 50 million as of 1 January 2023 and USD 78 million as of 31 December 2023.

Investments

The accounting for certain fixed income securities and derivatives has been revised since the information was published in the Half-Year 2024 Report, leading to reclassifications between balance sheet line items, without any impact on total equity. The changes impacted "Fixed income securities", "Mortgages and other loans" as well as "Other invested assets" and "Other liabilities".

Taxes

The accounting for tax assets and liabilities has been revised since the information was published in the Half-Year 2024 Report. In addition, the deferred taxes were adjusted as a result of changes to the accounting for re/insurance contracts. The changes impacted deferred tax assets and liabilities as well as income taxes payable, and the total equity impact was an increase of USD 385 million as of 1 January 2023 and USD 430 million as of 31 December 2023.

3 Information on operating segments

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

The Group presents four segments: Property & Casualty Reinsurance, Life & Health Reinsurance, Corporate Solutions and Group items. Segment revenue and net income/loss are determined in line with the accounting policies described in the summary of material accounting policies (please refer to Note 1 “Organisation and summary of material accounting policies”). Accounting policies applied by the segments are in line with those of the Group. Cross-segmental dividends and gains and losses on certain one-off transfers and transactions between segments are accounted for through segmental shareholder’s equity. Financing costs are based on the segment’s capital funding position. The tax impact of a segment is derived from the legal entity segmentation of the pre-tax result multiplied by the applicable statutory tax rate, including adjustments for deferred tax assets not recognised. Other reconciling tax items are allocated to Group items only. If special allocations of other reconciling tax items to other segments occur, these are specifically disclosed. For the year ended 31 December 2024 and 2023, there are no special allocations to other segments.

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

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

Property & Casualty Reinsurance

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

Life & Health Reinsurance

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

Corporate Solutions

Corporate Solutions offers 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 other segments, which encompass parts of Principal Investments, 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. The Group allocates the foreign exchange gains and losses recognised in earnings to Group items. Certain administrative expenses of the corporate centre functions that are not recharged to the other segments are reported in Group items.

In the second quarter of 2024, the Group announced its plans to withdraw from the iptiQ business. In the fourth quarter of 2024, the Group entered into an agreement to sell iptiQ’s European P&C business to Allianz Direct. For more details on the transaction, please refer to Note 14 “Assets held for sale”. The Group will consider options for the remaining entities, subject to applicable regulatory approvals and notification.

Consolidation

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

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Business segments – income statement

For the year ended 31 December

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

Business segments – income statement

For the year ended 31 December

2023 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Consolidation	Total
Insurance revenue	19 590	16 437	7 556	981	–666	43 898
Insurance service expense	–15 509	–15 119	–5 813	–1 190	202	–37 429
Insurance service result before reinsurance contracts held	4 081	1 318	1 743	–209	–464	6 469
Allocation of reinsurance premiums	–1 241	–1 382	–1 781	–47	680	–3 771
Amounts recoverable from reinsurers for incurred claims	–89	1 392	869	31	–216	1 987
Net income/expenses from reinsurance contracts held	–1 330	10	–912	–16	464	–1 784
Insurance service result	2 751	1 328	831	–225	0	4 685
Finance income/expenses from insurance contracts issued	–1 400	–814	–411	–24	128	–2 521
Finance income/expenses from reinsurance contracts held	43	94	196	5	–128	210
Insurance finance result	–1 357	–720	–215	–19	0	–2 311
Net investment income	1 830	1 330	395	92	–259	3 388
Investment gains/losses	–283	209	38	86		50
Investment result	1 547	1 539	433	178	–259	3 438
Other income	32	97	25	56	–12	198
Other expenses	–588	–334	–196	–756	12	–1 862
Financing costs	–589	–302	–29	–18	259	–679
Income/loss before income tax expense/benefit	1 796	1 608	849	–784	0	3 469
Income tax expense/benefit	–322	–236	–191	58		–691
Net income/loss	1 474	1 372	658	–726	0	2 778
Thereof						
Net income/loss attributable to non-controlling interests	7		23			30
Net income/loss attributable to common shareholder	1 467	1 372	635	–726		2 748

Business segments – balance sheet

As of 31 December 2024

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

¹ Please refer to Note 15 "Assets held for sale" for more details.

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	2 315	817	823	512		4 467
Investments						
Fixed income securities	47 647	28 123	9 497	670		85 937
Equity investments	100	7	83	881		1 071
Mortgages and other loans	4 415	4 531	230	829	-3 329	6 676
Investment property	2 157	328	1			2 486
Other invested assets	8 913	773	308	241	-1 262	8 973
Total investments	63 232	33 762	10 119	2 621	-4 591	105 143
Insurance contracts issued that are assets	1 079	2 629	259	156	-904	3 219
Reinsurance contracts held that are assets	3 929	2 395	6 151	408	-4 257	8 626
Goodwill and other intangible assets	1 913	1 801	304	210		4 228
Income taxes recoverable	216	235	18	13		482
Deferred tax assets	1 870	1 604	188	791	-1 682	2 771
Other assets	12 527	9 540	2 838	2 055	-21 916	5 044
Total assets	87 081	52 783	20 700	6 766	-33 350	133 980
Liabilities						
Insurance contracts issued that are liabilities	48 705	29 938	14 000	1 420	-4 196	89 867
Reinsurance contracts held that are liabilities	3 517	227	821	189	-966	3 788
Short-term debt	746	1 793	499			3 038
Long-term debt	4 821	6 665			-3 329	8 157
Income taxes payable	238	114	44	59		455
Deferred tax liabilities	1 148	2 759	275	266	-1 682	2 766
Other liabilities	18 117	8 987	1 276	3 595	-23 177	8 798
Total liabilities	77 292	50 483	16 915	5 529	-33 350	116 869

Insurance revenue by geography

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

USD millions	2024	2023
Americas	22 584	22 089
EMEA	15 466	14 234
Asia-Pacific	7 548	7 575
Total	45 598	43 898

USD millions	2024	2023
United States	18 223	17 827
United Kingdom	4 465	4 122
China	1 818	1 904
Australia	1 800	1 489
Germany	1 529	1 343
Canada	1 522	1 507
Ireland	1 439	1 283
Italy	1 036	763
France	985	908
Netherlands	878	705
Bermuda	758	869
South Korea	701	727
India	694	607
Other	9 750	9 844
Total	45 598	43 898

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4 Insurance information

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

For the year ended 31 December

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

2023 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Consolidation	Total
Closing assets	-1 079	-2 629	-259	-156	904	-3 219
Closing liabilities	48 705	29 938	14 000	1 420	-4 196	89 867
Net liabilities for insurance contracts issued	47 626	27 309	13 741	1 264	-3 292	86 648
Net payables/receivables that have not yet been allocated to a portfolio of insurance contracts	-372	-923	-272	-130	18	-1 679
Net liabilities for insurance contracts issued excluding unallocated payables/receivables	47 254	26 386	13 469	1 134	-3 274	84 969

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

For the year ended 31 December

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

2023 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Consolidation	Total
Closing assets	3 929	2 395	6 151	408	-4 257	8 626
Closing liabilities	-3 517	-227	-821	-189	966	-3 788
Net assets for reinsurance contracts held	412	2 168	5 330	219	-3 291	4 838
Net payables/receivables that have not yet been allocated to a portfolio of reinsurance contracts	-10	-36	-209	36	18	-201
Net assets for reinsurance contracts held excluding unallocated payables/receivables	402	2 132	5 121	255	-3 273	4 637

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

Insurance contracts issued: remaining coverage and incurred claims – Group

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

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

Insurance contracts issued: remaining coverage and incurred claims – Group

For the year ended 31 December

2023 USD millions	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component		
Opening assets	–6 742	57	2 492	–4 193
Opening liabilities	14 607	907	72 302	87 816
Net (assets)/liabilities for insurance contracts issued as of 1 January	7 865	964	74 794	83 623
Expected incurred claims and other insurance service expenses	–32 541			–32 541
Changes in risk adjustment	–1 339			–1 339
Contractual service margin recognised for services provided	–7 703			–7 703
Experience adjustment for premium receipts related to current and past services	1 177			1 177
Recovery of insurance acquisition cash flows	–3 492			–3 492
Insurance revenue	–43 898	0	0	–43 898
Incurred claims and other insurance service expenses		–581	33 296	32 715
Adjustments to liabilities for incurred claims			–187	–187
Losses and change of losses on onerous contracts		1 576		1 576
Experience adjustment and amortisation of insurance acquisition cash flows	3 325			3 325
Insurance service expense	3 325	995	33 109	37 429
Investment components	–2 767		2 767	0
Insurance service result	–43 340	995	35 876	–6 469
Finance income/expenses from insurance contracts issued	844	30	2 332	3 206
Effect of foreign exchange	–171	4	767	600
Total changes in profit or loss and other comprehensive income	–42 667	1 029	38 975	–2 663
Premiums received	44 249			44 249
Claims and other insurance service expenses paid, including investment components paid			–36 666	–36 666
Insurance acquisition cash flows	–3 568			–3 568
Cash flows	40 681	0	–36 666	4 015
Other items	47	12	–65	–6
Other movements	47	12	–65	–6
Net (assets)/liabilities for insurance contracts issued as of 31 December	5 926	2 005	77 038	84 969
Closing assets	–8 128	149	4 760	–3 219
Closing liabilities	14 054	1 856	72 278	88 188

Insurance contracts issued: measurement components – Group

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

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

Insurance contracts issued: measurement components – Group

For the year ended 31 December

2023 USD millions	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
Opening assets	-10 855	1 109	5 553	-4 193
Opening liabilities	61 672	7 356	18 788	87 816
Net (assets)/liabilities for insurance contracts issued as of 1 January	50 817	8 465	24 341	83 623
Changes that relate to current services:				
Contractual service margin recognised for services provided			-7 703	-7 703
Changes in risk adjustment		-1 143		-1 143
Experience adjustments	988			988
Changes that relate to future services:				
Contracts initially recognised in period	-9 174	1 400	8 420	646
Changes in estimates that adjust the contractual service margin	2 836	266	-3 102	0
Changes in estimates that result in losses and reversal of losses on onerous contracts	909	21		930
Changes that relate to past services:				
Adjustments to liabilities for incurred claims	-25	-162		-187
Insurance service result	-4 466	382	-2 385	-6 469
Finance income/expenses from insurance contracts issued	1 909	419	878	3 206
Effect of foreign exchange	417	54	129	600
Total changes in profit or loss and other comprehensive income	-2 140	855	-1 378	-2 663
Premiums received	44 249			44 249
Claims and other insurance service expenses paid, including investment components paid	-36 666			-36 666
Insurance acquisition cash flows	-3 568			-3 568
Cash flows	4 015	0	0	4 015
Other items	-1	-1	-4	-6
Other movements	-1	-1	-4	-6
Net (assets)/liabilities for insurance contracts issued as of 31 December	52 691	9 319	22 959	84 969
Closing assets	-9 968	939	5 810	-3 219
Closing liabilities	62 659	8 380	17 149	88 188

Reinsurance contracts held: remaining coverage and incurred claims – Group

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

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

Reinsurance contracts held: remaining coverage and incurred claims – Group

For the year ended 31 December

2023 USD millions	Assets for remaining coverage		Assets for incurred claims	Total
	Excluding loss- recovery component	Loss-recovery component		
Opening assets	4 387		4 442	8 829
Opening liabilities	–4 625		804	–3 821
Net assets/(liabilities) for reinsurance contracts held as of 1 January	–238	0	5 246	5 008
Expected recoveries of incurred claims and other insurance service expenses	–2 445			–2 445
Changes in risk adjustment	–180			–180
Contractual service margin recognised for services received	–1 216			–1 216
Experience adjustment for premium payments related to current and past services	70			70
Allocation of reinsurance premiums paid	–3 771	0	0	–3 771
Incurred claims and other insurance service expenses recoverable			2 132	2 132
Adjustments to incurred claims recoverable			–157	–157
Recoveries of losses and change of losses on onerous underlying contracts		12		12
Amounts recoverable from reinsurers	0	12	1 975	1 987
Reinsurance investment components	–314		314	0
Net income/expenses from reinsurance contracts held	–4 085	12	2 289	–1 784
Finance income/expenses from reinsurance contracts held	150		163	313
Effect of foreign exchange	–45		69	24
Total changes in profit or loss and other comprehensive income	–3 980	12	2 521	–1 447
Premiums paid	3 574			3 574
Claims and other insurance service expenses recovered			–2 477	–2 477
Cash flows	3 574	0	–2 477	1 097
Other items	135		–156	–21
Other movements	135	0	–156	–21
Net assets/(liabilities) for reinsurance contracts held as of 31 December	–509	12	5 134	4 637
Closing assets	4 885	12	3 528	8 425
Closing liabilities	–5 394		1 606	–3 788

Reinsurance contracts held: measurement components – Group

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

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

Reinsurance contracts held: measurement components – Group

For the year ended 31 December

2023 USD millions	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
Opening assets	6 933	887	1 009	8 829
Opening liabilities	-3 766	-19	-36	-3 821
Net assets/(liabilities) for reinsurance contracts held as of 1 January	3 167	868	973	5 008
Changes that relate to current services:				
Contractual service margin recognised for services received			-1 216	-1 216
Changes in risk adjustment		-259		-259
Experience adjustments	-164			-164
Changes that relate to future services:				
Contracts initially recognised in period	-1 424	275	1 158	9
Changes in estimates that adjust the contractual service margin	126	57	-183	0
Changes in estimates that do not adjust the contractual service margin	3			3
Changes that relate to past services:				
Adjustments to incurred claims recoverable	-234	77		-157
Net income or expense from reinsurance contracts held	-1 693	150	-241	-1 784
Finance income/expenses from reinsurance contracts held	189	60	64	313
Effect of foreign exchange	6	1	17	24
Total changes in profit or loss and other comprehensive income	-1 498	211	-160	-1 447
Premiums paid	3 574			3 574
Claims and other insurance service expenses recovered	-2 477			-2 477
Cash flows	1 097	0	0	1 097
Other items	-12	-7	-2	-21
Other movements	-12	-7	-2	-21
Net assets/(liabilities) for reinsurance contracts held as of 31 December	2 754	1 072	811	4 637
Closing assets	6 793	1 032	600	8 425
Closing liabilities	-4 039	40	211	-3 788

Effect of insurance contracts initially recognised in the year – Group

The effect on the balance sheet is separately shown for insurance contracts issued and reinsurance contracts held that are initially recognised in the period.

Insurance contracts issued and reinsurance contracts held initially recognised

For the years ended 31 December

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

2023 USD millions			Insurance contracts issued	Reinsurance contracts held
	Profitable contracts	Onerous contracts	Total	Total
Estimates of the present value of future cash inflows	-45 442	-6 888	-52 330	-2 326
Estimates of the present value of future cash outflows excluding insurance acquisition cash flows	33 215	6 859	40 074	3 750
Estimates of insurance acquisition cash flows	2 576	506	3 082	0
Risk adjustment	1 231	169	1 400	-275
Contractual service margin	8 420		8 420	-1 158
Loss/(income) recognised on initial recognition	0	646	646	-9

Impact of transition approaches adopted – Group

Insurance revenue and contractual service margin for insurance contracts issued by transition method

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

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

2023 USD millions	Contracts using the modified retrospective approach	Contracts using the fair value approach	Other insurance contracts	Total
Insurance revenue	-4 270	-12 467	-27 161	-43 898
Contractual service margin as of 1 January	4 320	16 661	3 360	24 341
Changes that relate to current services:				
Contractual service margin recognised for services provided	-493	-1 183	-6 027	-7 703
Changes that relate to future services:				
Contracts initially recognised in period			8 420	8 420
Changes in estimates that adjust the contractual service margin	-66	-2 770	-266	-3 102
Finance income/expenses from insurance contracts issued	42	544	292	878
Effect of foreign exchange	57	47	25	129
Other items		-2	-2	-4
Contractual service margin as of 31 December	3 860	13 297	5 802	22 959

Allocation of reinsurance premium paid and contractual service margin for reinsurance contracts held by transition method

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

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

2023 USD millions	Contracts using the modified retrospective approach	Contracts using the fair value approach	Other insurance contracts	Total
Allocation of reinsurance premiums paid	157	1 411	2 203	3 771
Contractual service margin as of 1 January	-15	776	212	973
Changes that relate to current services:				
Contractual service margin recognised for services received	31	-34	-1 213	-1 216
Changes that relate to future services:				
Contracts initially recognised in period			1 158	1 158
Changes in estimates that adjust the contractual service margin	40	-452	229	-183
Finance income/expenses from reinsurance contracts held	1	30	33	64
Effect of foreign exchange	-4		21	17
Other items		-2		-2
Contractual service margin as of 31 December	53	318	440	811

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

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

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

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

For the year ended 31 December

2023 USD millions	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component		
Opening assets	–46	–237	–807	–1 090
Opening liabilities	–6 903	438	54 342	47 877
Net (assets)/liabilities for insurance contracts issued as of 1 January	–6 949	201	53 535	46 787
Expected incurred claims and other insurance service expenses	–14 059			–14 059
Changes in risk adjustment	–508			–508
Contractual service margin recognised for services provided	–4 494			–4 494
Experience adjustment for premium receipts related to current and past services	871			871
Recovery of insurance acquisition cash flows	–1 400			–1 400
Insurance revenue	–19 590	0	0	–19 590
Incurred claims and other insurance service expenses		–364	14 338	13 974
Adjustments to liabilities for incurred claims			–447	–447
Losses and change of losses on onerous contracts		675		675
Experience adjustment and amortisation of insurance acquisition cash flows	1 307			1 307
Insurance service expense	1 307	311	13 891	15 509
Investment components	–1 143		1 143	0
Insurance service result	–19 426	311	15 034	–4 081
Finance income/expenses from insurance contracts issued	224	12	1 752	1 988
Effect of foreign exchange	–58	2	495	439
Total changes in profit or loss and other comprehensive income	–19 260	325	17 281	–1 654
Premiums received	20 470			20 470
Claims and other insurance service expenses paid, including investment components paid			–17 069	–17 069
Insurance acquisition cash flows	–1 278			–1 278
Cash flows	19 192	0	–17 069	2 123
Other items	–14	14	–2	–2
Other movements	–14	14	–2	–2
Net (assets)/liabilities for insurance contracts issued as of 31 December	–7 031	540	53 745	47 254
Closing assets	–1 855	5	771	–1 079
Closing liabilities	–5 176	535	52 974	48 333

Insurance contracts issued: measurement components – Property & Casualty Reinsurance

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

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

Insurance contracts issued: measurement components – Property & Casualty Reinsurance

For the year ended 31 December

2023 USD millions	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
Opening assets	-1 315	199	26	-1 090
Opening liabilities	44 941	1 494	1 442	47 877
Net (assets)/liabilities for insurance contracts issued as of 1 January	43 626	1 693	1 468	46 787
Changes that relate to current services:				
Contractual service margin recognised for services provided			-4 494	-4 494
Changes in risk adjustment		-245		-245
Experience adjustments	430			430
Changes that relate to future services:				
Contracts initially recognised in period	-4 739	613	4 507	381
Changes in estimates that adjust the contractual service margin	-260	-115	375	0
Changes in estimates that result in losses and reversal of losses on onerous contracts	280	14		294
Changes that relate to past services:				
Adjustments to liabilities for incurred claims	-269	-178		-447
Insurance service result	-4 558	89	388	-4 081
Finance income/expenses from insurance contracts issued	1 697	113	178	1 988
Effect of foreign exchange	397	28	14	439
Total changes in profit or loss and other comprehensive income	-2 464	230	580	-1 654
Premiums received	20 470			20 470
Claims and other insurance service expenses paid, including investment components paid	-17 069			-17 069
Insurance acquisition cash flows	-1 278			-1 278
Cash flows	2 123	0	0	2 123
Other items	2	-1	-3	-2
Other movements	2	-1	-3	-2
Net (assets)/liabilities for insurance contracts issued as of 31 December	43 287	1 922	2 045	47 254
Closing assets	-1 307	94	134	-1 079
Closing liabilities	44 594	1 828	1 911	48 333

Insurance contracts issued initially recognised – Property & Casualty Reinsurance

The effect on the balance sheet of insurance contracts issued that are initially recognised in the period is shown below.

For the years ended 31 December

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

2023 USD millions	Insurance contracts issued		
	Profitable contracts	Onerous contracts	Total
Estimates of the present value of future cash inflows	-16 328	-5 144	-21 472
Estimates of the present value of future cash outflows excluding insurance acquisition cash flows	10 723	5 282	16 005
Estimates of insurance acquisition cash flows	610	118	728
Risk adjustment	488	125	613
Contractual service margin	4 507		4 507
Loss/(income) recognised on initial recognition	0	381	381

Impact of transition approaches adopted – Property & Casualty Reinsurance

Insurance revenue and contractual service margin for insurance contracts issued by transition method

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

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

2023 USD millions	Contracts using the modified retrospective approach	Contracts using the fair value approach	Other insurance contracts	Total
Insurance revenue	-893	-1 180	-17 517	-19 590
Contractual service margin as of 1 January	151	266	1 051	1 468
Changes that relate to current services:				
Contractual service margin recognised for services provided	-107	-243	-4 144	-4 494
Changes that relate to future services:				
Contracts initially recognised in period			4 507	4 507
Changes in estimates that adjust the contractual service margin	29	198	148	375
Finance income/expenses from insurance contracts issued	1	10	167	178
Effect of foreign exchange		8	6	14
Other items		-2	-1	-3
Contractual service margin as of 31 December	74	237	1 734	2 045

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

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

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

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

For the year ended 31 December

2023 USD millions	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component		
Opening assets	-5 508	68	3 459	-1 981
Opening liabilities	21 110	278	7 309	28 697
Net (assets)/liabilities for insurance contracts issued as of 1 January	15 602	346	10 768	26 716
Expected incurred claims and other insurance service expenses	-13 882			-13 882
Changes in risk adjustment	-660			-660
Contractual service margin recognised for services provided	-1 992			-1 992
Experience adjustment for premium receipts related to current and past services	444			444
Recovery of insurance acquisition cash flows	-347			-347
Insurance revenue	-16 437	0	0	-16 437
Incurred claims and other insurance service expenses		-75	14 142	14 067
Adjustments to liabilities for incurred claims			247	247
Losses and change of losses on onerous contracts		485		485
Experience adjustment and amortisation of insurance acquisition cash flows	320			320
Insurance service expense	320	410	14 389	15 119
Investment components	-1 507		1 507	0
Insurance service result	-17 624	410	15 896	-1 318
Finance income/expenses from insurance contracts issued	484	10	225	719
Effect of foreign exchange	-96		106	10
Total changes in profit or loss and other comprehensive income	-17 236	420	16 227	-589
Premiums received	15 623			15 623
Claims and other insurance service expenses paid, including investment components paid			-15 032	-15 032
Insurance acquisition cash flows	-322			-322
Cash flows	15 301	0	-15 032	269
Other items	-6		-4	-10
Other movements	-6	0	-4	-10
Net (assets)/liabilities for insurance contracts issued as of 31 December	13 661	766	11 959	26 386
Closing assets	-5 959	71	3 259	-2 629
Closing liabilities	19 620	695	8 700	29 015

Insurance contracts issued: measurement components – Life & Health Reinsurance

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

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

Insurance contracts issued: measurement components – Life & Health Reinsurance

For the year ended 31 December

2023 USD millions	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
Opening assets	-8 355	778	5 596	-1 981
Opening liabilities	6 438	5 626	16 633	28 697
Net (assets)/liabilities for insurance contracts issued as of 1 January	-1 917	6 404	22 229	26 716
Changes that relate to current services:				
Contractual service margin recognised for services provided			-1 992	-1 992
Changes in risk adjustment		-648		-648
Experience adjustments	590			590
Changes that relate to future services:				
Contracts initially recognised in period	-2 841	603	2 386	148
Changes in estimates that adjust the contractual service margin	3 065	407	-3 472	0
Changes in estimates that result in losses and reversal of losses on onerous contracts	328	9		337
Changes that relate to past services:				
Adjustments to liabilities for incurred claims	327	-80		247
Insurance service result	1 469	291	-3 078	-1 318
Finance income/expenses from insurance contracts issued	-208	269	658	719
Effect of foreign exchange	-114	19	105	10
Total changes in profit or loss and other comprehensive income	1 147	579	-2 315	-589
Premiums received	15 623			15 623
Claims and other insurance service expenses paid, including investment components paid	-15 032			-15 032
Insurance acquisition cash flows	-322			-322
Cash flows	269	0	0	269
Other items	-10			-10
Other movements	-10	0	0	-10
Net (assets)/liabilities for insurance contracts issued as of 31 December	-511	6 983	19 914	26 386
Closing assets	-9 009	823	5 557	-2 629
Closing liabilities	8 498	6 160	14 357	29 015

Insurance contracts issued initially recognised – Life & Health Reinsurance

The effect on the balance sheet of insurance contracts issued that are initially recognised in the period is shown below.

For the years ended 31 December

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

2023 USD millions	Insurance contracts issued		
	Profitable contracts	Onerous contracts	Total
Estimates of the present value of future cash inflows	-21 994	-289	-22 283
Estimates of the present value of future cash outflows excluding insurance acquisition cash flows	18 702	396	19 098
Estimates of insurance acquisition cash flows	318	26	344
Risk adjustment	588	15	603
Contractual service margin	2 386		2 386
Loss/(income) recognised on initial recognition	0	148	148

Impact of transition approaches adopted – Life & Health Reinsurance

Insurance revenue and contractual service margin for insurance contracts issued by transition method

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

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

2023 USD millions	Contracts using the modified retrospective approach	Contracts using the fair value approach	Other insurance contracts	Total
Insurance revenue	-2 672	-10 444	-3 321	-16 437
Contractual service margin as of 1 January	4 057	16 334	1 838	22 229
Changes that relate to current services:				
Contractual service margin recognised for services provided	-346	-892	-754	-1 992
Changes that relate to future services:				
Contracts initially recognised in period			2 386	2 386
Changes in estimates that adjust the contractual service margin	-122	-3 022	-328	-3 472
Finance income/expenses from insurance contracts issued	39	532	87	658
Effect of foreign exchange	54	40	11	105
Other items				0
Contractual service margin as of 31 December	3 682	12 992	3 240	19 914

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

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

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

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

For the year ended 31 December

2023 USD millions	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component		
Opening assets	-286	-77	190	-173
Opening liabilities	-467	107	13 470	13 110
Net (assets)/liabilities for insurance contracts issued as of 1 January	-753	30	13 660	12 937
Expected incurred claims and other insurance service expenses	-4 312			-4 312
Changes in risk adjustment	-165			-165
Contractual service margin recognised for services provided	-1 453			-1 453
Experience adjustment for premium receipts related to current and past services	16			16
Recovery of insurance acquisition cash flows	-1 642			-1 642
Insurance revenue	-7 556	0	0	-7 556
Incurred claims and other insurance service expenses		-91	4 314	4 223
Adjustments to liabilities for incurred claims			-131	-131
Losses and change of losses on onerous contracts		221		221
Experience adjustment and amortisation of insurance acquisition cash flows	1 500			1 500
Insurance service expense	1 500	130	4 183	5 813
Investment components	-21		21	0
Insurance service result	-6 077	130	4 204	-1 743
Finance income/expenses from insurance contracts issued	102	3	464	569
Effect of foreign exchange	-25	-5	150	120
Total changes in profit or loss and other comprehensive income	-6 000	128	4 818	-1 054
Premiums received	7 770			7 770
Claims and other insurance service expenses paid, including investment components paid			-4 627	-4 627
Insurance acquisition cash flows	-1 571			-1 571
Cash flows	6 199	0	-4 627	1 572
Other items	39	-3	-22	14
Other movements	39	-3	-22	14
Net (assets)/liabilities for insurance contracts issued as of 31 December	-515	155	13 829	13 469
Closing assets	-362	3	100	-259
Closing liabilities	-153	152	13 729	13 728

Insurance contracts issued: measurement components – Corporate Solutions

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

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

Insurance contracts issued: measurement components – Corporate Solutions

For the year ended 31 December

2023 USD millions	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
Opening assets	-178	110	-105	-173
Opening liabilities	12 036	338	736	13 110
Net (assets)/liabilities for insurance contracts issued as of 1 January	11 858	448	631	12 937
Changes that relate to current services:				
Contractual service margin recognised for services provided			-1 453	-1 453
Changes in risk adjustment		-102		-102
Experience adjustments	-278			-278
Changes that relate to future services:				
Contracts initially recognised in period	-1 785	186	1 661	62
Changes in estimates that adjust the contractual service margin	-86	-31	117	0
Changes in estimates that result in losses and reversal of losses on onerous contracts	161	-2		159
Changes that relate to past services:				
Adjustments to liabilities for incurred claims	-65	-66		-131
Insurance service result	-2 053	-15	325	-1 743
Finance income/expenses from insurance contracts issued	478	42	49	569
Effect of foreign exchange	109	3	8	120
Total changes in profit or loss and other comprehensive income	-1 466	30	382	-1 054
Premiums received	7 770			7 770
Claims and other insurance service expenses paid, including investment components paid	-4 627			-4 627
Insurance acquisition cash flows	-1 571			-1 571
Cash flows	1 572	0	0	1 572
Other items	14			14
Other movements	14	0	0	14
Net (assets)/liabilities for insurance contracts issued as of 31 December	11 978	478	1 013	13 469
Closing assets	-343	7	77	-259
Closing liabilities	12 321	471	936	13 728

Insurance contracts issued initially recognised – Corporate Solutions

The effect on the balance sheet of insurance contracts issued that are initially recognised in the period is shown below.

For the years ended 31 December

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

2023 USD millions	Insurance contracts issued		
	Profitable contracts	Onerous contracts	Total
Estimates of the present value of future cash inflows	-7 069	-845	-7 914
Estimates of the present value of future cash outflows excluding insurance acquisition cash flows	3 659	689	4 348
Estimates of insurance acquisition cash flows	1 584	197	1 781
Risk adjustment	165	21	186
Contractual service margin	1 661		1 661
Loss/(income) recognised on initial recognition	0	62	62

Impact of transition approaches adopted – Corporate Solutions

Insurance revenue and contractual service margin for insurance contracts issued by transition method

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

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

2023 USD millions	Contracts using the modified retrospective approach	Contracts using the fair value approach	Other insurance contracts	Total
Insurance revenue	-359	-709	-6 488	-7 556
Contractual service margin as of 1 January	91	59	481	631
Changes that relate to current services:				
Contractual service margin recognised for services provided	-46	-46	-1 361	-1 453
Changes that relate to future services:				
Contracts initially recognised in period			1 661	1 661
Changes in estimates that adjust the contractual service margin	24	45	48	117
Finance income/expenses from insurance contracts issued	1	2	46	49
Effect of foreign exchange	1	-1	8	8
Other items				0
Contractual service margin as of 31 December	71	59	883	1 013

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

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

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

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

For the year ended 31 December

2023 USD millions	Liabilities for remaining coverage		Liabilities for incurred claims	Total
	Excluding loss component	Loss component		
Opening assets	-603	303	-17	-317
Opening liabilities	562	85	532	1 179
Net (assets)/liabilities for insurance contracts issued as of 1 January	-41	388	515	862
Expected incurred claims and other insurance service expenses	-685			-685
Changes in risk adjustment	-17			-17
Contractual service margin recognised for services provided	-6			-6
Experience adjustment for premium receipts related to current and past services	-169			-169
Recovery of insurance acquisition cash flows	-104			-104
Insurance revenue	-981	0	0	-981
Incurred claims and other insurance service expenses		-49	861	812
Adjustments to liabilities for incurred claims			4	4
Losses and change of losses on onerous contracts		192		192
Experience adjustment and amortisation of insurance acquisition cash flows	182			182
Insurance service expense	182	143	865	1 190
Investment components	-97		97	0
Insurance service result	-896	143	962	209
Finance income/expenses from insurance contracts issued	37	5	13	55
Effect of foreign exchange	15	7	34	56
Total changes in profit or loss and other comprehensive income	-844	155	1 009	320
Premiums received	1 153			1 153
Claims and other insurance service expenses paid, including investment components paid			-788	-788
Insurance acquisition cash flows	-413			-413
Cash flows	740	0	-788	-48
Other items				0
Other movements	0	0	0	0
Net (assets)/liabilities for insurance contracts issued as of 31 December	-145	543	736	1 134
Closing assets	-202	70	-24	-156
Closing liabilities	57	473	760	1 290

Insurance contracts issued: measurement components – Group items

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

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

Insurance contracts issued: measurement components – Group items

For the year ended 31 December

2023 USD millions	Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Total
Opening assets	–383	25	41	–317
Opening liabilities	1 144	30	5	1 179
Net (assets)/liabilities for insurance contracts issued as of 1 January	761	55	46	862
Changes that relate to current services:				
Contractual service margin recognised for services provided			–6	–6
Changes in risk adjustment		–15		–15
Experience adjustments	34			34
Changes that relate to future services:				
Contracts initially recognised in period	2	13	40	55
Changes in estimates that adjust the contractual service margin	2	5	–7	0
Changes in estimates that result in losses and reversal of losses on onerous contracts	137			137
Changes that relate to past services:				
Adjustments to liabilities for incurred claims	7	–3		4
Insurance service result	182	0	27	209
Finance income/expenses from insurance contracts issued	53	1	1	55
Effect of foreign exchange	52	2	2	56
Total changes in profit or loss and other comprehensive income	287	3	30	320
Premiums received	1 153			1 153
Claims and other insurance service expenses paid, including investment components paid	–788			–788
Insurance acquisition cash flows	–413			–413
Cash flows	–48	0	0	–48
Other items				0
Other movements	0	0	0	0
Net (assets)/liabilities for insurance contracts issued as of 31 December	1 000	58	76	1 134
Closing assets	–223	15	52	–156
Closing liabilities	1 223	43	24	1 290

Insurance contracts issued initially recognised – Group items

The effect on the balance sheet of insurance contracts issued that are initially recognised in the period is shown below.

For the years ended 31 December

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

2023 USD millions	Insurance contracts issued		
	Profitable contracts	Onerous contracts	Total
Estimates of the present value of future cash inflows	–533	–703	–1 236
Estimates of the present value of future cash outflows excluding insurance acquisition cash flows	366	565	931
Estimates of insurance acquisition cash flows	129	178	307
Risk adjustment	–2	15	13
Contractual service margin	40		40
Loss/(income) recognised on initial recognition	0	55	55

Impact of transition approaches adopted – Group items

Insurance revenue and contractual service margin for insurance contracts issued by transition method

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

2024 USD millions	Contracts using the modified retrospective approach	Contracts using the fair value approach	Other insurance contracts	Total
Insurance revenue	-293	-217	-824	-1334
Contractual service margin as of 1 January	29	7	40	76
Changes that relate to current services:				
Contractual service margin recognised for services provided	-21	-1	-24	-46
Changes that relate to future services:				
Contracts initially recognised in period			83	83
Changes in estimates that adjust the contractual service margin	81	2	7	90
Finance income/expenses from insurance contracts issued			6	6
Effect of foreign exchange	-4	-1	-4	-9
Other items				0
Contractual service margin as of 31 December	85	7	108	200

2023 USD millions	Contracts using the modified retrospective approach	Contracts using the fair value approach	Other insurance contracts	Total
Insurance revenue	-292	-147	-542	-981
Contractual service margin as of 1 January	22	5	19	46
Changes that relate to current services:				
Contractual service margin recognised for services provided	4	-1	-9	-6
Changes that relate to future services:				
Contracts initially recognised in period			40	40
Changes in estimates that adjust the contractual service margin	2	3	-12	-7
Finance income/expenses from insurance contracts issued			1	1
Effect of foreign exchange	1		1	2
Other items				0
Contractual service margin as of 31 December	29	7	40	76

5 Other re/insurance disclosures

Expected recognition of CSM in profit or loss for insurance contracts issued and reinsurance contracts held

The following tables set out when the Group expects to recognise the remaining contractual service margin in profit or loss after the reporting date.

For the years ended 31 December

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

2023	Contractual service margin					Insurance contracts issued	Insurance contracts held
	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Consolidation	Total	Total
USD millions							
1 year	1 532	1 585	679	6	-82	3 720	-237
2 years	195	1 432	123		-2	1 748	-123
3 years	86	1 288	78	8	-1	1 459	-51
4 years	42	1 167	50	8	-1	1 266	-39
5 years	30	1 065	28	7	-1	1 129	-28
6-10 years	81	4 157	43	19	-1	4 299	-103
11 and more years	79	9 220	12	28	-1	9 338	-230
Total	2 045	19 914	1 013	76	-89	22 959	-811

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

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

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

2023 USD millions	Insurance contracts issued that are liabilities	Reinsurance contracts held that are liabilities	Total
Due within one year	11 170	4 425	15 595
Due between one and two years	11 621	-82	11 539
Due between two and three years	9 461	-158	9 303
Due between three and four years	6 915	-83	6 832
Due between four and five years	5 522	-64	5 458
Due after five years	34 530	-27	34 503
Total	79 219	4 011	83 230

The amounts from portfolios of insurance contracts issued that are liabilities and are payable on demand relate to the ANZ surety portfolio of the Corporate Solutions specialty business. The amounts from insurance contracts issued that are liabilities and that are payable on demand amount to USD 1.0 billion and USD 1.1 billion as of 31 December 2024 and 2023, respectively. The carrying amount of the corresponding portfolios amount to USD 31 million and USD 40 million as of 31 December 2024 and 2023, respectively. Payable on demand represents the sum of all individual risk exposures which is more than the carrying value based on actuarial loss expectations.

Please refer to Note 12 "Risk disclosures" for further information on how the Group manages liquidity risk.

Total investment result and net insurance finance result

The tables below present an analysis of total investment result and net insurance finance result recognised in profit or loss and OCI in the period.

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

2023	Recognised in profit or loss	Recognised in OCI	Total
USD millions			
Net investment income	3 388		3 388
Investment gains/losses	50		50
Foreign currency translation		5	5
Cash flow hedges		10	10
Cost of hedging			0
Net unrealised investment gains/losses on fixed income securities		1 923	1 923
Net unrealised investment gains/losses on equity investments		-38	-38
Share of other comprehensive income of equity-method investments		46	46
Total investment return	3 438	1 946	5 384
Finance income/expenses from insurance contracts issued	-2 521	-488	-3 009
Finance income/expenses from reinsurance contracts held	210	75	285
Total insurance finance result	-2 311	-413	-2 724

Risk adjustment

As of 31 December 2024 and 2023, the level of risk adjustment net of reinsurance held as measured by the Group corresponds to a confidence level on the ultimate loss distribution of 79% and 78%, respectively.

Discount rates

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

2024						
Currency	1 Year	5 Years	10 Years	20 Years	30 Years	50 Years
AUD	4.037%	3.983%	4.466%	4.954%	5.090%	4.730%
CAD	3.005%	2.992%	3.282%	3.384%	3.377%	3.512%
EUR	2.237%	2.376%	2.745%	2.972%	3.041%	3.318%
GBP	4.322%	4.277%	4.671%	5.279%	5.265%	4.376%
JPY	0.420%	0.727%	1.123%	1.987%	2.415%	2.825%
USD	4.222%	4.457%	4.639%	5.046%	4.826%	4.331%

2023						
Currency	1 Year	5 Years	10 Years	20 Years	30 Years	50 Years
AUD	3.981%	3.674%	4.029%	4.419%	4.412%	4.295%
CAD	4.596%	3.120%	3.116%	3.112%	3.034%	3.229%
EUR	3.045%	2.060%	2.307%	2.619%	2.597%	3.025%
GBP	4.438%	3.358%	3.660%	4.328%	4.217%	3.574%
JPY	-0.045%	0.212%	0.657%	1.486%	1.773%	1.931%
USD	4.789%	3.882%	3.877%	4.376%	4.018%	3.772%

Direct allocation of assets to groups of re/insurance contracts

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

6 Claims development tables

Basis of presentation for claims development information

Claims development information is presented on a gross basis, by underwriting year and by business segment.

Incurred and cumulative claims paid are shown in the claims development tables on a nominal basis.

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

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

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

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

Insurance contracts issued – Property & Casualty Reinsurance

Incurred claims and allocated claim adjustment expenses, insurance contracts issued

USD millions	Reporting year				
Underwriting year	2020	2021	2022	2023	2024
2020	9 078	14 713	15 161	15 041	15 457
2021		8 406	15 767	16 040	16 725
2022			9 179	14 965	16 053
2023				7 969	14 572
2024					8 253
Total					71 060

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

USD millions	Reporting year				
Underwriting year	2020	2021	2022	2023	2024
2020	570	4 152	7 174	9 140	10 539
2021		794	4 952	8 455	10 517
2022			658	4 745	8 081
2023				691	4 385
2024					728
Total					34 250

Undiscounted outstanding claim (assets)/liabilities, insurance contracts issued – underwriting years from 2020 to 2024	36 810
Undiscounted outstanding claim (assets)/liabilities, insurance contracts issued – underwriting years before 2020	24 875
Total undiscounted outstanding claim (assets)/liabilities, insurance contracts issued	61 685

Insurance contracts issued – Corporate Solutions

Incurred claims and allocated claim adjustment expenses, insurance contracts issued

USD millions	Reporting year				
Underwriting year	2020	2021	2022	2023	2024
2020	1 643	2 674	2 702	2 559	2 630
2021		1 780	3 074	3 155	3 308
2022			1 828	3 077	3 095
2023				1 866	3 432
2024					2 053
Total					14 518

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

USD millions	Reporting year				
Underwriting year	2020	2021	2022	2023	2024
2020	199	747	1 216	1 524	1 740
2021		171	868	1 546	2 044
2022			176	973	1 541
2023				211	1 000
2024					248
Total					6 573

Undiscounted outstanding claim (assets)/liabilities, insurance contracts issued – underwriting years from 2020 to 2024	7 945
Undiscounted outstanding claim (assets)/liabilities, insurance contracts issued – underwriting years before 2020	6 422
Total undiscounted outstanding claim (assets)/liabilities, insurance contracts issued	14 367

The following table reconciles the claims development information to the Groups net liabilities of incurred claims, for insurance contracts issued.

The components not included in the undiscounted outstanding claims liabilities are presented below as reconciling items.

Life & Health Reinsurance and Group Items are excluded from the claims development information and are together with other immaterial items disclosed in "Exclusions and other effects".

Reconciliation to the net liability of incurred claims, insurance contracts issued

USD millions	2024
Property & Casualty Reinsurance	61 685
Corporate Solutions	14 367
Total undiscounted outstanding claim (assets)/liabilities, insurance contracts issued	76 052
Consolidation	-3 649
Effect of discounting	-11 752
Risk adjustment for non-financial risk	1 559
Commissions and other expenses	1 297
Exclusions and other effects	13 971
Net (asset)/liability for incurred claims, insurance contracts issued	77 478

7 Investments

Investment result

Net investment income

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

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

	Investment income from financial assets measured at:						Total
	Fair value through other comprehensive income	Fair value through other comprehensive income (designated)	Fair value through profit or loss	Fair value through profit or loss (designated)	Amortised cost	Other	
2023							
USD millions							
Fixed income securities	2 603		206	2	10		2 821
Equity investments		10	28				38
Investment property						247	247
Mortgages and other loans			2		306		308
Share in earnings of equity-method investments						14	14
Cash and cash equivalents			12		139		151
Other			94		146		240
Gross investment income	2 603	10	342	2	601	261	3 819
Investment expenses						-431	-431
Net investment income	2 603	10	342	2	601	-170	3 388

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 3 767 million and USD 3 200 million for the years ended 31 December 2024 and 2023, respectively. Thereof, USD 52 million and USD 32 million were recognised in "Other income" in the income statement for the years ended 31 December 2024 and 2023, respectively.

Investment gains/losses

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

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

¹ Other impairments and reversals of other impairments relate to investment property.

2023 USD millions	Investment gains/losses from financial assets measured at:					Total
	Fair value through other comprehensive income	Fair value through profit or loss	Fair value through profit or loss (designated)	Amortised cost	Other	
Un/realised gains/losses on:						
Fixed income securities	-255	48	3			-204
Equity investments		27				27
Investment property					289	289
Equity-method investments					145	145
Insurance-related derivatives		36				36
Other		70		-2		68
Impairment related gains/losses from:						
Change in expected credit losses	21			-33		-12
Other impairments ¹					-214	-214
Reversals for other impairments						0
Foreign exchange gains/losses					-85	-85
Investment gains/losses	-234	181	3	-35	135	50

¹ Other impairments relate to investment property.

Change in expected credit losses related to financial assets presented within "Other assets" is recognised in "Other expenses" and amounted to losses of USD 41 million and nil for the years ended 31 December 2024 and 2023, respectively.

Carrying amounts of investments and other liabilities

Total investments by measurement category

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

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

¹ The carrying amount of financial assets measured at fair value through other comprehensive income corresponds to fair value, and the allowance for ECL is recognised in "Other comprehensive income".

² The carrying amount of financial assets measured at amortised cost is net of ECL allowances.

	Financial assets by measurement category					Non-financial assets	Reclassified to assets held for sale	Total
	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			
2023								
USD millions								
Cash and cash equivalents			154		4 313			4 467
Investments								
Fixed income securities	83 412		2 349	50	126			85 937
Equity investments		1 057	14					1 071
Mortgages and other loans			8		6 668			6 676
Investment property						2 486		2 486
Other invested assets, thereof:			4 728		3 960	285		8 973
Derivative financial instruments			1 383					1 383
Reverse repurchase agreements					2 677			2 677
Securities borrowing					310			310
Equity-method investments						285		285
Private equity funds			3 177					3 177
Other			168		973			1 141
Total investments	83 412	1 057	7 099	50	10 754	2 771	0	105 143

¹ The carrying amount of financial assets measured at fair value through other comprehensive income corresponds to fair value, and the allowance for ECL is recognised in "Other comprehensive income".

² The carrying amount of financial assets measured at amortised cost is net of ECL allowances.

Financial assets measured at amortised cost with a carrying amount of USD 2 068 million and USD 2 467 million as of 31 December 2024 and 2023, respectively, were included in "Other assets".

Financial assets measured at fair value through profit and loss and financial assets designated at fair value through profit and loss with a carrying amount of USD 625 million and USD 795 million as of 31 December 2024 and 2023, respectively, were included in "Other assets".

Please refer to Note 12 "Risk disclosures" for further information on how the Group manages market risk.

Other liabilities by measurement category

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

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

2023 USD millions	Financial liabilities by measurement category				Total
	Fair value through profit or loss	Amortised cost	Non-financial liabilities	Reclassified to assets held for sale	
Other liabilities					
Derivative financial instruments	1 118				1 118
Repurchase agreements		153			153
Securities lending		15			15
Securities sold short	236				236
Other		3 276	4 000		7 276
Other liabilities	1 354	3 444	4 000	0	8 798

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

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

USD millions	2024	2023
Debt securities issued by governments and government agencies:		
US Treasury and other US government corporations and agencies	15 403	13 012
US Agency securitised products	5 474	4 440
States of the United States and political subdivisions of the states	1 061	1 235
Canada	2 775	3 557
United Kingdom	2 645	2 732
Japan	2 482	2 899
Australia	1 881	2 023
France	1 803	2 260
Other	10 270	11 529
Total	43 794	43 687
Corporate debt securities ¹	34 634	37 324
Securitised products	5 370	4 926
Reclassified to assets held for sale	-183	
Fixed income securities	83 615	85 937

¹ Includes corporate debt securities of USD 21 359 million and USD 23 072 million issued in the US as of 31 December 2024 and 2023, respectively. There are no other significant risk concentrations. There are no other significant risk concentrations.

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

USD millions	2024	2023
United States	2 842	2 804
United Kingdom	2 466	2 478
Switzerland	1 472	
Germany	359	452
Australia	319	352
Other	787	590
Mortgages and other loans	8 245	6 676

Equity instruments designated at FVOCI

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

As of 31 December 2024 and 2023, the fair value of equity investments designated at FVOCI amounted to USD 633 million and USD 1 057 million, respectively. Thereof, USD 576 million and USD 897 million were unlisted investments in insurance companies, respectively.

For the years ended 31 December 2024 and 2023, dividend income recognised on equity investments designated at FVOCI and held at the end of the reporting period amounted to USD 5 million and USD 10 million, respectively.

Derecognition of equity instruments designated at FVOCI

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

Dividend income recognised for those instruments amounted to USD 6 million for the year ended 31 December 2024. Corresponding cumulative gains of USD 3 million were reclassified from other comprehensive income to retained earnings

Maturity analysis for financial assets and financial liabilities

Maturity analysis for financial assets

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

USD millions	Fixed income securities	2024 Mortgages and other loans	Fixed income securities	2023 Mortgages and other loans
Due within one year	16 861	1 175	17 290	931
Due between one and five years	27 344	4 090	28 935	2 492
Due between five and ten years	14 777	1 341	14 298	1 555
Due after ten years	21 272	1 639	21 981	1 698
Securitised products with no fixed maturity	3 544		3 433	
Reclassified to assets held for sale	-183			
Total carrying amount	83 615	8 245	85 937	6 676

Maturity analysis for financial liabilities

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

USD millions	2024 Insurance contracts without significant risk transfer	2023 Insurance contracts without significant risk transfer
Due within one year	89	47
Due between one and five years	95	80
Due between five and ten years	52	40
Due after ten years	89	109
Total undiscounted cash flows	325	276

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

Please refer to Note 12 "Risk disclosures" for further information on how the Group manages liquidity risk.

Offsetting of financial assets and financial liabilities

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

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	1 443		1 443	–821	–347	275
Reverse repurchase agreements	3 884	–1 202	2 682		–2 682	0
Securities borrowing	292	–2	290		–290	0
Total	5 619	–1 204	4 415	–821	–3 319	275

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

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	1 383		1 383	–770	–385	228
Reverse repurchase agreements	3 947	–1 270	2 677		–2 677	0
Securities borrowing	310		310		–310	0
Total	5 640	–1 270	4 370	–770	–3 372	228

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	–1 118		–1 118	770	222	–126
Repurchase agreements	–1 023	870	–153		153	0
Securities lending	–415	400	–15		15	0
Total	–2 556	1 270	–1 286	770	390	–126

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

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

Transferred assets and collateral

Collateral pledged by the Group excluding securities lending and repurchase agreements

As of 31 December 2024 and 2023, financial assets, excluding cash and cash equivalents, and investments in consolidated Swiss Re funds with a carrying value of USD 13 751 million and USD 17 978 million, respectively, were placed on deposit with regulatory agencies or posted to secure certain reinsurance, derivative and debt liabilities.

As of 31 December 2024 and 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 31 December 2024 and 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	484	1 182
Fixed income securities	17 138	15 454
Total investments	17 622	16 636
Corresponding liabilities recognised for the obligation to return cash collateral	68	168

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

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

As of 31 December 2024 and 2023, the fair value of financial assets accepted as collateral and other securities received where the Group is permitted to sell or repledge was USD 22 811 million and USD 22 267 million, respectively. Of this, the amount of USD 2 387 million and USD 1 085 million was sold or repledged as of 31 December 2024 and 2023, respectively. Securities received are not recognised in the balance sheet and the Group is obliged to return equivalent securities.

Investment property

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

USD millions	2024	2023
Gross carrying amount as of 1 January	3 759	3 671
Additions		
From purchases	61	
From subsequent expenditure recognised as an asset	86	75
Disposals	-140	-145
Transfer to and from owner-occupied property	20	
Effect of foreign exchange	-162	158
Other movements	24	
Gross carrying amount on 31 December	3 648	3 759
Cumulative depreciation and impairment as of 1 January	-1 273	-984
Depreciation	-61	-66
Impairments ¹	-67	-214
Reversals of impairments ¹	20	
Disposals	105	47
Transfer to and from owner-occupied property	-14	
Effect of foreign exchange	57	-56
Cumulative depreciation and impairment as of 31 December	-1 233	-1 273
Carrying amount	2 415	2 486
Fair value	5 380	5 541

¹ Impairment losses and reversals of impairment losses recognised for the years ended 31 December 2024 and 2023 were driven by updated appraisals.

As of 31 December 2024, the Group classified an investment property as held for sale. The investment property is allocated across the Reinsurance business segments.

Amounts recognised in profit or loss

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

USD millions	2024	2023
Rental income from investment property	257	247
Direct operating expenses arising from investment property that generated rental income during the period	-63	-55
Total amount recognised in profit or loss	194	192

Leases as a lessor

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

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

Operating leases

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

USD millions	2024	2023
Due within one year	215	214
Due between one year and two years	182	186
Due between two years and three years	172	154
Due between three years and four years	158	129
Due between four years and five years	131	113
Due after five years	548	421
Total undiscounted cash flows	1 406	1 217

Lease contracts for residential real estate in the US with a lease term of one year or less have been excluded from the projected cash flows in the table above due to their short-term nature. Rental income for those leases for the years ended 31 December 2024 and 2023 was USD 17 million and USD 17 million, respectively.

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

USD millions	2024	2023
Lease income	257	247

Finance leases

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

USD millions	2024	2023
Finance leases		
Finance income on the net investment in the lease	2	2

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

USD millions	2024	2023
Due within one year	6	6
Due between one year and two years	7	7
Due between two years and three years	6	7
Due between three years and four years	6	7
Due between four years and five years	6	7
Due after five years	10	16
Total undiscounted cash flows	41	50
Impact of discounting	-7	-7
Net investment in lease	34	43

8 Expected credit loss

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

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

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

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

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

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

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

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

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

Baseline macroeconomic outlook

The Group expects global growth to remain solid over the next 12 months but regional divergences to accentuate as US growth outperformance continues, while Europe and China are weighed down by global trade uncertainty and structural challenges. Global CPI inflation is expected to slowly decline further, but the Group does not expect inflation in the US to return to the 2% target. In response, a cautious US Federal Reserve will likely proceed with only two interest rate cuts in 2025, while central banks in the euro area and China are expected to ease policy at a faster pace as growth concerns dominate.

Alternative scenarios

The distribution of risks is tilted to the downside, driven by geopolitics, the potential for disruptive policy changes and financial market vulnerabilities. Alongside the baseline, the Group monitors three alternative scenarios intended to capture 5–10% tail outcomes based on the current economic environment.

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

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

The upside scenario comprises a tech-driven productivity revival which would see an up-shift in economies’ potential growth, resulting in stronger economic activity and higher interest rates but benign financial conditions and risk assets profiting.

The macroeconomic assumptions as of 31 December were as follows:

		2024 (Forecasts for 2025)				2023 (Forecasts for 2024)			
		Baseline	Upside	Downside 1	Downside 2	Baseline	Upside	Downside 1	Downside 2
Likelihood		76%	8%	8%	8%	76%	8%	8%	8%
Real GDP growth, annual average, %									
	USD	2.2	3.2	–0.1	–1.0	1.1	3.2	–1.4	–2.5
	GBP	1.2	2.2	–0.4	–1.7	0.2	2.2	–1.7	–4.0
	EUR	0.9	2.0	–0.3	–1.7	0.3	2.0	–1.6	–4.0
Yield, 10-year govt. bond, year-end, %									
	USD	4.2	5.3	5.7	2.5	4.2	5.0	6.2	1.2
	GBP	4.5	4.7	5.3	1.8	4.0	4.8	7.2	1.0
	EUR	2.3	3.7	4.3	0.3	2.4	3.6	5.2	0.0
Equity markets, year-end, % change									
	USD	10.0	20.0	–15.0	–25.0	7.4	18.0	–35.0	–45.0
	GBP	6.0	20.0	–15.0	–25.0	7.4	18.0	–35.0	–45.0
	EUR	9.0	20.0	–15.0	–25.0	7.4	18.0	–35.0	–45.0

Maximum exposure to credit risk

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

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

		2024	2023
USD millions	Financial assets, excluding held for sale	Financial assets held for sale	
Financial assets at fair value through other comprehensive income			
Fixed income securities	80 595	183	83 412
Total financial assets measured at fair value through other comprehensive income	80 595	183	83 412
Financial assets at amortised cost:			
Cash and cash equivalents	3 872	31	4 313
Fixed income securities	119		126
Mortgages and other loans	8 237		6 668
Other invested assets ¹	175		187
Financial assets included in Other assets	1 623		1 497
Total financial assets measured at amortised cost	14 026	31	12 791
Total on-balance sheet financial assets subject to ECL	94 621	214	96 203

¹ Excludes derivative financial instruments. Please refer to Note 10 "Derivative financial instruments and hedge accounting".

In addition, financial assets at amortised cost amounting to USD 3 774 million and USD 4 730 million as of 31 December 2024 and 2023, respectively, are excluded from the expected credit loss calculation due to either full collateralisation or the short time to settlement of receivables.

The maximum exposure for off-balance sheet items is best represented by the nominal amount. The nominal amount for loan commitments was USD 134 million and USD 139 million as of 31 December 2024 and 2023, respectively. The nominal amount for financial guarantees was USD 13 million and USD 1 million as of 31 December 2024 and 2023, respectively. Loss allowances for loan commitments and financial guarantee contracts are measured at an amount equal to lifetime ECL.

Reconciliation of allowance for expected credit loss

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

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

2023					
USD millions					
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
Loss allowance as of 1 January	83	11	14	5	113
Net purchase of financial assets and loan issuance					
Fixed income securities FVOCI	10	-2	-7		1
Mortgages and other loans	2	-3	-1		-2
Other	1			1	2
Remeasurements					
Fixed income securities FVOCI	-28	6	1		-21
Mortgages and other loans	4	9	21		34
Other	-1				-1
Stage transfers					
Fixed income securities FVOCI	6	-6			0
Mortgages and other loans	-6	4	2		0
Other					0
Write-offs					
Fixed income securities FVOCI					0
Mortgages and other loans					0
Other					0
Effect of foreign exchange					0
Loss allowance on 31 December	71	19	30	6	126

Credit risk concentration of financial assets

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

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

¹ Reflects the carrying amount for financial assets measured at FVOCI and the gross carrying amount for financial assets measured at amortized cost.

2023 USD millions	AAA	AA	A	BBB	Non- investment grade	Total gross carrying amount ¹	ECL allowance	Net of loss allowance
Financial assets measured at FVOCI								
Stage 1	7 860	30 479	21 428	21 783	1 711	83 261	-63	
Stage 2				12	130	142	-7	
Stage 3					9	9	-9	
Total financial assets measured at FVOCI	7 860	30 479	21 428	21 795	1 850	83 412	-79	
Financial assets measured at AC								
Stage 1	936	3 772	2 495	3 224	1 802	12 229	-8	12 221
Stage 2			10	68	192	270	-12	258
Stage 3					41	41	-21	20
Simplified approach					298	298	-6	292
Total financial assets measured at AC	936	3 772	2 505	3 292	2 333	12 838	-47	12 791

¹ Reflects the carrying amount for financial assets measured at FVOCI and the gross carrying amount for financial assets measured at amortized cost.

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

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

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

2023 USD millions	Maximum exposure to credit risk	Collateral and other credit enhancements	Maximum exposure to credit risk after collateral and credit enhancements
Financial assets at fair value through other comprehensive income:			
Fixed income securities	9	8	1
Total financial assets measured at fair value through other comprehensive income	9	8	1
Financial assets at amortised cost:			
Mortgages and other loans	20	21	0
Total financial assets measured at amortised cost	20	21	0

Financial assets designated at fair value through profit or loss

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

USD millions	2024	2023
Designated financial assets:		
Maximum exposure to credit risk	132	50
Fair value change caused by changes in credit risk	-1	1
Cumulative fair value change caused by changes in credit risk	1	1

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

9 Fair value disclosures

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Assets and liabilities measured at fair value and assets and liabilities not measured at fair value but for which the fair value is disclosed are categorised within the fair value hierarchy. This three-level hierarchy is based on the observability of the inputs used in the fair value measurement. The levels of the fair value hierarchy are defined as follows:

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

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

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

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

Valuation techniques

Cash and cash equivalents mainly consist of publicly traded money market funds (MMFs), which are valued using net asset value (NAV). Valuations of NAV are derived from public exchanges. 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 (direct executable) is not available for a specific instrument, valuations are developed based on a variety of pricing techniques, including utilising an implied and interpolated issuer curve, which is developed using observable quotes and traded prices as proxies, incorporating considerations of the security's credit rating, maturity, liquidity, seniority and call features. Other modelling techniques (eg relative yield analysis, peer proxy/comparable) utilise observable inputs and option-adjusted spreads and incorporate considerations of the security's seniority, maturity and the issuer's corporate structure. When pricing is based on 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 the valuation of CMBS include borrower-specific statistics in a specific region, such as debt service coverage and loan-to-value ratios, as well as the type of commercial property. Asset-backed securities also includes debt securitised by credit card, student loan and auto loan receivables. Pricing inputs for these securities focus on capturing, where relevant, collateral quality and performance, payment patterns and delinquencies. Consequently, the majority of mortgage- and asset-backed securities are categorised within level 2 of the fair value hierarchy.

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

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

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

redemptions). Consequently, the majority of the Group's private equity funds and hedge funds are categorised within level 3 of the fair value hierarchy.

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

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

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

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

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

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

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

Financial valuation risk is managed by internal and external portfolio managers, who ensure that valuations remain in line with the market. In addition, Swiss Re has a function within Financial Risk Management that independently assesses valuations and valuation techniques; this team performs independent price verification for financial risk positions to confirm that valuations are reasonable and to add assurance that there are no material misstatements of fair value in Swiss Re's financial reports. The results of the independent price verification process are reviewed by the Pricing and Valuation Committee. Summary results are regularly reported to Executive management, through the Asset Valuation Committee, and the Board of Directors at Group and legal entity level.

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

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

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

¹ Excludes USD 183 million of fixed income securities categorised within levels 1 and 2 and reclassified as held for sale.

² Includes unit-linked and insurance-linked mortgage loan investments.

³ Includes insurance contracts without significant risk transfer.

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	98	898	1 071
Derivative financial instruments	5	1 348	30	1 383
Mortgages and other loans			8	8
Other invested assets	54	109	3 182	3 345
Other assets ¹	325		470	795
Total assets measured at fair value on a recurring basis	26 024	61 227	5 316	92 567
Assets not measured at fair value but for which the fair value is disclosed				
Fixed income securities			122	122
Mortgages and other loans		73	6 369	6 442
Investment property			5 541	5 541
Other invested assets		144	43	187
Other assets ²			396	396
Total assets not measured at fair value but for which the fair value is disclosed	0	217	12 471	12 688
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments	-3	-1 064	-51	-1 118
Other liabilities	-32	-204		-236
Total liabilities measured at fair value on a recurring basis	-35	-1 268	-51	-1 354
Liabilities not measured at fair value but for which the fair value is disclosed				
Long-term debt		-4 788	-3 874	-8 662
Short-term debt		-790	-2 251	-3 041
Other liabilities ²			-307	-307
Total liabilities not measured at fair value but for which the fair value is disclosed	0	-5 578	-6 432	-12 010

¹ Includes unit-linked and insurance-linked mortgage loan investments.

² Includes insurance contracts without significant risk transfer.

Transfers between levels

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

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

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

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

2023 USD millions	Transfers from			Transfers to		
	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 investments						
Other invested assets						
Liabilities						
Other liabilities						

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

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

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

¹ Fair value changes from level 3 assets and liabilities, except from "Other assets", are reported in "Investment gains/losses". Fair value changes from "Other assets" are reported in "Other income" or "Other expenses".

² Fair value changes from fixed income securities and equity investments are reported in "Net unrealised investment gains/losses on fixed income securities" and "Net unrealised investment gains/losses on equity investments", respectively.

2023 USD millions	Fixed income securities	Equity investments	Derivative financial instruments	Mortgages and other loans	Other invested assets	Other assets	Total assets	Derivative financial instruments	Total liabilities
Balance as of 1 January	957	526	56	25	2 858	517	4 939	-47	-47
Realised/unrealised gains/losses:									
Included in net income ¹	8		53		150	2	213	38	38
Included in other comprehensive income ²	21	-5					16		0
Purchases		376	7	8	350	30	771	-88	-88
Sales		-1		-26	-182	-96	-305		0
Settlements	-139		-86				-225	49	49
Transfers into level	89						89		0
Transfers out of level	-212						-212		0
Effect of foreign exchange	4	2		1	6	17	30	-3	-3
Closing balance as of 31 December	728	898	30	8	3 182	470	5 316	-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.

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

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

USD millions	2024	2023
Gains/losses included in net income for the period	87	251
Whereof change in unrealised gains/losses relating to assets and liabilities still held at the reporting date	-18	212

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

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

USD millions Type of financial instrument	2023 Fair value	2024 Fair value	Valuation technique	Significant unobservable input
Assets				
Fixed income securities	728	576		
Securitised products	341	203	Discounted cash flow model	Credit spread
Private placement corporate debt	387	373	Discounted cash flow model	Credit spread
Equity investments	898	588		
Private equity	898	588	Discounted cash flow model / Peer multiples approach / Market capitalisation method	Financial statements multiples/Cash flow projections/Earnings projections
Derivative financial instruments	30	42		
Weather contracts	3	11	Proprietary option model	Risk margin Correlation Volatility (power/gas) Volatility (temperature) Volatility (wind) Index value (temperature) Index value (wind)
Mortgages and other loans	8	8		
Infrastructure loans	7	8	Discounted cash flow model	Valuation spread
Other invested assets	3 182	3 352		
Private equity funds	3 170	3 330	Net asset value	n/a
Other assets	470	361		
Insurance-linked mortgage loans	470	360	Discounted cash flow model	Lapse rate Mortality rate
Liabilities				
Derivative financial instruments	-51	-47		
Weather contracts	-47	-41	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 securitised products is credit spread. A significant increase (decrease) in this input in isolation would result in a significantly lower (higher) fair value measurement. The significant unobservable input used in the fair value measurement of the Group's private placement corporate debt securities is credit spread. A significant increase (decrease) in this input in isolation would result in a significantly lower (higher) fair value measurement. However, changing any of the unobservable inputs to reflect reasonably possible alternative scenarios would not lead to a significant change in the corresponding fair values.

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

The significant unobservable 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. However, changing any of the unobservable inputs to reflect reasonably possible alternative scenarios would not lead to a significant change in the corresponding fair values.

The significant unobservable input used in the fair value measurement of the Group's infrastructure loans is valuation spread. A significant increase (decrease) in this input in isolation would result in a significantly lower (higher) fair value measurement. However, changing the unobservable input to reflect reasonably possible alternative scenarios would not lead to a significant change in the corresponding fair values.

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

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

10 Derivative financial instruments and hedge accounting

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

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

Fair values and notional amounts of derivative financial instruments

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

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

2023 USD millions	Maturity by nominal amount			Notional amount assets/liabilities
	Due within one year	Due between one and five years	Due after five years	
Derivatives designated as hedging instruments				
Fair value hedges				
Interest rate contracts	297	297	885	1 479
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	885	7 007

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

2024 USD millions	Fair value assets			Total fair value assets
	Due within one year	Due between one and five years	Due after five years	
Derivatives not designated as hedging instruments				
Interest rate contracts	1	757	194	952
Foreign exchange contracts	158	78	14	250
Equity contracts		36	9	45
Credit contracts	4	1		5
Other contracts	10	2	30	42
Total	173	874	247	1 294
Derivatives designated as hedging instruments				
Cash flow hedges				
Interest rate contracts				0
Hedge of net investment in foreign operations				
Foreign exchange contracts	149			149
Total	149	0	0	149
Total net amount of derivative financial instruments				
				1 443

2023 USD millions	Fair value assets			Total fair value assets
	Due within one year	Due between one and five years	Due after five years	
Derivatives not designated as hedging instruments				
Interest rate contracts	1	27	194	222
Foreign exchange contracts	777	73	14	864
Equity contracts	5	16	5	26
Credit contracts				0
Other contracts	118	119	22	259
Total	901	235	235	1 371
Derivatives designated as hedging instruments				
Cash flow hedges				
Interest rate contracts	12			12
Hedge of net investment in foreign operations				
Foreign exchange contracts				0
Total	12	0	0	12
Total net amount of derivative financial instruments ¹				1 383

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".

Due within one year	Fair value liabilities		Total fair value liabilities	Carrying value assets/liabilities
	Due between one and five years	Due after five years		
-27	-747	-2	-776	176
-296	-32	-16	-344	-94
-45	-80		-125	-80
-1			-1	4
-43	-4		-47	-5
-412	-863	-18	-1 293	1
			0	0
			0	149
0	0	0	0	149
			-1 293	150

Due within one year	Fair value liabilities		Total fair value liabilities	Carrying value assets/liabilities
	Due between one and five years	Due after five years		
	-39	-1	-40	182
-707	-9	-19	-735	129
-19	-94		-113	-87
-3			-3	-3
-163			-163	96
-892	-142	-20	-1 054	317
			0	12
-64			-64	-64
-64	0	0	-64	-52
			-1 118	265

The fair value liabilities are included in "Other liabilities".

Please refer to Note 12 "Risk disclosures" for further information on how the Group manages liquidity risk.

Non-hedging activities

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

For the years ended 31 December 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	-2
Foreign exchange contracts	79	126
Equity contracts	-46	-229
Credit contracts	4	-72
Other contracts	93	199
Total	114	22

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

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

USD millions	2024		2023	
	Investment gains/losses	Interest expenses	Investment gains/losses	Interest expenses
Interest rate contracts				
Gains/losses on derivatives	2	40		93
Gains/losses on hedged items	-2	-40		-90

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

USD millions	2024		2023	
	Carrying value	Cumulative basis adjustment	Carrying value	Cumulative basis adjustment
Assets				
Fixed income securities	32			
Liabilities				
Short-term debt			-293	4
Long-term debt	-970	132	-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. The Group has established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component.

As of 31 December 2024 and 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 year ended 31 December 2024, a loss of USD 7 million was recorded in "Other comprehensive income – Cash flow hedges". The remaining cash flow hedge reserves amounting to a net gain of USD 5 million were reclassified to the income statement.

Hedges of the net investment in foreign operations

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

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

USD millions	2024	2023
Change in value of hedged items	-542	274
Change in value of hedging instruments	553	-274
Hedging gain/losses recognised in "Other comprehensive income – Foreign currency translation"	542	-274
Hedge ineffectiveness recognised in the income statement	11	

As of 31 December 2024 and 2023, the total foreign currency translation reserve amounted to a net gain of USD 268 million and a net loss of USD 274 million, respectively.

11 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). Interest expense is classified accordingly.

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

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

USD millions	2024	2023
Senior debt	2 151	2 538
Subordinated debt	1 729	500
Contingent capital instruments classified as debt		
Short-term debt	3 880	3 038
Senior debt	1 179	1 200
Subordinated debt	5 143	6 957
Contingent capital instruments classified as debt		
Long-term debt	6 322	8 157
Total carrying value	10 202	11 195
Total fair value	10 633	11 703

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

USD millions	2024	2023
Operational debt	1 666	1 746
Thereof limited- or non-recourse	1 561	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 31 December 2024 and 2023, long-term debt as reported above had the following maturities:

USD millions	2024		2023	
	Carrying value	Undiscounted cash flows ¹	Carrying value	Undiscounted cash flows ¹
Due between one and five years	2 149	2 520	3 193	3 537
Due between five and ten years	2 296	3 208	2 373	3 120
Due after ten years	1 877	3 802	2 591	4 681
Total	6 322	9 530	8 157	11 338

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

Please refer to Note 12 "Risk disclosures" for further information on how the Group manages liquidity risk.

Senior long-term debt

2024							Book value
Maturity	Instrument	Issued in	Currency	Nominal in millions	Interest rate		in USD millions
2026	Senior notes ¹	1996	USD	291	7.00%		302
2027	Senior notes	2015	CHF	250	0.75%		273
2030	Senior notes ¹	2000	USD	156	7.75%		186
2042	Senior notes	2012	USD	322	4.25%		316
Various	Payment undertaking agreements	Various	USD	97	Various		102
Total senior long-term debt as of 31 December 2024							1 179
Total senior long-term debt as of 31 December 2023							1 200

¹ Assumed in the acquisition of GE Insurance Solutions.

Subordinated long-term debt

2024								Book value
Maturity	Instrument	Issued in	Currency	Nominal in millions	Interest rate	Next call in		in USD millions
2035	Subordinated fixed rate callable loan ¹	2024	USD	750	5.75%	2034		745
2049	Guaranteed subordinated fixed rate reset step-up callable note	2019	USD	766	5.00%	2029		762
2050	Guaranteed subordinated fixed rate reset step-up callable note	2019	EUR	539	2.53%	2030		556
2052	Guaranteed subordinated fixed rate reset step-up callable note	2020	EUR	800	2.71%	2032		697
2052	Subordinated fixed-to-floating rate non step-up callable loan ¹	2022	USD	800	5.68%	2027		800
2056	Subordinated fixed rate non step-up callable loan ¹	2022	USD	23	6.10%	2031		23
2057	Subordinated private placement (amortising, limited recourse)	2007	GBP	1 246	6.48%			1 560
Total subordinated long-term debt as of 31 December 2024								5 143
Total subordinated long-term debt as of 31 December 2023								6 957

¹ From affiliated companies.

Changes in liabilities arising from financing activities

2024

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

2023

USD millions	Short-term debt issued	Long-term debt issued	Total
Balance as of 1 January	2 620	10 104	12 724
Transactions under common control	787	-214	573
Financing cash flows	-1 179	-1 165	-2 344
Effect of foreign exchange	22	203	225
Reclassifications from long-term to short-term debt	770	-770	0
Other	18	-1	17
Balance as of 31 December	3 038	8 157	11 195

Financing costs

Financing costs for the years ended 31 December 2024 and 2023 were as follows:

USD millions	2024	2023
Senior debt	51	53
Subordinated debt	311	314
Contingent capital instruments classified as debt		
Interest expense on long-term debt	362	367
Interest expense on short-term debt	191	150
Net impact of hedging		-3
Other	147	165
Total financing costs	700	679

¹ Includes a gain on debt extinguishment of USD 76 million.

Long-term debt issued in 2024

On 5 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 5.70% until the reset date on 5 April 2034. The notes are guaranteed on a subordinated basis by Swiss Re Ltd. Swiss Re Subordinated Finance Plc on-lent the issuance proceeds to Swiss Reinsurance Company Ltd effective 5 April 2024 under a subordinated loan agreement on substantially the same terms as the external issuance.

12 Risk disclosures

Regulatory framework

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

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

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

Insurance risk

As mentioned in Note 1 "Organisation and summary of material accounting policies", re/insurance contracts give rise to insurance risk. Insurance risk management involves identifying, assessing and controlling risks that the Group takes through its underwriting activities. In addition, the Group monitors and controls accumulated insurance exposures to ensure that they remain within the defined risk tolerance level. The Group also manages and mitigates insurance risk through external retrocession, insurance risk swaps or by transferring risk to capital markets. This provides protection against extreme catastrophic events, further diversifies risk, stabilises economic results and releases underwriting capacity.

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

Property and casualty risk is mainly driven by underlying risks inherent in the business the Group underwrites, in particular costing and reserving risk, natural catastrophes, man-made risk and economic/social inflation and changes in settlement patterns. These insurance risks arise from coverage provided for property, liability, motor and accident risks, as well as for specialty risks such as engineering, agriculture, aviation, marine and cyber. It includes underlying risks inherent in the business the Group underwrites, such as inflation or uncertainty in pricing and reserving. Property re/insurance for natural catastrophe risks is a core business of Swiss Re. For key portfolios in its book, physical risk due to climate change is expected to lead to moderate increases of expected losses in the long term. To reflect such changes in physical risks, the Group regularly adjusts its proprietary natural catastrophe models based on the most recent loss experience and scientific findings. These adjustments are relatively modest compared to those for other loss drivers.

Life and health insurance risk arises from coverage provided for mortality (death), longevity (annuity) and morbidity (critical illness and income protection). In addition to potential shock events (such as a severe pandemic), it includes underlying risks inherent in life and health contracts that arise when mortality, morbidity or lapse experience deviates from expectations. The Group's limit framework for life and health exposures includes risk limits for key risks, such as life (mortality trend and longevity combined), lethal pandemic, mortality trend, lapse, critical illness and income protection. Market exposure limits are in place for catastrophe and stop-loss business. The Group does not consider climate change to have a financially material negative effect on its life and health portfolios in the short, medium or long term.

Concentration of insurance risk

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

USD millions	2024	2023
Americas	40 283	40 625
EMEA	26 327 ¹	26 828
Asia-Pacific	11 618	12 879
Total	78 228	80 332

¹ Includes USD 791 million reclassified as held for sale.

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

In L&H Reinsurance, the largest amount of net insurance liabilities recognised in the balance sheet relates to mortality business in the US. In P&C Reinsurance, risks are spread across all regions, particularly in the US and EMEA.

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

Financial market risk

The Group maintains finance market risk standards, which define the risk governance and control framework for the management of the market risk within the Group. Market risk is the risk of loss arising from market changes that affect the economic value of investments or contracts. The Group regularly monitors and reports on key financial market risks and risk aggregations, as well as on specific limits for internally and externally managed investment mandates. These reports track exposures, document limit usage and provide information on key risks that could affect the portfolio. The reports are presented and discussed with those responsible for the relevant business line in Group discussion forums. The reporting process is complemented by regular risk discussions between key units that take financial market risk and the respective business teams that write transactions.

Risk concentration of financial instruments

Please refer to the disclosure "Carrying amounts of investments and other liabilities" in Note 7 "Investments" for information on risk concentration by asset class.

Please refer to the disclosure "Risk concentration of fixed income securities, and mortgages and other loans" in Note 7 "Investments" for information on risk concentration by country.

Credit risk

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

The Group maintains credit risk standards, which define the risk governance and control framework for management of the credit risk within the Group. The Group regularly monitors and reports on country and counterparty credit quality, credit exposures and limits. In addition, the Group compiles a watch list of cases that merit close attention. The reporting process is supported by a Group-wide credit exposure information system that contains all relevant data, including counterparty details, ratings, credit risk exposures, credit limits and watch lists, thus providing the necessary transparency to implement specific exposure management strategies for individual counterparties, industry sectors and geographic regions.

Exposure to credit risk from insurance contracts

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

As of 31 December 2024 and 2023, the maximum exposure to credit risk related to insurance contracts issued was USD 19 525 million and USD 20 289 million, respectively. The maximum exposure to credit risk from reinsurance held was USD 3 113 million and USD 4 893 million, respectively.

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

Credit risk quality of reinsurance contracts held that are assets

As of 31 December, the net reinsurance contracts held exposure split by credit rating was as follows:

USD millions	2024	2023
AA	427	1 818
A	553	512
BBB	1 803	1 988
Non-investment grade	330	575
Total	3 113	4 893

Credit risk from financial instruments

Please refer to the disclosure "Risk concentration of fixed income securities, and mortgages and other loans" in Note 7 "Investments" for information on risk concentration by country.

Please refer to the disclosures in Note 8 "Expected credit loss" for more information on credit risk related to financial instruments, including risk concentration by credit quality.

Liquidity risk

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

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

Please refer to the disclosure "Maturity analysis of the remaining undiscounted contractual net cash flows for insurance contracts in a liability position" in Note 5 "Other re/insurance disclosures" for more information on liquidity risk related to re/insurance contracts.

Please refer to the disclosure "Maturity analysis for financial assets" in Note 7 "Investments" for more information on liquidity risk related to financial instruments.

Please refer to the disclosure "Maturity analysis of long-term debt" in Note 11 "Debt" and "Maturity of lease liabilities" in Note 16 "Leases" for more information on liquidity risk related to non-derivative financial liabilities.

Please refer to the disclosure "Fair values and notional amounts of derivative financial instruments" in Note 10 "Derivative financial instruments and hedge accounting" for more information on liquidity risk related to derivative financial liabilities.

Currency risk

The primary objectives of the Group's foreign exchange risk management are to minimise the impact of foreign exchange rate fluctuations on consolidated IFRS shareholder's equity and earnings while maintaining an adequate capital position. There is no significant exposure to a single currency.

Insurance and financial market SST ratio sensitivities

SST sensitivity methods, parameters and assumptions

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

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

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

Key assumptions used for sensitivity analysis are:

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

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

Insurance SST ratio sensitivities

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

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

The tables below provide details on the impact on the SST ratio of insurance peak scenarios with a return period of 200 years. As of 1 January 2025 and 2024, the Group SST ratio was 257% and 269%¹, respectively.

Impact on SST ratio ²	SST 2025
Atlantic hurricane	-43pp
Californian earthquake	-28pp
European windstorm	-17pp
Japanese earthquake	-15pp
Lethal pandemic	-23pp

Impact on SST ratio ²	SST 2024
Atlantic hurricane	-46pp
Californian earthquake	-33pp
European windstorm	-23pp
Japanese earthquake	-20pp
Lethal pandemic	-26pp

¹Amended, given the implementation of the methodology to derive the SST target capital required correction. In the past, the expected change in SST risk-bearing capital (RBC), which is deducted from total risk to derive the target capital, did not factor in the discounting of the expected RBC when implemented.

²Excluding reinstatement premiums that could be triggered as a result of the event.

For the SST 2025, the largest natural catastrophe exposure for the Swiss Re Group derives from the Atlantic hurricane scenario, which translates into a 43 percentage point decrease in the SST ratio, with a USD 6.1 billion loss. The lethal pandemic loss is estimated to be USD 3.7 billion, which translated into a 23 percentage point impact on the SST ratio.

Financial market SST ratio sensitivities

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

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

Swiss Re uses 99% tail value at risk to measure its risk concentrations. Risk concentrations are also measured via value at risk calculations for sensitivities to key financial market parameters. The financial risk sensitivities below are shown in terms of their impact on the SST ratio. As of 1 January 2025 and 2024, the Group SST ratio was 2 57% and 269%¹, respectively.

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

Impact on SST ratio (in pp)		SST 2024
Interest rates	+50 bps	12pp
Interest rates	-50 bps	-13pp
Credit spreads	+50 bps	-8pp
Credit spreads	-50 bps	8pp
Equity values	+25%	0pp
Equity values	-25%	0pp
Real estate values	+25%	8pp
Real estate values	-25%	-8pp

¹Amended, given the implementation of the methodology to derive the SST target capital required correction. In the past, the expected change in SST risk-bearing capital (RBC), which is deducted from total risk to derive the target capital, did not factor in the discounting of the expected RBC when implemented.

Among the financial market sensitivities shown above, the Group SST 2025 ratio is most sensitive to a 50-basis-point decrease in interest rates or to a decrease in real estate values of 25%, each of which would result in an estimated decrease in the SST ratio of 8 percentage points.

13 Shareholder’s equity

Issued capital

On 31 December 2024, Swiss Reinsurance Company Ltd had fully paid-in share capital of CHF 34 405 256.50. It was divided into 344 052 565 registered shares, each with a par value of CHF 0.10, held directly by Swiss Re Ltd. One share carries one vote. The Company is a wholly owned subsidiary of Swiss Re Ltd.

Number	2024	2023
Shares issued		
Balance as of 1 January	344 052 565	344 052 565
Issuance of common shares		
Cancellation of shares bought back		
Balance as of 31 December	344 052 565	344 052 565

Capital management and dividends

The Group’s capital management priorities remain unchanged. Those priorities are to: ensure superior capitalisation at all times and maximise financial flexibility; grow the regular dividend with long-term earnings and, at a minimum, maintain it; deploy capital for business growth where it meets its strategy and profitability requirements; and, finally, repatriate excess capital to its sole shareholder Swiss Re Ltd.

Dividends are declared in US dollars in line with the Group’s reporting, and main business currency, and are paid in US dollars following the Annual General Meeting at which the relevant dividend is declared and approved. For the years ended 31 December 2024 and 31 December 2023, Swiss Reinsurance Company Ltd declared dividends corresponding to a total distribution of USD 1 600 million and USD 1 200 million, respectively.

14 Assets held for sale

The Group announced on 5 November 2024 that it has agreed to sell iptiQ's European P&C business to Allianz Direct, in line with its strategic decision to withdraw from iptiQ. The transaction is expected to close mid-2025, subject to customary closing conditions, including regulatory approvals.

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

An expected loss of USD 77 million on the disposal of the net assets was recognised in the Group items segment in the fourth quarter of 2024. The loss has been reflected in the "Other expenses" line in the income statement and a corresponding balance "Unallocated impairment under IFRS 5" has been established within "Assets held for sale". The loss will be adjusted based on the final purchase price and the carrying amount of the disposal group to be determined as of the closing of the transaction. Items in "Other comprehensive income" will be recognised in the income statement upon disposal.

The major classes of assets and liabilities held for sale as of 31 December are listed below.

USD millions	2024
Assets	
Cash and cash equivalents	31
Investments	
Fixed income securities	183
Total investments	183
Insurance contracts issued that are assets	1
Reinsurance contracts held that are assets	38
Income taxes recoverable	10
Deferred tax assets	54
Other assets	133
Unallocated impairment under IFRS 5	-73
Total assets held for sale	377
Liabilities	
Insurance contracts issued that are liabilities	762
Reinsurance contracts held that are liabilities	4
Income taxes payable	2
Deferred tax liabilities	47
Other liabilities	73
Total liabilities held for sale	888

15 Other income and expenses

Other income

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

USD millions	2024	2023
Income related to insurance contracts without significant risk transfer	205	58
Revenue from other services	48	80
Other	81	60
Total	334	198

Operating and other expenses by functional area and nature

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

USD millions	2024	2023
Operating and other expenses by functional area		
Insurance service result	2 463	2 454
Investment result	208	232
Other expenses	2 392	1 862
Total operating and other expenses by functional area	5 063	4 548
Operating and other expenses by nature		
Personnel	1 850	1 782
Consulting, contractors, tax & audit, legal, business outsourcing	153	116
IT	201	165
Office space	71	50
Marketing	33	29
Impairments on goodwill and intangible assets	111	
Unallocated impairment under IFRS 5 ¹	77	
Expenses related to insurance contracts without significant risk transfer	206	70
Other ²	2 361	2 336
Total operating and other expenses by nature	5 063	4 548

¹ For more details on the transition, please refer to Note 15, "Assets held for sale".

² Includes expenses related to non-income taxes, travel expenses, various fees, other administration and operating expenses as well as recharges from entities under common control in the Swiss Re Group.

16 Leases

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

Right-of-use assets and lease liabilities

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

USD millions	2024	2023
Right-of-use assets	163	138
Lease liabilities	292	251

Additions to right-of-use assets for years ended 31 December were USD 21 million and USD 47 million for the years ended 31 December 2024 and 2023, respectively.

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

Expenses related to lease contracts

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

USD millions	2024	2023
Depreciation expense of right-of-use assets	32	24
Interest expense on lease liabilities	14	11
Other lease expenses	5	3
Total lease expenses	51	38

Maturity of lease liabilities

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

USD millions	2024	2023
Due within one year	54	42
Due between one and two years	54	40
Due between two and three years	48	39
Due between three and four years	43	35
Due between four and five years	39	31
Due after five years	141	135
Total undiscounted cash flows	379	322
Impact of discounting	-87	-71
Total lease liability	292	251

Please refer to Note 12 "Risk disclosures" for further information on how the Group manages liquidity risk.

Reconciliation of lease liabilities

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

USD millions	2024	2023
Balance as of 1 January	251	235
Transactions under common control	77	
Lease liabilities recognised in period	21	47
Cash outflows for leases	-56	-46
Effect of foreign exchange	-10	9
Other	9	6
Balance as of 31 December	292	251

17 Goodwill

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

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

2023 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Total
Gross carrying amount as of 1 January	1 967	2 243	186	29	4 425
Effect of acquisitions	43				43
Other changes					0
Effect of foreign exchange	1				1
Gross carrying amount as of 31 December	2 011	2 243	186	29	4 469
Accumulated impairment as of 1 January	-108	-452	-2		-562
Goodwill impairment for the period					0
Other changes					0
Effect of foreign exchange					0
Accumulated impairment as of 31 December	-108	-452	-2		-562
Net carrying amount as of 31 December	1 903	1 791	184	29	3 907

Impairment test

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

As of 31 December 2024 and 2023, the goodwill allocated to the operating segments were as follows:

USD millions	2024	2023
P&C Reinsurance	1 891	1 903
L&H Reinsurance	1 791	1 791
Corporate Solutions	184	184
iptiQ		29

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

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

P&C Reinsurance, L&H Reinsurance and Corporate Solutions

A discounted cash flow model based on the business plan covering a three-year period is used for each of the respective CGUs. Cash flows for investments are projected based on return on investments assumed in the plan. Cash flows beyond this period are extrapolated using a growth rate based on macroeconomic forecasts. The growth rate assumed after the detailed three-year planning phase is 3.0% (2023: 2.2%). The applied pre-tax discount rate was 10.4% (2023: 11.1%).

The value in use for the CGUs P&C Reinsurance, L&H Reinsurance and Corporate Solutions, respectively, is in excess of the respective total carrying amounts for the financial years ended 31 December 2024 and 2023. Hence, no impairment was identified.

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

iptiQ

For iptiQ cash flows it is necessary to project cash flows over a longer period before extrapolating to appropriately reflect the nature of the business. Cash flows are based on the business plan covering a three-year period and are extrapolated an additional seven years with the growth rate assumed in the plan. The discount rate to determine the value in use is the average of the cost of equity derived from the capital asset pricing model (CAPM) and a valuation implied methodology. The applied pre-tax discount rate of 12.0% was used (2023: 12.5%).

In the second quarter of 2024, the Group announced its plans to withdraw from the iptiQ business. This led to a decrease in the estimated value in use of the iptiQ CGU below the carrying amount, mainly due to reduced expected future cash flows. Based on the calculation, the recoverable amount of the CGU was estimated at USD 0.3 billion. The resulting impairment was allocated to the available assets within the CGU, which were impaired in full (goodwill USD 29 million and intangible assets USD 82 million, respectively) and recognised under "Other expenses" in the income statement. iptiQ reports its results within the segment Group items.

18 Income taxes

Income taxes

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

The components of the income tax expense were:

Amounts recognised in profit or loss

USD millions	2024	2023
Current taxes	466	286
Global minimum tax		
Deferred taxes	272	405
Income tax expense/benefit	738	691

Amounts recognised in other comprehensive income

USD millions	2024	2023
Income tax expense/benefit	258	490

Amounts recognised directly in equity

USD millions	2024	2023
Share-based payments	5	2
Income tax expense/benefit	5	2

Tax rate reconciliation

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

USD millions	2024	2023
Income tax at the Swiss statutory tax rate of 19.6% (2023: 19.7%)	733	682
Increase (decrease) in the income tax charge resulting from:		
Income taxed at different rates	56	-95
Impact of foreign exchange movements	-36	53
Tax exempt income	-64	-8
Non-deductible expenses	6	41
Other income based taxes	31	16
Global minimum tax		
Intra-entity transactions	7	1
Change in statutory rate	20	14
Change in uncertain tax positions	-76	16
Basis difference in subsidiaries	-31	-1
Change in deferred tax not recognised	101	28
Adjustment for tax of prior year period	-20	-70
Other	11	14
Total	738	691

For the year ended 31 December 2024, the Group reported a tax expense of USD 738 million on a pre-tax income of USD 3 741 million, compared to an expense of USD 691 million on a pre-tax income of USD 3 469 million for 2023. This translates into an effective tax rate in the current and prior-year reporting period of 19.7% and 19.9%, respectively.

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

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

For the year ended December 31 2023, the tax rate was driven by tax charges from non-deductible expenses, deferred tax not recognised and foreign exchange movements, partially offset by profits earned in lower tax jurisdictions and tax benefits from prior-year adjustments. The tax charges from non-deductible expenses included USD 22 million in Australia due to non-deductible related party retrocession expenses.

Deferred tax assets and liabilities

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

USD millions	2024	2023
Deferred tax assets		
Insurance and reinsurance contracts	627	858
Investments	1 183	694
Tax losses carried forward	2 074	2 344
Foreign exchange provisions	92	39
Property and equipment	146	233
Pensions and other post-employment benefits	9	36
Accrued income and expense	470	1 280
Other	111	197
Reclassified to assets held for sale	-54	
Deferred tax assets	4 658	5 681
Offset	-2 612	-2 910
Total deferred tax assets	2 046	2 771

USD millions	2024	2023
Deferred tax liabilities		
Insurance and reinsurance contracts	-4 096	-4 392
Investments	-153	-147
Foreign exchange provisions	-288	-671
Property and equipment	-18	-18
Pensions and other post-employment benefits	-154	-131
Accrued income and expense	-82	-169
Other	-230	-148
Reclassified to liabilities held for sale	47	
Deferred tax liabilities	-4 974	-5 676
Offset	2 612	2 910
Total deferred tax liabilities	-2 362	-2 766

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

Deferred income tax liabilities have not been recognised on the aggregate amount of temporary differences with consolidated investments in subsidiaries as the Group controls the dividend policy and the reversal of temporary differences of these subsidiaries. The amount of temporary differences based on undistributed earnings was approximately USD 12.1 billion as of 31 December 2024. If these amounts are distributed in the future, no material tax liabilities would be incurred due to participation exemption rules and applicable double taxation treaties. Management is satisfied these temporary differences will not reverse in the foreseeable future.

Development of net deferred tax assets and liabilities

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

2024							
USD millions	Net balance as of 1 January	Transactions under common control	Recognised in income statement ¹	Recognised in equity	Other	Foreign currency translation	Net balance as of 31 December
Deferred tax assets and liabilities (net)							
Insurance and reinsurance contracts	-3 534		382	-318		1	-3 469
Investments	547	12	354	133		-16	1 030
Tax losses carried forward	2 344	1	-267			-4	2 074
Foreign exchange provisions	-632		436				-196
Property and equipment	215	1	-88				128
Pensions and other post-employment benefits	-95		-90	40			-145
Accrued income and expense	1 111	4	-727				388
Other	49	-9	-86	-83		10	-119
Deferred tax assets and liabilities (net)	5	9	-86	-228	0	-9	-309
Reclassified to assets/liabilities held for sale							-7
Total deferred tax assets and liabilities (net)							-316

2023							
USD millions	Net balance as of 1 January	Transactions under common control	Recognised in income statement ¹	Recognised in equity	Other	Foreign currency translation	Net balance as of 31 December
Deferred tax assets and liabilities (net)							
Insurance and reinsurance contracts	-2 446		-1 245	158		-1	-3 534
Investments	2 409	420	-1 761	-563	-1	43	547
Tax losses carried forward	2 784		-441			1	2 344
Foreign exchange provisions	-389		-243				-632
Property and equipment	222		-8			1	215
Pensions and other post-employment benefits	90		-66	-119			-95
Accrued income and expense	37		1 074				1 111
Other	-1 528	-477	2 023	98		-67	49
Total deferred tax assets and liabilities (net)	1 179	-57	-667	-426	-1	-23	5

¹ USD 186 million and USD -262 million foreign exchange differences included as part of "Investment gains/losses" in the income statement for the years ended 31 December 2024 and 2023. The remaining USD -272 million and USD -405 million was included in deferred tax expense in the income statement.

Tax losses carried forward

The components of tax losses carried forward were as follow:

USD millions	2024			2023		
	For which deferred tax assets are recognised	For which deferred tax assets are not recognised	Total	For which deferred tax assets are recognised	For which deferred tax assets are not recognised	Total
Corporation tax loss carry-forwards						
Expiring in up to three years	9	156	165	28	82	110
Expiring in over three years and up to ten years	6 424	763	7 187	7 050	266	7 316
Expiring in over ten years	14	235	249	286	57	343
Not expiring	3 515	1 194	4 709	4 047	1 139	5 186
Total	9 962	2 348	12 310	11 411	1 544	12 955
Loss carry-forwards from capital losses						
Expiring in up to three years	39	1	40	44		44
Expiring in over three years and up to ten years	161		161	17	1	18
Expiring in over ten years			0			0
Not expiring		181	181	97	563	660
Total	200	182	382	158	564	722

In assessing the realisability of deferred tax assets, management considers whether it is more likely than not that some or all of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets depends upon the generation of future taxable income during the periods in which those temporary differences are deductible. Management considers projections of future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods for which the deferred tax assets are deductible, management believes that it is more likely than not that the Group will realise the benefits of the deferred tax assets recognised as of 31 December 2024. The amount of deferred tax assets recognised, however, could be reduced in the near term if estimates of future taxable income during the carry-forward periods are reduced.

Global minimum tax

From 1 January 2024, current taxes are provided in accordance with the Pillar 2 rules published by the Organisation for Economic Cooperation & 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%.

The amendments to IAS 12 introduced a mandatory temporary exception to the requirements of IAS 12 under which a company does not recognise or disclose information about deferred tax assets and liabilities related to the "Pillar 2" model rules. The Group applied the temporary exception as of 31 December 2024 and 2023.

The Group monitors the "Pillar 2" rules to ascertain when the rules come into effect in various jurisdictions and the impact that this has upon the Group. As of 31 December 2024 and 2023, the tax impact was assessed to have minimal impact upon the Group's effective tax rate. Going forward, as Pillar 2 is implemented in more jurisdictions locally, the Group does not anticipate any material impact to its income tax expense.

19 Post-employment benefits

Defined benefit pension plans and post-employment benefits

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

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

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

USD millions	Swiss plan	Foreign plans	Other benefits	2024 Total	Swiss plan	Foreign plans	Other benefits	2023 Total
Defined benefit obligation as of 1 January	4 272	1 418	267	5 957	3 801	1 340	246	5 387
Recognised in profit or loss:								
Current service cost	132	7	2	141	121	7	2	130
Past service cost				0		-5		-5
Interest cost	55	59	7	121	79	61	8	148
Recognised in other comprehensive income:								
Actuarial gains/losses due to:								
Demographic assumptions		-1		-1		-5		-5
Financial assumptions	201	-95	-2	104	196	48	11	255
Experience adjustments	266	3	-3	266	-76	9	2	-65
Effect of foreign exchange	-304	-40	-11	-355	383	40	15	438
Other movements:								
Plan participants' contribution	43			43	40			40
Payments from the plan	-295	-75		-370	-272	-72		-344
Benefits directly paid by employer		-6	-17	-23		-5	-17	-22
Settlement payments				0				0
Defined benefit obligation as of 31 December	4 370	1 270	243	5 883	4 272	1 418	267	5 957
of which: amounts owed to active members	2 705	180	47	2 932	2 569	210	53	2 832
of which: amounts owed to deferred members		245		245		329		329
of which: amounts owed to pensioners	1 665	845	196	2 706	1 703	879	214	2 796
Fair value of plan assets as of 1 January	4 976	1 390	0	6 366	4 300	1 340	0	5 640
Recognised in profit or loss:								
Interest income	66	59		125	91	63		154
Recognised in other comprehensive income:								
Return on plan assets excluding interest cost or income	240	-80		160	250	7		257
Effect of foreign exchange	-355	-40		-395	443	45		488
Other movements:								
Company contribution	129	11		140	124	7		131
Plan participants' contribution	43			43	40			40
Payments from the plan	-295	-75		-370	-272	-72		-344
Settlement payments				0				0
Fair value of plan assets as of 31 December	4 804	1 265	0	6 069	4 976	1 390	0	6 366
Asset ceiling effect as of 1 January	0	0	0	0	499	0	0	499
Recognised in profit or loss:								
Interest cost or income				0	11			11
Recognised in other comprehensive income:								
Change in asset ceiling				0	-524			-524
Effect of foreign exchange				0	14			14
Asset ceiling effect as of 31 December	0	0	0	0	0	0	0	0
Net defined benefit asset (liability) as of 1 January	704	-28	-267	409	0	0	-246	-246
Net defined benefit asset (liability) as of 31 December	434	-5	-243	186	704	-28	-267	409

Principal actuarial assumptions

in %	2024			2023		
	Swiss plan	Foreign plans weighted average	Other benefits weighted average	Swiss plan	Foreign plans weighted average	Other benefits weighted average
Assumptions used to determine defined benefit cost for the year ended						
Discount rate	1.4%	4.3%	2.9%	2.1%	4.7%	3.5%
Rate of compensation increase	2.0%	2.1%	3.0%	2.0%	3.0%	3.0%
Interest crediting rate	2.4%			2.8%		
Pension increases in payment	0.3%	1.7%		0.5%	1.7%	
Assumptions used to determine obligations at the end of the year						
Discount rate	1.0%	4.8%	3.0%	1.4%	4.3%	2.9%
Rate of compensation increase	1.9%	3.4%	3.0%	2.0%	2.1%	3.0%
Interest crediting rate	2.3%			2.4%		
Pension increase in payment	0.3%	1.6%		0.3%	1.7%	
Assumed medical trend rates at year end						
Medical trend – initial rate			5.2%			5.4%

Mortality tables and life expectancies for major plans

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

2023	Mortality table	Life expectancy at age 65 for a male member currently		Life expectancy at age 65 for a female member currently	
		aged 65	aged 45	aged 65	aged 45
Swiss plan	BVG 2020 G with CMI 2019 projections	22.0	24.0	23.8	25.7
Foreign plans	Varies	22.2	23.8	24.8	26.3
Other benefits	Varies	22.0	23.7	23.7	25.3

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

Sensitivity analysis of significant actuarial assumptions

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

USD millions	2024	2023
Increase in discount rate by 50 bps	-342	-338
Decrease in discount rate by 50 bps	379	373
Increase in rate of compensation by 50 bps	7	7
Decrease in rate of compensation by 50 bps	-5	-5
Increase in interest crediting rate by 50 bps	83	78
Decrease in interest crediting rate by 50 bps	-78	-73
Increase in mortality rate by 10%	-121	-123
Decrease in mortality rate by 10%	136	136
Increase in pension payment by 50 bps	233	229
Decrease in pension payment by 50 bps	-214	-209

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

Pension plan assets measured at fair value

For a description of the different fair value levels and valuation techniques see Note 9 "Fair value disclosures". Assets meeting the criteria of level 1 are generally considered "Quoted in active markets", while assets meeting the criteria of level 2 and level 3 are generally considered in "Other".

As of 31 December 2024 and 2023, the fair values of pension plan assets were as follows:

USD millions	2024			2023		
	Quoted in active markets	Other	Total	Quoted in active markets	Other	Total
Assets						
Fixed income securities	164	2 509	2 673	133	2 599	2 732
Equity securities	1 305	68	1 373	1 267	73	1 340
Real estate		1 085	1 085	4	1 114	1 118
Other assets		826	826		1 114	1 114
Cash and cash equivalents	112		112	62		62
Total plan assets	1 581	4 488	6 069	1 466	4 900	6 366

The plan assets include property occupied by the Group with a fair value of USD 0 million and USD 0 million as of 31 December 2024 and 2023, respectively.

Equity securities include Swiss Re shares of USD 3 million (0.05% of total plan assets) and USD 3 million (0.05% of total plan assets) as of 31 December 2024 and 2023, respectively.

Asset-liability matching strategies

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

Expected contributions and estimated future benefit payments

As of 31 December 2024, the projected benefit payments, which reflect expected future service, not adjusted for transfers in and for employees' voluntary contributions, are as follows:

USD millions	Swiss plan	Foreign plans	Other benefits	Total
2025	343	80	17	440
2026	301	82	17	400
2027	286	83	18	387
2028	272	84	18	374
2029	263	86	17	366
Years 2030–2034	1 155	432	82	1 669

The weighted average duration of the defined benefit obligations is 12.4 years and 12.2 years as of 31 December 2024 and 2023, respectively.

For the different plans, the weighted average duration of the defined benefit obligations are as follows:

Swiss plan:	12.9 years (2023: 12.4 years)
Foreign plans:	11.3 years (2023: 12.0 years)
Other benefits:	9.5 years (2023: 9.8 years)

Defined contribution pension plans

The Group sponsors a number of defined contribution plans to which employees and the Group make contributions. The accumulated balances are paid as a lump sum at the earlier of retirement, termination, disability or death. The amount expensed was USD 92 million and USD 86 million for the years ended 31 December 2024 and 2023, respectively.

20 Commitments and contingent liabilities

Collateral in the event of a declining credit rating and/or declining defined statutory measures

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

Remaining commitments under investment agreements

As a participant in limited and other investment partnerships, the Group commits itself to making available certain amounts of investment funding, callable by the partnerships for periods of up to ten years. The total commitments remaining uncalled were USD 2 124 million and USD 1 538 million as of 31 December 2024 and 2023, respectively.

Commitments under construction contracts

The Group has entered into various real estate construction contracts. The commitments under the contracts over the next six years amount to USD 127 million and USD 144 million as of 31 December 2024 and 2023, respectively.

Legal proceedings

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

21 Related parties

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

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

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

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

Terms and conditions of transactions with related parties

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

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

Transactions with defined benefit pension plan

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

Transactions with associates and joint ventures

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

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

Key management personnel

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

Remuneration of key management personnel

CHF thousands	2024	2023
Short-term employment benefits	23 472	25 514
Post-employment benefits	1 842	2 438
Share-based compensation	20 580	22 640
Total remuneration¹	45 894	50 592

¹ Excludes compensation due to EC members leaving.

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

Related Parties transactions with affiliated companies in the Swiss Re Group

As part of the consolidation process, transactions between Swiss Reinsurance Company Ltd and subsidiaries are eliminated in consolidation and are not disclosed in the notes.

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

USD millions	2024	2023
Net investment income	38	35
Investment gains/losses	-73	-76
Investment result	-35	-41
Other income	20	16
Other expenses	-1 790	-1 986
Financing costs	-329	-315
Net income/loss	-2 134	-2 326
Thereof		
Net income/loss attributable to non-controlling interests		
Net income/loss attributable to common shareholder	-2 134	-2 326

USD millions	2024	2023
Mortgages and other loans	2 249	889
Other invested assets	177	308
Other assets	69	46
Total assets	2 495	1 243

USD millions	2024	2023
Short-term debt	2 848	2 245
Long-term debt	1 568	1 523
Other liabilities	2 561	3 263
Total liabilities	6 977	7 031

Short-term debt

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

	Instrument	Issued in	Currency	Nominal in millions	Interest rate	Book value in USD millions
Short-term debt ¹	Senior debt	2024	USD	1 500	4.56%	1 500
	Senior debt	2024	USD	132	4.86%	132
	Senior debt	2022	USD	500	5.39%	500
	Senior debt	2024	USD	16	4.62%	16
	Subordinated debt	2022	USD	700	5.80%	700
Total short-term debt						2 848

¹ Maturity is defined as the first optional redemption date.

Long-term financing activities between the Group and affiliated companies are disclosed in Note 11 “Debt”.

22 Fully consolidated subsidiaries and associates

	Currency	Share capital (millions)	Affiliation in % as of 31.12.2024	Method of consolidation
Europe				
Germany				
Swiss Re Germany GmbH, Munich	EUR	45	100	f
Liechtenstein				
Elips Versicherungen AG, Vaduz	EUR	4	100	f
Luxembourg				
iptiQ Life S.A., Luxembourg	EUR	6	100	f
Swiss Pillar Investments Europe SARL, Luxembourg	EUR	0.01	100	f
Swiss Re Europe Holdings S.A., Luxembourg	EUR	105	100	f
Swiss Re Europe S.A., Luxembourg	EUR	350	100	f
Swiss Re Finance (Luxembourg) S.A., Luxembourg	EUR	0.2	100	f
Swiss Re Funds (Lux) I, Senningerberg	EUR	18 433	100	f
Swiss Re International SE, Luxembourg	EUR	200	100	f
Ares ECSF XI (S) Holdings S.À R.L., Luxembourg	EUR	367	100	f
iptiQ EMEA P&C S.A., Luxembourg	EUR	6	100	f
Netherlands				
Swiss Re Life Capital EMEA Holding B.V., Hoofddorp	EUR	0.0001	100	f
iptiQ EMEA P&C Holding B.V., Hoofddorp	EUR	0.0001	100	f
Switzerland				
Swiss Re Investments Company Ltd, Zurich	CHF	0.1	100	f
Swiss Re Investments Ltd, Zurich	CHF	1	100	f
iptiQ Group Holding Ltd, Zurich	CHF	0.1	100	f
Swiss Re Nexus Reinsurance Company Ltd, Zurich	CHF	10	100	f
Swiss Re Reinsurance Holding Company Ltd, Zurich	CHF	0.1	100	f
Swiss Re Investments Holding Company Ltd, Zurich	CHF	0.1	100	f
Swiss Re Corporate Solutions Holding Company Ltd, Zurich	CHF	0.1	100	f
United Kingdom				
Swiss Re Finance (UK) Plc, London	GBP	1	100	f
Swiss Re Services Limited, London	GBP	2	100	f

	Currency	Share capital (millions)	Affiliation in % as of 31.12.2024	Method of consolidation
Americas and Caribbean				
Brazil				
Swiss Re Brasil Resseguros S.A., São Paulo	BRL	472	100	f
Swiss Re Corporate Solutions Brasil Seguros S.A., São Paulo	BRL	928	60	f
Swiss Re Corporate Solutions Brasil Holding Ltda, São Paulo	BRL	429	100	f
Cayman Islands				
SRE HL PE 1 LP, George Town	EUR	507	99.8	f
SREH HL PE 1 LP, George Town	EUR	705	99.8	f
SRZ HL PE 1 LP, George Town	USD	593	99.8	f
SRCS HL PE 1 LP, George Town	USD	107	99.8	f
Swiss Pillar Investments UK Limited, George Town	GBP	0.1	100	f
Ares European Credit Strategies Fund XI (S), L.P., George Town	EUR	390	100	f
Canada				
Definity Financial Corporation, Waterloo ²	CAD	2 255	10	e
Colombia				
Compañía Aseguradora de Fianzas S.A. Confianza, Bogota	COP	281 151	51	f
United States				
Swiss Re Corporate Solutions Capacity Insurance Corporation, Jefferson City	USD	5	100	f
iptiQ Americas Inc., Wilmington	USD	0.0001	100	f
Lumico Life Insurance Company, Jefferson City	USD	0	100	f
Swiss Re Corporate Solutions Elite Insurance Corporation, Kansas City	USD	4	100	f
Swiss Re Corporate Solutions America Insurance Corporation, Kansas City	USD	5	100	f
Pillar RE Holdings LLC, Wilmington	USD	0.001	100	f
SR Corporate Solutions America Holding Corporation, Wilmington	USD	0.00001	100	f
SRE HL PE 1 (Master) LP, Wilmington	EUR	505	99.8	f
SREH HL PE 1 (Master) LP, Wilmington	EUR	702	99.8	f
SRZ HL PE 1 (Master) LP, Wilmington	USD	590	99.8	f
SRCS HL PE 1 (Master) LP, Wilmington	USD	106	99.8	f
Swiss Re America Holding Corporation, Wilmington	USD	0.1	100	f
Swiss Re Corporate Solutions Global Markets Inc., Wilmington	USD	0	100	f
Swiss Re Financial Markets Corporation, Wilmington	USD	0	100	f
Swiss Re Financial Products Corporation, Wilmington	USD	0.00001	100	f
Swiss Re Life & Health America Holding Company, Wilmington	USD	0.001	100	f
Swiss Re Life & Health America Inc., Jefferson City	USD	4	100	f
Swiss Re Management (US) Corporation, Wilmington	USD	0.0001	100	f
Swiss Re Property & Casualty America Inc., Kansas City	USD	1	100	f
Swiss Re Treasury (US) Corporation, Wilmington	USD	0.00001	100	f
Swiss Reinsurance America Corporation, Armonk	USD	10	100	f
Swiss Re Corporate Solutions Premier Insurance Corporation, Jefferson City	USD	4	100	f
Westport Insurance Corporation, Jefferson City	USD	6	100	f
Wing Re Inc., Jefferson City	USD	0.3	100	f
Wing Re II Inc., Jefferson City	USD	0.3	100	f
Swiss Re Capital Markets Corporation, Wilmington	USD	0	100	f
Bermuda				
1997 Fund Ltd, Hamilton	USD	1 914	99.3	f

	Currency	Share capital (millions)	Affiliation in % as of 31.12.2024	Method of consolidation
Americas and Caribbean (cont).				
Mexico				
Swiss Re Corporate Solutions México Seguros, S.A. de C.V., Mexico City	MXN	400	100	f
Africa				
South Africa				
Swiss Re Africa Limited, Cape Town	ZAR	502	100	f
Asia-Pacific				
Australia				
Swiss Re Australia Ltd, Sydney	AUD	845	100	f
Swiss Re Life & Health Australia Limited, Sydney	AUD	980	100	f
China				
Swiss Re Corporate Solutions Insurance China Ltd, Shanghai	CNY	770	100	f
Singapore				
Swiss Re Asia Holding Pte. Ltd., Singapore	USD	0.1	100	f
Swiss Re Asia Pte. Ltd., Singapore	USD	3 002	100	f
Swiss Re Principal Investments Company Asia Pte. Ltd., Singapore	USD	0.1	100	f

¹ Net asset value instead of share capital.

² The Group has significant influence due to its representation on the board of directors and/or supervisory body of the associate.

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

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

Method of consolidation

f full
e equity

23 Equity-method investments

Individually immaterial associated companies

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

USD millions	2024	2023
Carrying amount of Group's interests in individually immaterial associated companies	292	285
Group's share of profit or loss	44	14
Group's share of other comprehensive income	-6	-8
Group's share of total comprehensive income of individually immaterial associated companies	38	6

24 Structured entities

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

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

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

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

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

Consolidated structured entities

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

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

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

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

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

Unconsolidated structured entities

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

Insurance-linked securitisations

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

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

Life and health funding vehicles

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

Swaps in trusts

In prior years, the Group provided interest rate and foreign exchange risk hedges to certain asset securitisation trusts which qualify as structured entities. These activities were in run-off as of 31 December 2024 and 2023. The Group's involvement is limited to interest rate and foreign exchange derivatives. The size of the structured entities is based on the notional amount of the underlying contracts.

Investment vehicles

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

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

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

Investment vehicles for unit-linked business

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

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

Commercial mortgage and infrastructure loans

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

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

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

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

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

Commercial mortgage- and asset-backed securities (ABS)

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

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

USD millions	2024	2023
Fixed income securities	5 495	5 052
Equity investments	72	59
Other invested assets	3 653	3 413
Mortgages and other loans	463	519
Investments for unit-linked business	116	111
Total assets	9 799	9 154
Other liabilities	18	30
Total liabilities	18	30

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

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

¹ Maximum exposure to loss is the loss that the Group could be required to record in its statement of comprehensive income as a result of its involvement with a structured entity regardless of the probability of such losses actually being incurred.

² The maximum exposure to loss for swaps in trusts cannot be meaningfully quantified due to their derivative character.

2023 USD millions	Total assets	Total liabilities	Maximum exposure to loss ¹	Size of structured entities
Insurance-linked securitisations	1 554		1 554	40 177
Life and health funding vehicles	22		2 226	2 226
Swaps in trusts ²	55	30		593
Investment vehicles	3 334		3 334	3 363
Investment vehicles for unit-linked business	111			111
Commercial mortgage and infrastructure loans	519		519	2 124
Commercial mortgage- and asset-backed securities	3 559		3 559	244 215

¹ Maximum exposure to loss is the loss that the Group could be required to record in its statement of comprehensive income as a result of its involvement with a structured entity regardless of the probability of such losses actually being incurred.

² The maximum exposure to loss for swaps in trusts cannot be meaningfully quantified due to their derivative character.

The Group did not provide any non-contractual financial or other support to unconsolidated structured entities for the years ended 31 December 2024 and 31 December 2023.

As of 31 December 2024, the Group does not have any intentions to provide financial or other support to an unconsolidated structured entity and/or assist the structured entity in obtaining financial support.

Sponsored unconsolidated structured entities

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

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

The total protection limit provided to the Group by sponsored structured entities in potential loss scenarios amounted to USD 4 552 million as of 31 December 2024 (USD 4 578 million as of 31 December 2023).

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

25 Subsequent events

Los Angeles wildfires

Swiss Re estimates its preliminary claims from the wildfires which affected Los Angeles to be less than USD 700 million, which will impact Group results in the first quarter of 2025. Its estimate for the preliminary total insured market loss from the wildfires is approximately USD 40 billion.



Statutory Auditor's Report

To the General Meeting of Swiss Reinsurance Company Ltd, Zurich

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Swiss Reinsurance Company Ltd and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 2 to 157) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for Opinion

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

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

Key Audit Matters



VALUATION OF INVESTMENTS WITH UNOBSERVABLE MARKET INPUTS



VALUATION OF LIABILITIES FROM INSURANCE CONTRACTS ISSUED IN LIFE & HEALTH



VALUATION OF LIABILITIES FROM INSURANCE CONTRACTS ISSUED IN PROPERTY & CASUALTY



RECOVERABILITY OF DEFERRED TAX ASSETS ON LOSS CARRYFORWARDS



FIRST-TIME ADOPTION OF IFRS

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



VALUATION OF INVESTMENTS WITH UNOBSERVABLE MARKET INPUTS

Key Audit Matter

The Group has recorded \$5'316 million of investments with unobservable market inputs (Level 3) as of 31 December 2024 (5% of total investments). These investments mainly relate to private equity investments and funds, less liquid securities, mortgages, other loans and real estate. The fair values of those investments are mainly derived by using (internal) valuation models and/or third-party indicators.

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

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

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

Our response

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

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

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

- Assessing the reasonableness of pricing and valuation methodologies with reference to relevant accounting standards, and industry practice.
- Identifying key assumptions used in the determination of the investment's fair value and assess the reasonableness of the Group's assumptions by comparing to industry benchmarks.
- Developing an independent estimate for a selected sample of investments and comparing it to the Group's fair value estimate.

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

- Note 1
- Note 7
- Note 9



VALUATION OF LIABILITIES FROM INSURANCE CONTRACTS ISSUED IN LIFE & HEALTH

Key Audit Matter

The Group has recorded liabilities from insurance contracts issued in Life & Health of \$24'647 million as of 31 December 2024 (23% of total liabilities). These liabilities are included in the insurance contracts issued that are presented as liabilities in the balance sheet and are measured using the general measurement model under IFRS 17.

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

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

Our response

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

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

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

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

- Evaluating the actuarial models applied to determine the cash flows including the processing through the Group's IT systems.
- Assessing the methods applied to select the actuarial assumptions by comparing them to generally accepted actuarial techniques and industry standards.
- Recalculating the liabilities for a risk-based sample and comparing the results of the recalculations to the Group's estimates.

For further information on the valuation of Life and Health present value of future cash flows recorded in the liabilities from insurance contracts issued in Life & Health refer to the following:

- Note 1
- Note 4
- Note 5



VALUATION OF LIABILITIES FROM INSURANCE CONTRACTS ISSUED IN PROPERTY & CASUALTY

Key Audit Matter

The Group has recorded liabilities from insurance contracts issued in Property & Casualty of \$61'830 million as of 31 December 2024 (57% of total liabilities). These liabilities are included within the insurance contracts issued that are liabilities line item in the balance sheet and are measured using the general measurement model under IFRS 17.

Within the measurement of the insurance contracts liabilities, the determination of the present value of the future claim settlements and the associated expenses requires a high degree of judgment and subjectivity by management with regards to the underlying actuarial models and the assumptions used. In particular, within the estimates and assumptions, there are uncertainties with regard to initial pricing assumptions, loss developments, inflation trends, court awards and other legal or regulatory changes.

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

Our response

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

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

We tested the completeness and accuracy of the underlying data by reconciling to source information and validating the appropriateness of claims triangles.

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

- Evaluating the actuarial models applied to determine the cash flows including the processing through the Group's IT systems.
- Assessing the methodology applied to select the actuarial assumptions by comparing them to generally accepted actuarial methods and industry standards.
- Performing independent recalculation of the liabilities from insurance contracts issued in Property & Casualty for certain lines of business and comparing the Group's recorded reserves to our independently calculated acceptable ranges.
- Assessing the Group's internally prepared actuarial analyses in comparison to internal experience, and related industry trends for certain lines of business.

For further information on the valuation of Property and Casualty present value of future cash flows recorded in the liabilities from insurance contracts issued in Property & Casualty refer to the following:

- Note 1
- Note 4
- Note 5
- Note 6



RECOVERABILITY OF DEFERRED TAX ASSETS ON LOSS CARRYFORWARDS

Key Audit Matter

The Group has recorded deferred tax assets on loss carryforwards of \$2'074 million as of 31 December 2024 (2% of total assets).

The recoverability of deferred tax assets, resulting from unused losses, depends on the probability that future taxable profit will be available against which the unused losses can be utilized before they expire.

The availability of future taxable profits is based on management's projections on future operating profits and the ability to enforce certain tax planning measures, both requiring estimates and assumptions with a high degree of subjectivity and judgment.

Therefore, we have designated the recoverability of deferred tax assets on loss carryforwards as a key audit matter. Auditing the estimate requires an increased extent of audit effort, including the involvement of specialists with appropriate skills and knowledge, due to the estimation uncertainty associated with the underlying data and assumptions.

Our response

As part of our audit, we gained an understanding of the process related to the recoverability of deferred tax assets on loss carryforwards.

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

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

- Assessing the projections of future taxable profits and the robustness of the underlying assumptions by performing sensitivity analyses for each tax planning measure considered for the recoverability assessment of deferred tax assets.
- Evaluating the enforceability of the tax planning measures and assessing the completeness and accuracy of the related impacts on future taxable profits.

For further information on the recoverability of deferred taxes on loss carryforwards refer to the following:

- Note 1
- Note 18



FIRST-TIME ADOPTION OF IFRS

Key Audit Matter

The consolidated financial statements were prepared for the first time in accordance with IFRS. Previous financial statements were prepared in accordance with US GAAP.

The first-time adoption of IFRS requires the selection of accounting policies on IFRS Accounting Standards effective as at the first annual reporting date. Management must apply judgments about estimates, including specific guidance on how to deal with changes in estimates between the accounting standards. In general, the IFRS Accounting Standards are applied retrospectively with mandatory exemptions required and optional exemptions allowed under IFRS 1.

The first-time adoption of IFRS has a significant impact on the Group's financial position presented in the consolidated financial statements and therefore has been designated as a key audit matter.

Our response

As part of our audit, we gained an understanding about the Group's first-time adoption of IFRS. Our audit procedures included, among others, the following:

- Evaluating the appropriateness of the accounting policies selected by management for compliance with IFRS.
- Assessing the appropriateness of the application of the IFRS Accounting Standards and the mandatory and optional exemptions from the retrospective approach under IFRS 1.
- Assessing the completeness and accuracy of the reconciliations prepared by management from US GAAP to IFRS on the opening balance sheet.
- Reviewing the adequacy and completeness of the notes to the consolidated financial statements, including material accounting policy information and the presentation of the key differences between IFRS and US GAAP in the first-time adoption note.

For further information on the first-time adoption of IFRS refer to the following:

- Note 2



Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Group, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Dr. Frank Pfaffenzeller
Licensed Audit Expert
Auditor in Charge

Matthias Schiessl
Licensed Audit Expert

Zurich, 12 March 2025

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

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Annual Report

Swiss Reinsurance Company Ltd

The management report follows the regulations as outlined in article 961c of the Swiss Code of Obligations.

Reinsurance and sub-holding company

Swiss Reinsurance Company Ltd (the Company), domiciled in Zurich, Switzerland, performs a dual role within the Swiss Re Group as both a reinsurance company and a sub-holding company. The Company is a wholly owned subsidiary of Swiss Re Ltd, the ultimate parent company, domiciled in Zurich, Switzerland. In 2024, the Company employed a worldwide staff at an average of 1 715 full time equivalents.

Financial year 2024

The Company's net result for 2024 amounted to a loss of CHF 1 244 million, driven by the life and health business, due to one-off transaction losses and various reserve updates, as well as by reserving actions taken on the property and casualty business.

Life and health reinsurance result was impacted by net one-off losses from internal restructurings, including the recapture of the US yearly renewable term business, as well as by assumption updates across multiple regions.

Property and casualty reinsurance result was driven by reserving actions taken on the US casualty business for prior underwriting years to increase the overall resilience, partly offset by the strong underwriting performance in property business, as well as by benign net natural catastrophe experience, despite several new large events.

Investment result benefitted from net realised gains from the sale of alternative investments, value re-adjustments on shares in investment funds, as well as from increased regular income.

Extraordinary expenses mainly consisted of corrections of prior year errors in the area of life and health reserving.

The Company merged with Swiss Pillar Investments Ltd, a subsidiary of the Company, which resulted in a merger loss recorded as other expenses in the income statement.

The strengthening of all major currencies against the Swiss franc led to significant foreign exchange remeasurement losses of the balance sheet, but which could be absorbed by the provision for currency fluctuation. In addition, the financial year 2024 benefited from accelerated releases of the provision for currency fluctuation, reflecting the shorter average duration of assets and liabilities denominated in foreign currencies, which resulted in a one-off gain recorded as other income in the income statement.

Total shareholder's equity of the Company decreased by CHF 2 658 million to CHF 12 216 million as at 31 December 2024. The decrease was driven by the net loss for the financial year 2024 of CHF 1 244 million, as well as by a cash dividend payment for the financial year 2023 of CHF 1 449 million, partly offset by a contribution in-kind of Swiss Re Management (US) Corporation from the parent company Swiss Re Ltd of CHF 35 million, which was subsequently contributed in-kind to Swiss Re Reinsurance Holding Company Ltd on the same day.

Reinsurance result

Reinsurance result decreased from a gain of CHF 2 408 million in 2023 to a loss of CHF 1 859 million in 2024.

Property & casualty reinsurance result decreased from a gain of CHF 1 619 million in 2023 to a loss of CHF 81 million in 2024, driven by reserving actions taken on the US casualty business for prior underwriting years to increase the overall resilience. These movements were partly offset by the strong underwriting performance in property business, positive prior year developments, as well as by benign net natural catastrophe experience, despite various new large events in the year under report, such as the flooding in the Gulf region, hurricanes Helene and Milton in the US, as well as storm Boris in Central Europe. The financial year 2023 benefited from significant reserve releases related to prior year natural catastrophe events and inflation updates.

Life & health reinsurance result decreased from a gain of CHF 789 million in 2023 to a loss of CHF 1 778 million in 2024, driven by net one-off losses from the restructuring of the US yearly renewable term business, as well as by assumption updates across multiple regions. The financial year 2023 benefited from reserve releases, due to increasing interest rates, partly offset by best estimate assumption updates.

Premiums earned increased from CHF 25 011 million in 2023 to CHF 28 403 million in 2024, attributable to the growth in both, property and casualty as well as life and health business.

Claims incurred increased from CHF 17 223 million in 2023 to CHF 22 131 million in 2024. The comparison of the individual claims line items is affected by the restructuring of several intragroup retrocession agreements, as well as by various large life and health transactions, creating substantial changes year-on-year. In aggregate, these various movements fully offset each other.

Property and casualty claims paid and claim adjustment expenses net increased from CHF 11 005 million in 2023 to CHF 11 457 million in 2024, mainly due to loss portfolio transfers from Westport Insurance Corporation. Property and casualty change in unpaid claims net increased from CHF 978 million in 2023 to CHF 2 981 million in 2024, primarily driven by reserving actions taken on the US casualty business for prior underwriting years. This was partly offset by benign net natural catastrophe experience in the year under report, despite various new large events, such as the flooding in the Gulf region, hurricanes Helene and Milton in the US, as well as storm Boris in Central Europe.

Life and health claims paid and claim adjustment expenses net and change in unpaid claims net decreased from CHF 6 889 million in 2023 to CHF 6 211 million in 2024, primarily driven by net one-off losses in both years from the restructuring of the US yearly renewable term business. These movements were reflecting the change in reinsurance receivables and payables to cover the setup of the respective technical provisions and were fully offset in life and health benefits net. In addition, the decrease was due to a change in the accounting methodology to gross-up remote risk transactions in the year under report.

Life and health benefits net decreased from a net gain of CHF 2 049 million in 2023 to a net loss of CHF 1 482 million in 2024, driven by the restructuring of the US yearly renewable term business over both years. These were fully offset in life and health claims paid and claim adjustment expenses net and change in unpaid claims net.

Acquisition costs net increased from CHF 6 178 million in 2023 to CHF 7 446 million in 2024, mostly in life and health business, driven by a change in the accounting methodology to gross-up remote risk transactions, mainly in the US, and the restructuring of the EMEA life and health intragroup retrocession. The increase in property and casualty business was driven by retrocession agreements with Swiss Re Europe S.A. and iptiQ EMEA P&C S.A.

Investment result

Investment result decreased from CHF 2 498 million in 2023 to CHF 2 113 million in 2024. The decrease was driven by lower net value re-adjustments on shares in investment funds, partially offset by higher regular income, in particular from fixed income securities, shares in investment funds and alternative investments. In addition, the 2023 investment income and expenses, respectively, were inflated by a dividend in-kind payment from Swiss Re Reinsurance Holding Company Ltd of some of its subsidiaries to the Company of CHF 13 314 million, offset by a corresponding write-off of the Company's participation book value of Swiss Re Reinsurance Holding Company Ltd.

Other financial income and expenses

Other financial income and expenses increased from a net expense of CHF 199 million in 2023 to a net expense of CHF 390 million in 2024. The increase was mainly driven by higher net unrealised losses from derivative financial instruments on foreign exchange and other underlying exposures, partly offset by a higher release of guaranteed interest liabilities.

Other income and expenses

Other income and expenses decreased from a net income of CHF 104 million in 2023 to a net income of CHF 40 million in 2024, mainly driven by the loss from the merger with Swiss Pillar Investments Ltd and higher net administrative expenses in 2023. These were partially offset by higher net foreign exchange gains, including a one-off gain from accelerated releases of the provision for currency fluctuation, as well as by lower overhead expenses in 2024.

Extraordinary expenses

Extraordinary expenses of CHF 554 million were driven by corrections of prior year errors in the area of life and health reserving, leading to extraordinary losses of CHF 551 million, as well as due to a one-off loss from a change in the accounting methodology for leasing of CHF 3 million.

Assets

Total assets increased from CHF 132 478 million as of 31 December 2023 to CHF 142 982 million as of 31 December 2024, driven by foreign exchange remeasurement impacts of CHF 3 673 million, as well as by a change in the accounting methodology in life and health to gross-up remote risk transactions of CHF 3 396 million.

Total investments increased from CHF 76 987 million to CHF 78 789 million in 2024. Investments in subsidiaries and affiliated companies decreased by CHF 107 million to CHF 25 278 million in 2024, mostly due to the merger with Swiss Pillar Investments Ltd, partially offset by various capital contributions to the Company's subsidiaries.

Fixed income securities increased by CHF 1 328 million to CHF 24 844 million in 2024, mainly driven by foreign exchange remeasurement impacts of CHF 1 332 million.

Shares in investment funds increased by CHF 1 132 million to CHF 14 294 million in 2024, largely due to foreign exchange remeasurement impacts of CHF 564 million, several capital contributions, as well as to value re-adjustments, due to positive market developments.

Short-term investments decreased by CHF 1 213 million to CHF 3 110 million in 2024, mainly driven by the funding of a cash dividend payment for the financial year 2023.

Alternative investments increased by CHF 588 million to CHF 1 466 million in 2024, primary related to the asset transfer from a subsidiary of the Company.

Assets in derivative financial instruments increased by CHF 591 million to CHF 1 604 million in 2024, mainly driven by higher business volume of intragroup total return swaps, partly offset by lower positions in derivatives on foreign exchange.

Funds held by ceding companies increased from CHF 15 500 million to CHF 20 682 million in 2024. The increase was primarily driven by foreign exchange remeasurement impacts of CHF 1 102 million. Further, life and health balances increased, largely due to a change in the accounting methodology to gross-up remote risk transactions, mainly in the US and Japan. Property and casualty business increased, driven by higher volume of traditional business with external cedants in the US, as well as by intragroup retrocession agreements with affiliated companies in the US.

Reinsurance recoverable on technical provisions retroceded increased from CHF 14 619 million to CHF 14 817 million in 2024. The increase was primarily driven by foreign exchange remeasurement impacts of CHF 620 million. Property and casualty business increased, mainly due to retrocession agreements with Swiss Re Nexus Reinsurance Company Ltd and Swiss Re Asia Pte. Ltd., as well as by external retrocession agreements, mainly in property business. Life and health business decreased, largely related to the restructuring of the US yearly renewable term business, partly offset by new retrocession agreements with an external cedant in the year under report, as well as by a change in the accounting methodology to gross-up remote risk transactions, mainly in China.

Premiums and other receivables from reinsurance increased from CHF 17 422 million to CHF 20 232 million in 2024. The increase was mainly driven by foreign exchange remeasurement impacts of CHF 762 million and higher business volume with internal and external cedants, mainly in EMEA and Asia. In addition, life and health business increased, reflecting a change in the accounting methodology to gross-up remote risk transactions, mostly in the US.

Other receivables decreased by CHF 288 million to CHF 430 million in 2024, mainly related to investment activities.

Liabilities

Total liabilities increased from CHF 117 604 million as of 31 December 2023 to CHF 130 766 million as of 31 December 2024, driven by foreign exchange remeasurement impacts of CHF 5 836 million, as well as by a change in the accounting methodology in life and health to gross-up remote risk transactions of CHF 3 469 million.

Technical provisions gross increased from CHF 79 378 million to CHF 93 949 million in 2024, mainly driven by foreign exchange remeasurement impacts of CHF 3 795 million. Life and health business increased, primarily due to a change in the accounting methodology to gross-up remote risk transactions, mainly in the US, China and Japan, as well as to new retrocession agreements with an external cedant in the year under report. The increase in property and casualty business was driven by higher business volume with external cedants across multiple regions and new business assumed from affiliated companies in the US, as well as from Swiss Re International SE and Swiss Re Europe S.A. The increase was additionally due to natural catastrophe losses, such as the flooding in the Gulf region, hurricanes Helene and Milton in the US, hailstorms in Canada, storm Boris in Central Europe, as well as to reserving actions on the US casualty business for prior underwriting years.

Debt increased from CHF 4 783 million to CHF 5 679 million in 2024, mainly due to a net increase of intragroup loans, as well as by foreign exchange remeasurement impacts of CHF 295 million, partly offset by the redemption of an external loan.

Liabilities from derivative financial instruments increased by CHF 681 million to CHF 1 632 million in 2024, mainly driven by higher business volume of intragroup total return swaps, partly offset by lower positions in derivatives on foreign exchange.

Funds held under reinsurance treaties decreased from CHF 7 162 million to CHF 6 114 million in 2024, mainly in life and health business, due to a recapture of a retrocession agreement with Swiss Re Nexus Reinsurance Company Ltd for US yearly renewable term business, partly offset by a change in the accounting methodology to gross-up remote risk transactions, mainly in China, and foreign exchange remeasurement impacts of CHF 460 million.

Reinsurance balance payable decreased from CHF 11 273 million to CHF 11 204 million in 2024, mainly driven by life and health business, due to a change in the accounting methodology to gross-up remote risk transactions, mainly in the US and China, partly offset by higher business volume with external cedants, mainly in the US and EMEA, as well as by foreign exchange remeasurement impacts of CHF 511 million.

Other liabilities decreased by CHF 737 million to CHF 5 812 million in 2024, mainly driven by foreign exchange remeasurement impacts of CHF 201 million, lower positions in intragroup cash pooling agreements and securities lending and repurchase agreements, as well as by decreased investment activities. These were partly offset by increased intragroup current account balances.

Shareholder's equity

Shareholder's equity decreased from CHF 14 874 million as of 31 December 2023 to CHF 12 216 million as of 31 December 2024.

The net decrease of CHF 2 658 million was driven by the net loss for the financial year 2024 of CHF 1 244 million, as well as by a cash dividend payment for the financial year 2023 of CHF 1 449 million, partly offset by a contribution in-kind of Swiss Re Management (US) Corporation from the parent company Swiss Re Ltd of CHF 35 million, which was subsequently contributed in-kind to Swiss Re Reinsurance Holding Company Ltd on the same day.

Future prospects and business development

Property & Casualty business

Market environment

The global property and casualty insurance and reinsurance remained in a hard market in 2024. This reflects the ongoing rate increases in commercial and personal lines due to soaring claims developments during the post-COVID-19 inflation surge, and the significant re-pricing of risk in the reinsurance segment in 2023. Higher prices became necessary for the industry to keep track with the elevated claims dynamics and remain economically sustainable. Premiums in primary P&C insurance were up 5% in real terms. Underwriting results improved as a result of higher rates and decreasing claims inflation, while higher investment returns additionally supported sector profitability.

Throughout 2024, commercial lines business saw some price moderation. Property rates entered negative territory during the second half of 2024, compared to a 8% increase in 2023. For casualty pricing, the picture differs by region. In Europe and Asia, prices remained mostly stable, while US general liability and auto liability rates underwent double-digit increase in the second half of 2024, up from a 4% increase in 2023. Social inflation continues to have an impact on US casualty business profitability and is also emerging in markets such as the UK, Australia and Mexico.

In reinsurance, pricing remained strong or slightly higher in all areas throughout 2024. Underwriting remained disciplined with terms and conditions kept tight and retention rates elevated, particularly for catastrophe covers.

Life & Health business

Market environment

Global life insurance premiums grew in 2024, as consumers took advantage of elevated interest rates to buy savings products.

Life premium growth was strongest in the US, where individual annuity sales reached a new record in 2024. Individual life protection sales in the US were flat, while group life and health sales grew moderately, supported by strong employment levels and wage gains. Demand for fixed-rate annuities was also high in the UK, while European life and health insurance markets saw strong demand for disability and long-term care insurance in 2024. In China, an anticipated reduction in guaranteed interest rates on savings products boosted sales in 2024.

The life reinsurance market grew in 2024. Cession rates have been increasing globally, driven by factors such as streamlined underwriting by life insurers, and reinsurers providing new services. For health insurance, emerging Asia is a rapidly growing region where reinsurers are enabling growth, including by supporting insurance product development.

Increasing use of annuity reinsurance by primary insurers has driven global growth in reserves ceded, primarily due to activity from new entrants backed by alternative asset managers. Though initial high volumes of flow and in-force transactions focused on fixed-rate annuity business in the US and bulk annuity business in the UK, recent transactions have expanded the scope across product types and geographies.

Outlook for both Property & Casualty and Life & Health business

Total global insurance premiums are forecast to grow by about 2.9% in inflation-adjusted terms in 2025, with broad-based growth across segments. However, savings business growth is expected to moderate if interest rates decline. Global life premiums are expected to grow at an annual rate of 3% in real terms for 2025.

Non-life insurance growth is expected to slow to 3% annually, below the 3.2% average of the five years from 2020 to 2024. This reflects tapering of the current hard market. Nevertheless, the industry will be supported by steady economic growth, strong labour markets, rising real incomes as inflation moderates, and still-elevated long-term interest rates that support investment.

Underwriting conditions are expected to remain favourable in commercial insurance as well as in the property and casualty reinsurance sector, driven by strong underwriting results in 2024 and increasing reinsurance capacity. This is also reflected in the expansion of the alternative capital segment.

Investments

Strategy and priorities

Financial investments are managed in accordance with the Company's Asset Management Framework and the Company's Investment Guidelines, which are intended to ensure compliance with regulatory requirements. The general principle governing the Company's management of investments is the creation of economic value based on returns relative to the liability benchmark, while adhering to the Investment Guidelines and the Prudent Person Principle. The liability benchmark is determined by approximating an investable benchmark from projected liability cash flows.

Outlook

Global economic conditions in 2025 will be impacted by geopolitical and macroeconomic uncertainty, including changing trade conditions and diverging monetary policies. Policy changes under the new US administration (e.g. taxes, tariffs, fiscal spending) have the potential to increase inflationary pressures and to impact global growth while also limiting central bank flexibility to further reduce interest rates.

The Company sees sovereign bond yields remaining at higher levels compared to the last decade. Assuming that growth materialises, equities should have positive, yet more muted, returns given elevated valuations. Policy and geopolitical uncertainty will increase market volatility.

The investment portfolio is well positioned and highly diversified across asset classes, risk factors and regions. Swiss Re continues to focus on making a sustainable contribution to higher net income for the Group with sovereign bond and high-quality public and private credit portfolios as key pillars. Private markets remain a strategic focus for Asset Management, with planned further investments in select segments of private debt, private equity, and real estate.

Risk management

The Company's Board of Directors has issued a mandate to establish a Risk Management function to provide independent risk-taking oversight for the Company and its subsidiaries. In executing this task, the Risk Management function is supported by the Swiss Re Group Risk Management organisation. Significant parts of risk exposure identification, assessment, control and reporting for Swiss Reinsurance Company Ltd (the Company) on a stand-alone basis are integrated in Group Risk Management processes. The Board of Directors of Swiss Reinsurance Company Ltd sets the Company's risk tolerance. In this role, it is advised by the Board of Directors of the Swiss Re Group (Swiss Re), which approves the Group's risk strategy and Group Risk Policy. It also defines Group's risk appetite and tolerance, key principles for risk-taking, and control and key capital structuring principles based on endorsement by the Risk Committee.

The Group Board mainly performs risk oversight and governance through its Risk Committee and its Audit Committee:

- The Risk Committee – Assists the Board in ensuring the Group's risk management and control framework, risk appetite and risk-taking principles are adequate, aligned with the business strategy and properly applied. In this role it reviews risk aspects related to underwriting activities, new products and strategic initiatives, and is responsible for overseeing the Group's capital allocation and funding activities. The Risk Committee's responsibilities include reviewing the Group Risk Policy and endorsing it for approval to the Group Board of Directors, as well as reviewing risk limits established to control risk tolerance, monitoring their usage and deciding on actions following any breaches. In addition, the Risk Committee reviews and discusses with the Group Chief Risk Officer the most important risk exposures, critical principles used in internal risk measurement, the valuation risk of assets and liabilities, and the capital and liquidity adequacy assessment.
- The Audit Committee – Assists the Board in fulfilling its oversight responsibilities relating to the integrity of the Group's and the Company's financial statements and compliance with legal and regulatory requirements. It serves as an independent monitor of the Group's financial reporting process and system of internal controls. The Audit Committee also reviews legal, regulatory, and operational risks, as well as compliance matters. It also reviews fraud risk related controls.

The Group Executive Committee has delegated various risk management responsibilities to the Group Chief Risk Officer (Group CRO). The Group CRO is responsible for providing the Group Board and Group Executive Committee with independent assessment that all of Swiss Re's risks are being appropriately modelled, governed and managed, and that adequate controls are in place. As part of executing these responsibilities, the Group CRO is charged with establishing the Group's risk management framework for all risk categories.

The Group CRO is a member of the Group Executive Committee and reports directly to the Group CEO. He also advises the Group Chairman and the Group Board of Directors, including its respective committees, in particular the Risk Committee on significant matters arising in his area of responsibility. In addition, the Group CRO is also an Executive Committee member and CRO of the Company, which is the main operating carrier for Swiss Re. The Group CRO leads the independent Risk Management function, which is responsible for risk oversight and control across Swiss Re. Risk Management provides independent assessment to executive management and boards of directors at all levels of Swiss Re that risk taking is well controlled, in line with risk appetite, and complies with all internal and external regulations. The Risk Management function thus forms an integral part of Swiss Re's business model and risk management framework.

Swiss Re's Risk Management function comprises global departments that provide specialised risk expertise and oversight, as well as departments embedded within the P&C Reinsurance, L&H Reinsurance, Corporate Solutions, Public Sector Solutions, Reinsurance Solutions and iptiQ businesses. The global risk management departments oversee Group liquidity and capital adequacy and maintain the Group frameworks for controlling these risks throughout Swiss Re. They also support CROs at Group and legal entity level in discharging their oversight responsibilities. They do so by providing services, such as:

- Financial risk management
- Specialised risk category expertise and accumulation control
- Risk modelling and analytics
- Maintaining the central risk governance framework

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

- Group Internal Audit performs independent, objective assessments of the adequacy and effectiveness of internal control systems. It evaluates the execution of processes within Swiss Re, including those within Risk Management.
- The Compliance function oversees Swiss Re's compliance with applicable laws, regulations, and rules, as well as the Code of Conduct. It also assists the Group Board of Directors, the Group Executive Committee and other management bodies in identifying, mitigating and managing compliance risks.

Income statement

Swiss Reinsurance Company Ltd

For the years ended 31 December

Income statement

CHF millions	Note	2023	2024
Reinsurance			
Premiums written gross		31 327	35 634
Premiums written retroceded		-5 697	-5 988
Premiums written net		25 630	29 646
Change in unearned premiums gross		-838	-1 462
Change in unearned premiums retroceded		219	219
Change in unearned premiums net		-619	-1 243
Premiums earned		25 011	28 403
Other reinsurance revenues	18	2 446	1 285
Total revenues from reinsurance business		27 457	29 688
Claims paid and claim adjustment expenses gross		-19 838	-22 006
Claims paid and claim adjustment expenses retroceded		2 284	4 981
Claims paid and claim adjustment expenses net		-17 554	-17 025
Change in unpaid claims gross		-1 184	-4 047
Change in unpaid claims retroceded		-134	423
Change in unpaid claims net		-1 318	-3 624
Life and health benefits gross		-817	-220
Life and health benefits retroceded		2 866	-1 262
Life and health benefits net		2 049	-1 482
Claims and claim adjustment expenses and life and health benefits		-16 823	-22 131
Change in equalisation provision		-400	
Claims incurred		-17 223	-22 131
Acquisition costs gross		-7 104	-8 523
Acquisition costs retroceded		926	1 077
Acquisition costs net		-6 178	-7 446
Operating costs		-840	-881
Acquisition and operating costs		-7 018	-8 327
Other reinsurance expenses	18	-808	-1 089
Total expenses from reinsurance business		-25 049	-31 547
Reinsurance result		2 408	-1 859

CHF millions	Note	2023	2024
Investments	2		
Investment income		16 472	2 406
Investment expenses		-13 974	-293
Investment result		2 498	2 113
Other financial income and expenses			
Other financial income		2 502	2 632
Other financial expenses		-2 701	-3 022
Operating result		4 707	-136
Interest expenses on debt and subordinated liabilities		-523	-503
Other income and expenses			
Other income	19	453	790
Other expenses	19	-349	-750
Extraordinary expenses	20		-554
Income/Loss before income tax expense		4 288	-1 153
Income tax expense		-82	-91
Net income/loss		4 206	-1 244

The accompanying notes are an integral part of Swiss Reinsurance Company Ltd's financial statements.

Balance sheet

Swiss Reinsurance Company Ltd

As of 31 December

Assets

CHF millions	Note	2023	2024
Investments			
Investments in subsidiaries and affiliated companies		25 385	25 278
Fixed income securities		23 516	24 844
Loans		9 687	9 686
Equity securities		36	111
<i>Shares in investment funds</i>		13 162	14 294
<i>Short-term investments</i>		4 323	3 110
<i>Alternative investments</i>		878	1 466
Other investments		18 363	18 870
Total investments		76 987	78 789
Financial and reinsurance assets			
Assets in derivative financial instruments		1 013	1 604
Funds held by ceding companies		15 500	20 682
Cash and cash equivalents		194	142
<i>Reinsurance recoverable from unpaid claims</i>	3	5 063	5 709
<i>Reinsurance recoverable from liabilities for life and health policy benefits</i>	3	8 430	7 662
<i>Reinsurance recoverable from unearned premiums</i>	3	1 048	1 327
<i>Reinsurance recoverable from provisions for profit commissions</i>	3	78	119
Reinsurance recoverable on technical provisions retroceded		14 619	14 817
Tangible assets		6	4
Deferred acquisition costs	3	2 215	2 359
Intangible assets		112	80
Premiums and other receivables from reinsurance	3	17 422	20 232
Other receivables		718	430
Other assets		3 433	3 517
Accrued income		259	326
Total financial and reinsurance assets		55 491	64 193
Total assets		132 478	142 982

The accompanying notes are an integral part of Swiss Reinsurance Company Ltd's financial statements.

Liabilities and shareholder's equity

CHF millions	Note	2023	2024
Liabilities			
Technical provisions gross			
Unpaid claims	3	55 729	62 840
Liabilities for life and health policy benefits	3	13 677	18 977
Unearned premiums	3	9 138	11 064
Provisions for profit commissions	3	434	668
Equalisation provision	3	400	400
Total technical provisions gross		79 378	93 949
Non-technical provisions			
Tax provisions		52	54
Provision for currency fluctuation		2 007	942
Other provisions		226	259
Total non-technical provisions		2 285	1 255
Debt	11	4 783	5 679
Liabilities from derivative financial instruments		951	1 632
Funds held under reinsurance treaties		7 162	6 114
Reinsurance balances payable	3	11 273	11 204
Other liabilities		6 549	5 812
Accrued expenses		179	175
Subordinated liabilities	11	5 044	4 946
Total liabilities		117 604	130 766
Shareholder's equity			
Share capital	4	34	34
Legal reserves from capital contributions		4 227	2 813
Legal capital reserves		4 227	2 813
Legal profit reserves		650	650
Voluntary profit reserves		5 757	6 757
Profit brought forward			3 206
Net income/loss for the financial year		4 206	-1 244
Total shareholder's equity		14 874	12 216
Total liabilities and shareholder's equity		132 478	142 982

The accompanying notes are an integral part of Swiss Reinsurance Company Ltd's financial statements.

Notes

Swiss Reinsurance Company Ltd

Reinsurance and sub-holding company

Swiss Reinsurance Company Ltd (the Company), domiciled in Zurich, Switzerland, performs a dual role within the Swiss Re Group as both a reinsurance company and a sub-holding company. The Company is a wholly owned subsidiary of Swiss Re Ltd, the ultimate parent company domiciled in Zurich, Switzerland.

1 Significant accounting principles

Basis of presentation

The financial statements are prepared in accordance with Swiss Company Law and the Ordinance on the supervision of private insurance companies (ISO). The Company is also required to follow the Insurance Supervisory Ordinance-FINMA (ISO-FINMA). The ISO-FINMA contains specific guidance for presentation of the balance sheet, the income statement and the notes of insurance companies and overrides the general guidance of the Swiss Code of Obligations (SCO).

Time period

The 2024 financial year comprises the accounting period from 1 January 2024 to 31 December 2024.

Use of estimates in the preparation of annual accounts

The preparation of the annual accounts requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expenses as well as the related disclosures. Actual results could differ significantly from these estimates.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are converted into Swiss franc at year-end exchange rates except for participations and tangible assets, which are maintained in Swiss franc at historical exchange rates. Income and expenses in foreign currencies are converted into Swiss franc at average exchange rates for the reporting year.

Investments

Investments in subsidiaries and affiliated companies are carried at cost, less necessary and legally permissible value adjustments.

The Company's investments in subsidiaries and affiliated companies are summarised as a group for valuation purposes, when a close business link exists and a similarity in nature is given.

Fixed income securities are carried at their amortised cost, less necessary value adjustments to address other than temporary market value decreases.

The following assets are carried at cost or lower market value:

- Equity securities
- Shares in investment funds
- Alternative investments

Loans are carried at nominal value. Value adjustments are recorded where the expected recovery value is lower than the nominal value. Infrastructure and commercial mortgage loans issued at nominal value are carried at cost, and infrastructure and commercial mortgage loans issued below nominal value are measured at present value, based on the effective interest rate method. To address other than temporary market value decreases, necessary value adjustments are recorded.

Short-term investments contain investments with an original duration between three months and one year. Such investments are generally held until maturity and are measured at their amortised cost.

Subsequent recoveries of previously recorded downward value adjustments may be recognised up to the lower of cost or market value at the balance sheet date. The valuation rules prescribed by the Swiss Financial Market Supervisory Authority FINMA are considered.

Assets in derivative financial instruments

Assets in derivative financial instruments are held at market value. All derivative financial instruments have an observable market price and are traded in an active and liquid market. These derivative financial instruments are held to hedge the Company's own risks and those of its subsidiaries and affiliated companies.

Funds held by ceding companies

Funds held by ceding companies consist mainly of assets that belong to the Company but are withheld by the cedent due to regulatory or legal requirements, or to retain control over investments and reduce a potential credit risk. Assets are initially measured based on the consideration received. Subsequently the funds held by ceding companies are measured at the consideration received or market value of the underlying assets.

Cash and cash equivalents

Cash and cash equivalents include cash at bank, short-term deposits, and certain investments in money-market funds with an original maturity of three months or less. Such current assets are held at nominal value.

Reinsurance recoverable on technical provisions retroceded

Reinsurance recoverable on technical provisions represents the retroceded part of the technical provisions. The respective accounting principle per technical provision category is described further under "Technical provisions gross".

Reinsurance business written by branches of the Company that is retroceded to affiliated companies, which is then retroceded back to the Company is presented on a gross basis.

Tangible assets

Tangible assets are carried at cost, less individually scheduled straight-line depreciation over their useful lives, as well as less necessary and legally permissible value adjustments. Items of minor value are not capitalised.

Deferred acquisition costs

Deferred acquisition costs consist principally of commissions and are related to the generation of new reinsurance business. Property and casualty deferred acquisition costs are generally amortised in proportion to premiums earned. Life and health deferred acquisition costs will run-off on a prudent basis, typically linearly in a shorter term than the liabilities. The amortisation schedule can also be determined to be in line with the expected profits of the business, so no statutory profits are shown until the deferred acquisition costs are fully amortised.

Intangible assets

Intangible assets, consisting of capitalised development costs for software for internal use, are measured at cost, less straight-line amortisation over the estimated useful life of software, as well as less necessary and legally permissible value adjustments.

Premiums and other receivables from reinsurance

Premiums and other receivables from reinsurance are carried at nominal value after deduction of known credit risks if applicable. The position mainly consists of receivables from insurance companies and brokers.

Other assets

Other assets include deferred expenses on retroactive reinsurance policies, which are amortised through earnings over the expected claims-paying period, as well as rights in connection with securities lending collateral and reverse repurchase transactions, which are carried at nominal value.

The financial and operational leases are recorded on-balance-sheet. The lease assets and the lease liabilities for both, financial and operational leases, are carried at cost less corresponding amortisation of the assets and release of the liabilities over the useful life of the lease or rental goods.

Accrued income

Accrued income mainly consist of accrued interest income on loans and securities, which are held at nominal value.

Technical provisions gross

Unpaid claims are recognised based on information provided by clients and own estimates of expected claims experience, which are drawn from empirical statistics. These include provisions for claims incurred but not reported. Unpaid insurance obligations are set aside at the full expected amount of future payment.

Liabilities for life and health policy benefits are determined on the basis of actuarially calculated present values taking experience into account. Generally, a prospective gross premium valuation is applied. The method is prospective as it takes into account expected future cash flows inherent in the reinsurance contract from the valuation date until expiry of the contract obligations. The assumptions used in the valuation are based on estimates drawn from experience studies. Cash flows include primarily premiums, claims, commissions, profit commissions and expenses, with provisions for adverse deviations added for prudence to reflect the uncertainties of the underlying best estimates. The gross premium valuation approach may result in a negative liability provision, which is typically set to zero, in accordance with the Company's reserving policy. Under certain circumstances, a prudent allowance for deferred acquisition costs on financing treaties can be established. A loss ratio approach can be taken, mainly for Group business, and for individual risk premium lump sum business, where either information is limited, or a gross premium valuation is not possible due to practical constraints.

Modified coinsurance arrangements are treated on a gross basis with the separate recognition of the funds withheld, as well as the liabilities for life and health policy benefits.

Premiums written relating to future periods are stated as unearned premiums and are normally calculated by statistical methods. The accrual of commissions is determined proportionally and is reported under "Deferred acquisition costs".

Provisions for profit commissions are based on contractual agreements with clients and depend on the results of reinsurance treaties.

The equalisation provision for property and casualty business is set up for the uncertainties when determining underwriting reserves, security or parameter risk, and as a result of the random fluctuations inherent in claims, fluctuation risk in the narrower sense. This provision serves to partially or fully offset unfavourable run-off results in underwriting reserves, as well as fluctuations in claims experience.

The shares of technical provisions pertaining to retroceded business are determined or estimated according to the contractual agreement and the underlying gross business data per treaty.

Liabilities and consideration in connection with portfolio transfers are established through the respective lines in the income statement. Outstanding claims and liabilities are recorded as change in unpaid claims and life and health benefits, with the consideration being recognised as claims paid. The impact on unearned premiums is established through the change in unearned premiums, with the respective consideration accounted as premiums written. Any profit or loss on the portfolio transfer is reflected in other reinsurance revenues or other reinsurance expenses, respectively.

For property and casualty transfers of retroactive treaties, the initial set up of assets and liabilities is accounted as a balance sheet transaction.

Reinsurance business written by branches of the Company that is retroceded to affiliated companies, which is then retroceded back to the Company is presented on a gross basis.

Non-technical provisions

The provision for currency fluctuation comprises the net effect of foreign exchange gains and losses arising from revaluation of the balance sheet at year-end. This net effect is recognised in the income statement, based on the average duration of the technical provisions and investments. Where the provision for currency fluctuation is insufficient to absorb net foreign exchange losses for the financial year, the provision for currency fluctuation is reduced to zero and the excess foreign exchange loss is recognised in the income statement.

Other provisions are determined according to business principles and are based on estimated needs and the tax provision in accordance with tax regulations.

Debts

Debts are held at nominal value.

Liabilities from derivative financial instruments

Liabilities in derivative financial instruments are held at market value. All derivative financial instruments have an observable market price and are traded in an active and liquid market. These derivative financial instruments are held to hedge the Company's own risks and those of its subsidiaries and affiliated companies.

Until 2023, this position also included reinsurance contracts or features embedded in reinsurance contracts that fulfil the characteristics of derivative financial instruments. For such contracts, premiums received may be recognised as income prior to contract expiration or settlement, in cases where the recorded commitment has already reached the maximum liability amount potentially payable under the terms of the respective contracts. Decreases in the liability amounts prior to expiration or settlement are only recognised as income for contracts for which hedging instruments are in place. Since 2024, these contracts are accounted for reinsurance and as such reported under the respective published line item in the reinsurance area.

Funds held under reinsurance treaties

Funds held under reinsurance treaties mainly contain cash deposits withheld from retrocessionaires, which are stated at redemption value.

Reinsurance balances payable

Reinsurance balances payable are held at redemption value. The position mainly consists of payables to insurance companies and brokers.

Other liabilities

Other liabilities include rights in connection with repurchase agreements and securities lending transactions, which are held at nominal value.

Accrued expenses

Accrued expenses mainly consist of accrued interest expenses on debts and subordinated liabilities, as well as on securities and of other accruals, mostly related to administrative expenses, which are held at nominal value.

Subordinated liabilities

Subordinated liabilities are held at nominal value.

Deposit arrangements

Property and casualty contracts which do not meet risk transfer requirements, defined as transferring a reasonable probability of a significant loss to the reinsurer, are accounted as deposit arrangements. Deposit amounts are adjusted for payments received and made, as well as for amortisation or accretion of interest.

Until 2023, life and health contracts which did not meet risk transfer requirements, were also accounted as deposit arrangements. In 2024, the Company changed its accounting policy of deposit arrangements for the life and health business, where reinsurance reserves are now calculated in the same way as for traditional reinsurance business. This caused a gross-up in the 2024 presentation of various published line items in reinsurance, compared to 2023.

The most impacted lines in 2024 are "Premiums written gross" by CHF 1 163 million, "Claims paid and claim adjustment expenses gross" by CHF -834 million, "Life and health benefits gross" by CHF 158 million and "Acquisition costs gross" by CHF -602 million on the income statement side, and for assets and liabilities these are "Funds held by ceding companies" by CHF 3 284 million and "Unearned premiums gross" by CHF 3 483 million. The overall net 2024 impact caused by this change was CHF 73 million. The 2023 presentation remains unchanged on a net basis.

Other reinsurance revenues and expenses

Other reinsurance revenues and expenses mainly consist of gains and losses recognised from portfolio transfers at inception. In addition, this position comprises income from funds held from ceding companies, expenses from funds held under reinsurance treaties, income and expenses from deposit arrangements, as well as changes in bad debts.

Other financial income and expenses

Other financial income and expenses mainly consist of gains and losses from derivative financial instruments to cover foreign exchange, equity securities, credit, and interest rate risks. In addition, this position comprises trademark license fees, interest income and expenses on current accounts and bank deposits, interests from cash pooling, as well as from securities lending and repurchase agreements, and letters of credit fees.

Management expenses

Overall management expenses are allocated to the reinsurance business, the investment business and to other expenses on an imputed basis.

Foreign exchange transaction gains and losses

Foreign exchange gains and losses arising from foreign exchange transactions are recognised in the income statement and reported net in other expenses or other income, respectively.

Capital and indirect taxes

Capital and indirect taxes related to the financial year are included in other expenses. Value-added taxes are included in the respective expense lines in the income statement.

Income tax expense

The income tax expense relates to the financial year under report.

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2 Investment result

CHF millions	Income	Value readjustments	Realised gains	2024 Total
Investment income				
Investments in subsidiaries and affiliated companies	0			0
Fixed income securities	920	0	44	964
Loans	522		1	523
Equity securities	2	0	0	2
<i>Shares in investment funds</i>	172	212		384
<i>Short-term investments</i>	109		1	110
<i>Alternative investments</i>	103	6	268	377
Other investments	384	218	269	871
Income from investment services	46			46
Investment income	1 874	218	314	2 406

CHF millions	Expenses	Value adjustments	Realised losses	
Investment expenses				
Investments in subsidiaries and affiliated companies		0		0
Fixed income securities		0	-46	-46
Loans			-1	-1
Equity securities		-14	0	-14
<i>Shares in investment funds</i>		-47		-47
<i>Short-term investments</i>			-2	-2
<i>Alternative investments</i>		-59	-19	-78
Other investments		-106	-21	-127
Investment management expenses	-105			-105
Investment expenses	-105	-120	-68	-293
Investment result				2 113

CHF millions	Income	Value readjustments	Realised gains	2023 Total
Investment income				
Investments in subsidiaries and affiliated companies ¹	13 709			13 709
Fixed income securities	779		15	794
Loans	576		184	760
Equity securities	6		137	143
<i>Shares in investment funds</i>	104	728	39	871
<i>Short-term investments</i>	105		1	106
<i>Alternative investments</i>	36	7	0	43
Other investments	245	735	40	1 020
Income from investment services	46			46
Investment income	15 361	735	376	16 472

CHF millions	Expenses	Value adjustments	Realised losses	
Investment expenses				
Investments in subsidiaries and affiliated companies ¹		-13 668		-13 668
Fixed income securities		-4	-117	-121
Loans			-6	-6
Equity securities		-4	-25	-29
<i>Shares in investment funds</i>		0	-8	-8
<i>Short-term investments</i>			-2	-2
<i>Alternative investments</i>		-33	0	-33
Other investments		-33	-10	-43
Investment management expenses	-107			-107
Investment expenses	-107	-13 709	-158	-13 974
Investment result				2 498

¹ On 30 March 2023, the Company received a dividend in-kind from Swiss Re Reinsurance Holding Company Ltd of its subsidiaries Swiss Pillar Investments Ltd, Swiss Re Asia Holding Pte. Ltd. and Swiss Re Europe Holdings S.A. in the amount of CHF 13 314 million, subsequently offset by a corresponding write-off of the Company's participation book value of Swiss Re Reinsurance Holding Company Ltd.

3 Assets and liabilities from reinsurance

CHF millions	Gross	Retro	2023 Net / Total	Gross	Retro	2024 Net / Total
Deferred acquisition costs	2 404	-189	2 215	2 610	-251	2 359
Premiums and other receivables from reinsurance	15 281	2 141	17 422	17 866	2 366	20 232
Deferred expenses on retroactive reinsurance policies ²	112	3	115	113	2	115
Unpaid claims	55 729	-5 063 ¹	50 666	62 840	-5 709¹	57 131
Liabilities for life and health policy benefits	13 677	-8 430 ¹	5 247	18 977	-7 662¹	11 315
Unearned premiums	9 138	-1 048 ¹	8 090	11 064	-1 327¹	9 737
Provisions for profit commissions	434	-78 ¹	356	668	-119¹	549
Equalisation provision	400		400	400		400
Reinsurance balances payable	7 775	3 498	11 273	7 126	4 078	11 204

¹ Reported under "Reinsurance recoverable on technical provisions retroceded" on page 178.

² Reported under "Other assets" on page 178.

4 Change in shareholder's equity

CHF millions	Share capital	Legal capital reserves	Legal profit reserves	Voluntary profit reserves	Profit/Loss brought forward	Net income/loss for the financial year	Total shareholder's equity
Shareholder's equity 1.1.2023	34	5 330	650	6 646	-308	-581	11 771
Allocations		-1 104		1 104			0
Loss offsetting				-889	308	581	0
Dividend for the financial year 2022				-1 104			-1 104
Contribution in-kind from Swiss Re Ltd ¹		1					1
Net income for the financial year						4 206	4 206
Shareholder's equity 31.12.2023	34	4 227	650	5 757	0	4 206	14 874
Shareholder's equity 1.1.2024	34	4 227	650	5 757		4 206	14 874
Allocations		-1 449		2 449	3 206	-4 206	0
Loss offsetting							
Dividend for the financial year 2023				-1 449			-1 449
Contribution in-kind from Swiss Re Ltd ²		35					35
Net loss for the financial year						-1 244	-1 244
Shareholder's equity 31.12.2024	34	2 813	650	6 757	3 206	-1 244	12 216

¹ Contribution in-kind of Swiss Re Finance (UK) Plc from the parent company Swiss Re Ltd on 16 May 2023.

² Contribution in-kind of Swiss Re Management (US) Corporation from the parent company Swiss Re Ltd on 18 November 2024 and subsequent contribution in-kind to Swiss Re Reinsurance Holding Company Ltd on the same day.

5 Share capital and major shareholder

The share capital of the Company amounted to CHF 34 million. It is divided into 344 052 565 registered shares, each with a nominal value of CHF 0.10. The shares were fully paid-in and held directly by Swiss Re Ltd. As of 31 December 2024 and 2023, the Company was a wholly owned subsidiary of Swiss Re Ltd.

6 Commitments

As a participant in limited investment partnerships, the Company commits itself to making available certain amounts of investment funding, callable by the partnerships in general for periods of up to 10 years. As of 31 December 2024, total commitments remaining uncalled were CHF 805 million (2023: CHF 462 million).

7 Investments in subsidiaries and affiliated companies

As of 31 December 2024 and 2023, Swiss Reinsurance Company Ltd held the following direct and material indirect investments in subsidiaries and affiliated companies:

As of 31 December 2024	Country	City	% Equity interest	% Voting interest
Swiss Brokers México, Intermediario de Reaseguro, S.A. de C.V.	Mexico	Mexico City	100%	100%
Swiss Re Brasil Resseguros S.A.	Brazil	São Paulo	99%	99%
Swiss Re Investments Ltd	Switzerland	Zurich	100%	100%
Swiss Re Investments Holding Company Ltd	Switzerland	Zurich	100%	100%
Swiss Re Investments Company Ltd	Switzerland	Zurich	100%	100%
Swiss Re Africa Limited	South Africa	Cape Town	100%	100%
Swiss Re Mexico Servicios, S. de R.L. de C.V.	Mexico	Mexico City	91%	91%
Swiss Re Reinsurance Holding Company Ltd	Switzerland	Zurich	100%	100%
Swiss Re America Holding Corporation	United States (USA)	Wilmington	100%	100%
Swiss Re Capital Markets Corporation	United States (USA)	New York	100%	100%
Swiss Re Financial Markets Corporation	United States (USA)	Wilmington	100%	100%
Swiss Re Financial Products Corporation	United States (USA)	Wilmington	100%	100%
Swiss Re Life & Health America Holding Company	United States (USA)	Wilmington	100%	100%
Swiss Re Treasury (US) Corporation	United States (USA)	Wilmington	100%	100%
Swiss Reinsurance America Corporation	United States (USA)	Armonk	100%	100%
Swiss Re Nexus Reinsurance Company Ltd	Switzerland	Zurich	100%	100%
Swiss Pillar Investments Europe SARL ¹	Luxembourg	Luxembourg	100%	100%
Swiss Pillar Investments UK Limited ¹	Cayman Islands	George Town	100%	100%
LogPlaza Cologne Gladbeck S.à r.l. ²	Luxembourg	Luxembourg	100%	100%
Swiss Re Asia Holding Pte. Ltd.	Singapore	Singapore	100%	100%
Swiss Re Asia Pte. Ltd.	Singapore	Singapore	100%	100%
Swiss Re Australia Ltd	Australia	Sydney	100%	100%
Swiss Re Life & Health Australia Limited	Australia	Sydney	100%	100%
Swiss Re Europe Holdings S.A.	Luxembourg	Luxembourg	100%	100%
Swiss Re Europe S.A.	Luxembourg	Luxembourg	100%	100%
Swiss Re Germany GmbH	Germany	Munich	100%	100%
Swiss Re Finance (Luxembourg) S.A.	Luxembourg	Luxembourg	100%	100%
Swiss Re Services Limited	United Kingdom (UK)	London	100%	100%
Swiss Re Services India Private Ltd	India	Mumbai	100%	100%
Swiss Reinsurance America Corporation				
- Escritório de Representação no Brasil Ltda	Brazil	São Paulo	20%	20%
Swiss Reinsurance Company Ltd				
- Escritório de Representação no Brasil Ltda	Brazil	São Paulo	100%	100%
Swiss Re Finance Limited	Cayman Islands	George Town	100%	100%
Vietnam National Reinsurance Corporation	Vietnam	Hanoi	25%	25%
Swiss Re Finance Midco (Jersey) Limited	Jersey	Saint Helier	100%	100%
Swiss Re Finance (UK) Plc	United Kingdom (UK)	London	100%	100%
IptiQ Group Holding Ltd	Switzerland	Zurich	100%	100%
iptiQ Americas Inc.	United States (USA)	Wilmington	100%	100%
iptiQ Asia Holding Limited	Hong Kong SAR	Hong Kong	100%	100%
Swiss Re Life Capital EMEA Holding B.V.	Netherlands	Hoofddorp	100%	100%
Swiss Re Corporate Solutions Holding Company Ltd	Switzerland	Zurich	100%	100%
Swiss Re International SE	Luxembourg	Luxembourg	100%	100%
SR Corporate Solutions America Holding Corporation	United States (USA)	Wilmington	100%	100%
Westport Insurance Corporation	United States (USA)	Jefferson City	100%	100%
Swiss Re Corporate Solutions Africa Ltd	South Africa	Johannesburg	100%	100%
Swiss Re Corporate Solutions Brasil Holding Ltda	Brazil	São Paulo	100%	100%
Compañía Aseguradora de Fianzas S.A. Confianza	Colombia	Bogotá	51%	51%
Swiss Re Corporate Solutions Investment Holding Company Ltd	Switzerland	Zurich	100%	100%
Swiss Re Corporate Solutions México Seguros, S.A. de C.V.	Mexico	Mexico City	100%	100%
Swiss Re Corporate Solutions México Servicios, S. de R.L. de C.V.	Mexico	Mexico City	100%	100%

¹ Swiss Pillar Investments Europe SARL and Swiss Pillar Investments UK Limited became direct subsidiaries of the Company via the merger with Swiss Pillar Investments Ltd on 1 July 2024.

² Purchase of LogPlaza Cologne Gladbeck S.à r.l. from Swiss Pillar Investments Europe SARL on 12 June 2024.

As of 31 December 2023	Country	City	% Equity interest	% Voting interest
Swiss Brokers México, Intermediario de Reaseguro, S.A. de C.V.	Mexico	Mexico City	100%	100%
Swiss Re Brasil Resseguros S.A.	Brazil	São Paulo	99%	99%
Swiss Re Investments Ltd ³	Switzerland	Zurich	100%	100%
Swiss Re Investments Holding Company Ltd ³	Switzerland	Zurich	100%	100%
Swiss Re Investments Company Ltd ³	Switzerland	Zurich	100%	100%
Swiss Re Africa Limited	South Africa	Cape Town	100%	100%
Swiss Re Mexico Servicios, S. de R.L. de C.V.	Mexico	Mexico City	91%	91%
Swiss Re Reinsurance Holding Company Ltd	Switzerland	Zurich	100%	100%
Swiss Re America Holding Corporation	United States (USA)	Wilmington	100%	100%
Swiss Re Capital Markets Corporation	United States (USA)	New York	100%	100%
Swiss Re Financial Markets Corporation	United States (USA)	Wilmington	100%	100%
Swiss Re Financial Products Corporation	United States (USA)	Wilmington	100%	100%
Swiss Re Life & Health America Holding Company	United States (USA)	Wilmington	100%	100%
Swiss Re Treasury (US) Corporation	United States (USA)	Wilmington	100%	100%
Swiss Reinsurance America Corporation	United States (USA)	Armonk	100%	100%
Swiss Re Nexus Reinsurance Company Ltd	Switzerland	Zurich	100%	100%
Swiss Pillar Investments Ltd ^{4,8}	Switzerland	Zurich	100%	100%
Swiss Re Asia Holding Pte. Ltd. ⁴	Singapore	Singapore	100%	100%
Swiss Re Asia Pte. Ltd.	Singapore	Singapore	100%	100%
Swiss Re Australia Ltd	Australia	Sydney	100%	100%
Swiss Re Life & Health Australia Limited	Australia	Sydney	100%	100%
Swiss Re Europe Holdings S.A. ⁴	Luxembourg	Luxembourg	100%	100%
Swiss Re Europe S.A.	Luxembourg	Luxembourg	100%	100%
Swiss Re Germany GmbH	Germany	Munich	100%	100%
Swiss Re Finance (Luxembourg) S.A.	Luxembourg	Luxembourg	100%	100%
Swiss Re Services Limited	United Kingdom (UK)	London	100%	100%
Swiss Re Services India Private Ltd	India	Mumbai	100%	100%
Swiss Reinsurance America Corporation				
- Escritório de Representação no Brasil Ltda	Brazil	São Paulo	20%	20%
Swiss Reinsurance Company Ltd				
- Escritório de Representação no Brasil Ltda	Brazil	São Paulo	100%	100%
Swiss Re Finance Limited	Cayman Islands	George Town	100%	100%
Vietnam National Reinsurance Corporation	Vietnam	Hanoi	25%	25%
Swiss Re Finance Holdings (Jersey) Limited ⁵	Jersey	Saint Helier	100%	100%
Swiss Re Finance Midco (Jersey) Limited ⁶	Jersey	Saint Helier	100%	100%
Swiss Re Finance (UK) Plc ⁷	United Kingdom (UK)	London	100%	100%
IptiQ Group Holding Ltd	Switzerland	Zurich	100%	100%
iptiQ Americas Inc.	United States (USA)	Wilmington	100%	100%
iptiQ Asia Holding Limited	Hong Kong SAR	Hong Kong	100%	100%
Swiss Re Life Capital EMEA Holding B.V.	Netherlands	Hoofddorp	100%	100%
Swiss Re Corporate Solutions Holding Company Ltd	Switzerland	Zurich	100%	100%
Swiss Re International SE	Luxembourg	Luxembourg	100%	100%
SR Corporate Solutions America Holding Corporation	United States (USA)	Wilmington	100%	100%
Westport Insurance Corporation	United States (USA)	Jefferson City	100%	100%
Swiss Re Corporate Solutions Africa Ltd	South Africa	Johannesburg	100%	100%
Swiss Re Corporate Solutions Brasil Holding Ltda	Brazil	São Paulo	100%	100%
Compañía Aseguradora de Fianzas S.A. Confianza	Colombia	Bogotá	51%	51%
Swiss Re Corporate Solutions Investment Holding Company Ltd	Switzerland	Zurich	100%	100%
Swiss Re Corporate Solutions México Seguros, S.A. de C.V.	Mexico	Mexico City	100%	100%
Swiss Re Corporate Solutions México Servicios, S. de R.L. de C.V.	Mexico	Mexico City	100%	100%

³ Sale of Swiss Re Investments Holding Company Ltd and Swiss Re Investments Company Ltd to Swiss Re Investments Ltd on 29 December 2023.

⁴ Dividend in-kind of Swiss Pillar Investments Ltd, Swiss Re Asia Holding Pte. Ltd. and Swiss Re Europe Holdings S.A. from Swiss Re Reinsurance Holding Company Ltd on 30 March 2023.

⁵ Liquidation of Swiss Re Finance Holdings (Jersey) Limited on 4 December 2024.

⁶ Dividend in-kind of Swiss Re Finance Midco (Jersey) Limited from Swiss Re Finance Holdings (Jersey) Limited on 6 December 2023.

⁷ Contribution in-kind of Swiss Re Finance (UK) Plc from the parent company Swiss Re Ltd on 16 May 2023.

⁸ Merger of Swiss Pillar Investments Ltd on 2 December 2024 into the Company.

8 Contingent liabilities

Swiss Reinsurance Company Ltd has issued a number of guarantees in support of their business activities by securing either their overall capital positions, specific transactions or in form of letters of comfort. These guarantees are generally limited by a maximum potential amount of future payments of the underlying business. As of 31 December 2024 the Company had outstanding limited contingent liabilities in the amount of CHF 5 918 million (2023: CHF 5 887 million). In addition, the Company has issued a number of unlimited guarantees, which were outstanding as of 31 December 2024 and 31 December 2023, respectively.

The Company is part of the Swiss Re value added tax (VAT) group and is therefore jointly liable for existing and future VAT claims from the Swiss Federal Tax Administration.

In addition, as a component of the Swiss Re Group's financing structure, the Company has guaranteed CHF 1 718 million (2023: CHF 2 158 million) of debt issued by certain affiliated companies and letter of credit facilities benefitting various subsidiaries and affiliated companies of which no amount was utilised as of 31 December 2024 and 2023, respectively.

9 Securities lending and repurchase agreements

To enhance the performance of its investment portfolio, the Company enters into securities lending and repurchase transactions. In the context of such transactions, securities are transferred to the counterparty.

Further, the Company performs the role of the collateral clearer for the Swiss Re Group, centrally managing collateral for the Swiss Re Group, providing funding diversification, enabling secured cash investment and yield enhancement. As such the Company acts as principal in collateral transactions, borrowing securities from its affiliated companies and entering into lending and borrowing as well as repurchase and reverse repurchase agreements with third parties. As a matter of policy, the Company requires that collateral, consisting of cash or securities, is provided to cover the assumed counterparty risk associated with such transactions.

An overview of the fair value of securities transferred under securities lending and repurchase agreements is provided in the following table as of 31 December:

CHF millions	2023	2024
Fair value of securities transferred to third parties	14 913	16 069
Fair value of securities transferred to affiliated companies	11 735	14 323
Total	26 648	30 392

10 Security deposits

To secure the technical provisions at the 2024 balance sheet date, securities with a book value of CHF 7 448 million (2023: CHF 9 530 million) were deposited in favour of ceding companies, of which CHF 2 079 million (2023: CHF 2 018 million) referred to affiliated companies.

11 Debt and subordinated liabilities

The Company had outstanding debt and subordinated liabilities at the 2024 balance sheet date of CHF 10 625 million (2023: CHF 9 827 million). Thereof CHF 8 669 million (2023: CHF 7 387 million) were due within one to five years and CHF 1 956 million (2023: CHF 2 440 million) were due after five years.

As of 31 December 2024, the following public placed debentures were outstanding:

Instrument	Issued in	Currency	Nominal in millions	Interest rate	Maturity/ First call in	Book value CHF millions
Subordinated bond	2015	EUR	750	2.600%	2025	704
Senior bond	2015	CHF	250	0.750%	2027	250

12 Deposit arrangements

The following balances were related to deposit accounted reinsurance contracts:

CHF millions	2023	2024
Other reinsurance revenues	49	65
Claims paid and claim adjustment expenses gross	2	-23
Claims paid and claim adjustment expenses retroceded	8	22
Operating costs	0	
Other reinsurance expenses	-99	-53
Funds held by ceding companies	193	160
Premiums and other receivables from reinsurance	3 195	2 453
Funds held under reinsurance treaties	80	79
Reinsurance balances payable	5 260	3 967

13 Claims on and obligations towards affiliated companies

CHF millions	2023	2024
Loans	8 171	7 642
Funds held by ceding companies	7 740	11 180
Premiums and other receivables from reinsurance	10 378	12 575
Other receivables	142	131
Other assets	198 ¹	299¹
Debt	4 283 ²	5 429²
Liabilities from derivative financial instruments	30	
Funds held under reinsurance treaties	6 627	5 482
Reinsurance balances payable	7 598	7 952
Other liabilities	5 639 ³	5 459³
Subordinated liabilities	3 925 ⁴	4 242⁴

¹ Thereof at the 2024 balance sheet date CHF 15 million (2023: CHF 95 million) were on the parent company Swiss Re Ltd.

² Thereof at the 2024 balance sheet date CHF 1 947 million (2023: CHF 1 889 million) were towards the parent company Swiss Re Ltd.

³ Thereof at the 2024 balance sheet date CHF 1 359 million (2023: CHF 1 828 million) were towards the parent company Swiss Re Ltd.

⁴ Thereof at the 2024 balance sheet date CHF 1 380 million (2023: CHF 1 282 million) were towards the parent company Swiss Re Ltd.

14 Release of undisclosed reserves

In 2024, no net undisclosed reserves were released (2023: release of CHF 225 million).

15 Obligations towards employee pension fund

As of 31 December 2024, other liabilities included CHF 0 million (2023: CHF 0 million) payable to the employee pension fund.

16 Personnel information

As of 31 December 2024, the Company employed a worldwide staff at an average of 1 715 (2023: 1 680) full time equivalents. Personnel expenses for the 2024 financial year amounted to CHF 473 million (2023: CHF 470 million).

17 Auditor's fees

In 2024, the Swiss Re Group incurred total auditor's fees of CHF 38 million (2023: CHF 34 million) and additional fees of CHF 1 million (2023: CHF 6 million), of which CHF 20 million (2023: CHF 12 million) and CHF 0 million (2023: CHF 0 million), respectively, incurred for the Company.

18 Other reinsurance revenues and expenses

In 2024, other reinsurance revenues mainly consisted of gains from transactions of CHF 210 million (2023: CHF 1 423 million), primarily related to the recognition of portfolio transfers at inception, income from funds held from ceding companies of CHF 1 018 million (2023: CHF 744 million), income from deposit arrangements of CHF 65 million (2023: CHF 49 million), as well as of an increase in bad debts of CHF –9 million (2023: release of CHF 229 million).

In 2024, other reinsurance expenses mainly consisted of losses from transactions of CHF 659 million (2023: CHF 336 million), primarily related to the recognition of portfolio transfers at inception, expenses from funds held under reinsurance treaties of CHF 374 million (2023: CHF 367 million), as well as of expenses from deposit arrangements of CHF 53 million (2023: CHF 99 million).

19 Other income and expenses

In 2024, other income mainly comprised of net foreign exchange gains of CHF 743 million (2023: CHF 412 million), as well as of revenues from insurance related services of CHF 37 million (2023: CHF 38 million).

In 2024, other expenses mainly comprised of a loss from the merger with Swiss Pillar Investments Ltd of CHF 180 million (2023: nil), unallocated management expenses of CHF 464 million (2023: CHF 549 million), capital and other ordinary non-income tax expenses of CHF 37 million (2023: CHF 34 million), as well as of net administrative expenses of CHF 66 million (2023: CHF –233 million).

20 Extraordinary expenses

Extraordinary expenses of CHF 554 million were driven by corrections of prior year errors in the area of life and health reserving, leading to extraordinary losses of CHF 551 million, as well as due to a one-off loss from a change in the accounting methodology for leasing of CHF 3 million.

21 Subsequent event

The Company estimates its preliminary claims from the wildfires which affected Los Angeles to be less than USD 400 million, which will impact the Company's results in the first quarter of 2025. Swiss Re Group estimates for the preliminary total insured market loss from the wildfires is approximately USD 40 billion.

Proposal for appropriation of available earnings

The Board of Directors proposes to the Annual General Meeting of the Company, to be held on 13 March 2025, to approve the following allocations and payment of a cash dividend of USD 1 800 million, which must not exceed CHF 1 800 million, translated into CHF at spot rate on the settlement date. The cash dividend is paid to its sole shareholder, Swiss Re Ltd, out of voluntary profit reserves on 27 March 2025.

In order to comply with the Swiss Code of Obligations, dividends paid in foreign currencies must meet the capital protection requirements in CHF. In addition, maximum amounts in CHF must be approved by the Annual General Meeting. The Board of Directors proposes to set this maximum amount to CHF 1 800 million, which shall be fully funded from the legal reserves from capital contributions as presented in the tables below.

As such the effective allocation from the legal reserves from capital contributions to the voluntary profit reserves and the effective cash dividend amount, translated into CHF at spot rate on the settlement date, must not exceed CHF 1 800 million. This threshold of CHF 1 800 million is presented in the below tables and reflects the maximum amount in CHF to be allocated and paid.

Profit brought forward

CHF millions	2023	2024
Loss/Profit brought forward	-889	3 206
Loss offsetting against voluntary profit reserves	889	
Net income/loss for the financial year	4 206	-1 244
Available earnings	4 206	1 962
Proposed allocation to voluntary profit reserves	-1 000	
Profit brought forward after proposed allocation	3 206	1 962

Legal reserves from capital contributions

CHF millions	2023	2024
Legal reserves from capital contributions brought forward	4 226	2 778
Contribution in-kind from Swiss Re Ltd ^{3,4}	1	35
Legal reserves from capital contributions before proposed allocation to voluntary profit reserves	4 227	2 813
Proposed allocation to voluntary profit reserves in connection with the cash dividend	-1 449 ¹	-1 800 ²
Legal reserves from capital contributions after proposed allocation to voluntary profit reserves	2 778	1 013

¹ In the Annual Report 2023, the Board of Directors' proposed an allocation to the voluntary profit reserves of USD 1 600 million, which must not exceed CHF 2 000 million. The effective allocation amount was CHF 1 449 million, translated into CHF on the dividend settlement date of 27 March 2024 by applying the published USD/CHF exchange rate on that date. This resulted in a lower allocation of CHF 551 million on the settlement date, compared to the proposed maximum amount of CHF 2 000 million.

² The translation into CHF at spot rate on the settlement date may result in a lower allocation to voluntary profit reserves by a respective amount on the settlement date.

³ Contribution in-kind of Swiss Re Finance (UK) Plc from the parent company Swiss Re Ltd on 16 May 2023.

⁴ Contribution in-kind of Swiss Re Management (US) Corporation from the parent company Swiss Re Ltd on 18 November 2024 and subsequent contribution in-kind to Swiss Re Reinsurance Holding Company Ltd on the same day.

Voluntary profit reserves

CHF millions	2023	2024
Voluntary profit reserves brought forward	6 646	6 757
Loss offsetting of loss brought forward	-889	
Proposed allocation from profit brought forward	1 000	
Voluntary profit reserves before proposed allocation from legal reserves from capital contributions and cash dividend	6 757	6 757
Proposed allocation from legal reserves from capital contributions	1 449 ¹	1 800 ²
Proposed cash dividend	-1 449 ¹	-1 800 ²
Voluntary profit reserves after proposed allocation from legal reserves from capital contributions and cash dividend	6 757	6 757

¹ In the Annual Report 2023, the Board of Directors' proposed an allocation from legal reserves from capital contributions and a cash dividend of USD 1 600 million, which must not exceed CHF 2 000 million. The effective allocation and cash dividend payment amount was CHF 1 449 million, translated into CHF on the settlement date of 27 March 2024 by applying the published USD/CHF exchange rate on that date. This resulted in a lower allocation and a lower cash dividend of CHF 551 million on the settlement date, compared to the proposed maximum amount of CHF 2 000 million.

² The translation into CHF at spot rate on the settlement date may result in a lower allocation from legal reserves from capital contributions and a lower cash dividend by a respective amount on the settlement date.

Zurich, 12 March 2025



Statutory Auditor's Report

To the General Meeting of Swiss Reinsurance Company Ltd, Zurich

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Swiss Reinsurance Company Ltd (the Company), which comprise the balance sheet as at 31 December 2024, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 176 to 193) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and with the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters



VALUATION OF INVESTMENTS WITH UNOBSERVABLE MARKET INPUTS



VALUATION OF LIABILITIES FOR LIFE & HEALTH POLICY BENEFITS



VALUATION OF IBNR FOR PROPERTY & CASUALTY



IMPAIRMENT ASSESSMENT OF INVESTMENTS IN SUBSIDIARIES AND AFFILIATED COMPANIES

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



VALUATION OF INVESTMENTS WITH UNOBSERVABLE MARKET INPUTS

Key Audit Matter

The Company has recorded investments of CHF 78'789 million as of 31 December 2024 (55% of total assets). The Company generally carries its investments such as equity securities, shares in investment funds and alternative investments at cost or lower market value. In accordance with the Insurance Supervision Ordinance fixed income securities are carried at amortised cost, less depreciation to address other than temporary market value decreases. Loans are generally carried at nominal value, and short-term investments are usually held until maturity and therefore measured at amortised cost.

For those assets where the market value incorporates unobservable market inputs, such as private equity placements and other invested assets that are not traded frequently, there is limited or no price transparency. The market values of these investments are primarily derived using internal valuation models and/or third-party indicators.

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

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

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

Our response

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

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

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

- Assessing the reasonableness of pricing and valuation methodologies with reference to relevant accounting standards, and industry practice.
- Identifying key assumptions used in the determination of the investment's fair value and assess the reasonableness of the Company's assumptions by comparing to industry benchmarks. Developing an independent estimate for a selected sample of investments and comparing it to the Company's fair value estimate.

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

- Note 1
- Note 2



VALUATION OF LIABILITIES FOR LIFE & HEALTH POLICY BENEFITS

Key Audit Matter

The Company has recorded liabilities for Life and Health policy benefits of CHF 18'977 million as of 31 December 2024 (15% of total liabilities). These liabilities for Life and Health policy benefits are in particular future policy reserves, which are determined on the basis of actuarially calculated present values taking experience into account.

The measurement is based on complex actuarial models and assumption setting process on the future development of the underlying insurance portfolios. The determination of the present value of the liabilities requires a high degree of judgment and subjectivity by management. In particular there is uncertainty pertaining to the estimate assumptions for mortality, morbidity, withdrawals, persistency (lapse), benefit termination rates and lag factors.

Due to the complexity described and the significance on the financial statements as a whole the valuation of the liabilities for Life and Health policy benefits has been designated as a key audit matter. Auditing the estimate involved a high degree of auditor judgement and increased extent of audit effort, including the involvement of specialists with appropriate skills and knowledge.

Our response

As part of our audit, we gained an understanding of the processes related to the valuation of Life and Health policy benefits.

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

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

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

- Evaluating the actuarial methods applied to determine the liabilities for Life and Health policy benefits including the processing through the Company's IT systems.
- Assessing the methods applied to select the actuarial assumptions by comparing them to generally accepted actuarial techniques and industry standards.
- Recalculating the liabilities for a risk-based sample and comparing the results of the recalculations to the Company's estimates.
- Reviewing the adequacy of provision for adverse deviation (PAD) assumptions and assess the sufficiency of PAD margins.

For further information on the valuation of liabilities for Life and Health policy benefits refer to the following:

- Note 1
- Note 3



VALUATION OF IBNR FOR PROPERTY & CASUALTY

Key Audit Matter

The Company has recorded incurred but not reported reserves (IBNR) for Property & Casualty of CHF 29'553 million as of 31 December 2024 (23% of total liabilities). IBNR are determined on the basis of actuarially calculated present values taking claims experience into account.

Within the measurement of the IBNR, the present value of the future claim settlements and the associated expenses requires a high degree of judgement and subjectivity by management with regards to the underlying actuarial models and the assumptions used. In particular, within the estimates and assumptions, there are uncertainties with regard to initial pricing assumptions, loss developments, inflation trends, court awards and other legal or regulatory changes.

Due to the complexity described and the significance on the financial statements as a whole, the valuation of IBNR has been designated as a key audit matter. Auditing the estimate involved a high degree of auditor judgement and increased extent of audit effort, including the involvement of specialists with appropriate skills and knowledge.

Our response

As part of our audit, we gained an understanding of the processes related to the valuation of IBNR.

We tested the design, and implementation of relevant key controls within the process, including the independent peer reviews and committee level reviews.

We tested the completeness, and accuracy of the underlying data by reconciling to source information and validating the appropriateness of claims triangles.

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

- Evaluating the actuarial models applied to determine the IBNR including the processing through the Company's IT systems.
- Assessing the methodology applied to select the actuarial assumptions by comparing them to generally accepted actuarial methods and industry standards.
- Performing independent recalculation of the IBNR for certain lines of business and comparing the Company's recorded reserves to our independently calculated acceptable ranges.
- Assessing the Company's internally prepared actuarial analyses in comparison to internal experience, and related industry trends for certain lines of business.

For further information on the valuation of IBNR for Property and Casualty refer to the following:

- Note 1
- Note 3



IMPAIRMENT ASSESSMENT OF INVESTMENTS IN SUBSIDIARIES AND AFFILIATED COMPANIES

Key Audit Matter

The Company has recorded investments in subsidiaries and affiliated companies of CHF 25'278 million (18% of total assets) as of 31 December 2024.

Investments in subsidiaries and affiliated companies, of which the shares are not traded on a stock exchange, are recognized at acquisition cost or, in the case of an expected permanent impairment, at the lower value in use.

In order to assess the recoverability of investments in subsidiaries and affiliated companies management performs an annual impairment test. The Company determines the value in use of investments in subsidiaries and affiliated companies mainly by applying a dividend discount method. A high degree of judgement and subjectivity was involved in the underlying assumptions used in the calculation of the value in use, such as, projected future dividend potential, discount rates including growth factors.

The impairment assessment for investments in subsidiaries and affiliated companies has been designated as a key audit matter given an increased extent of audit effort, including the involvement of appropriate skills and knowledge.

For further information on the impairment assessment of investments in subsidiaries and affiliated companies refer to the following:

- Note 1
- Note 2
- Note 7

Our response

As part of our audit, we gained an understanding of the process related to the impairment assessment of investments in subsidiaries and affiliated companies.

We tested the design and implementation of relevant key controls within the process, including the value in use calculation and impairment analyses.

We assessed the client's value in use by evaluating the Company's valuation method.

We tested the reasonability and appropriateness of the data used in the calculation by comparing historical plan data to actuals and challenging assumptions made by management.

We involved our valuation specialists who supported the audit team in:

- Assessing the appropriateness of the valuation method used in light of market knowledge, experience and against recognized accounting methods.
- Assessing the assumptions which have been used in determining the value in use.



Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the financial statements of the Company, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the audit of the financial statements. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors (page 193) complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Dr. Frank Pfaffenzeller
Licensed Audit Expert
Auditor in Charge

Matthias Schiessl
Licensed Audit Expert

Zurich, 12 March 2025

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

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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 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 cyclical nature 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.

Note on risk factors

The operations, investments and other activities of Swiss Reinsurance Company Ltd (SRZ) and its subsidiaries (collectively, the “Group”) are subject to a range of risks that could adversely impact the Group’s business, financial condition, results of operations, liquidity and cash flows.

General impact of adverse market conditions

Swiss Re’s operations as well as its investment returns are subject to the financial market and macroeconomic environment. Financial, credit and foreign exchange markets are experiencing continued periods of volatility reflecting a range of political, geopolitical, economic and other uncertainties, some of which are inter-related. For example, geopolitical and policy ambiguity are driving inflation uncertainty.

In case of a claims occurrence, higher inflation may lead to higher replacement costs than anticipated. In Property & Casualty Reinsurance, the inflation and supply chain issues seen in recent years have raised costs to rebuild and repair structures. While headline inflation rates have since eased, price levels in absolute terms are still elevated and geopolitics could spark risks of renewed inflation surges. Respectively in Life & Health Reinsurance, higher medical costs in combination with potential increases in excess mortality or outbreaks of pandemics could bring the risk that Swiss Re’s reserves may not be adequate to address future claims.

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

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

Impact of the military conflicts and other geopolitical tensions

Regional, national or international geopolitical conflicts and tensions may adversely affect the economies of countries that are operationally and/or financially material to the Group, be it through direct military action, the imposition of sanctions, expropriations, tariffs or other measures or due to depressed demand as a result of such conflict or tension. Any of the foregoing may also impact supply chains, banking and monetary systems, financial markets and therefore also customers of Swiss Re in affected regions or globally and may lead to lower demand for Swiss Re’s products or excessive claims against Swiss Re.

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 may be subject to greater scrutiny when it comes to its own CSR, ESG and/or sustainability endeavours and reporting or its 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. Not participating in certain third-party ratings systems, failure to score well in those ratings systems or failure to provide certain ESG disclosures could result in reputational damage, which could result in Swiss Re's financial condition, results of operations, business and prospects being materially and adversely affected.

Risk of unexpected and unintended issues related to claims and coverage, including 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); cyclicalities 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. While the Group believes it has measures in place to mitigate the exposure to such proceedings, it is inherently difficult to predict their frequency and the amounts in dispute, which could be material for the Group.

The Group may from time to time be involved in investigations and regulatory proceedings, which could result in adverse judgments, settlements, fines and other outcomes. These investigations and proceedings could relate to insurance or reinsurance matters, or could involve broader business conduct rules, including those in respect of market abuse, bribery, money laundering, sanctions, competition law, data protection and privacy 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 has changed significantly in recent years and is expected to continue to evolve. While most regulation is national in scope, the global nature of the Group's business means that its operations are subject to a fragmented and complex regulatory environment with a patchwork of global, national and regional standards. On the one hand, Swiss Re and its subsidiaries are subject to group supervision, on the other, Swiss Re's subsidiaries are also subject to local supervision and applicable regulation in each of the jurisdictions in which they conduct business, particularly Switzerland, the United States, Luxembourg and Singapore. Swiss Re Group, as well as its Swiss-regulated entities, is subject to the Swiss Solvency Test, and its 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 as well as the possibility of higher operational, capital and liquidity costs. As a result of the partial revision of the Swiss Insurance Supervision Act and Swiss Insurance Supervision Ordinance, FINMA revised the downstream regulation which entered 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 extraterritorial application of regulations, particularly in the area of sustainability but also with regards to group supervision and group capital requirements. Furthermore, evolving regulatory schemes and requirements may be inconsistent or may conflict with each other, thereby subjecting the Group, particularly in light of the increasing focus on legal entities in isolation and fragmented jurisdictional approaches to sustainability regulation for example, to higher compliance and legal costs and risks, as well as the possibility of higher operational, capital and liquidity costs.

In December 2022, the Financial Stability Board (FSB) endorsed the International Association of Insurance Supervisors' (IAIS) Holistic Framework (HF) for assessing and mitigating systemic risk and discontinued its identification of global systemically important insurers (G-SIIs). 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). The ICS was adopted at year-end 2024; it became applicable as international soft law as of 2025 and jurisdictional implementation assessments are expected to start in 2026. It is expected that the Group Swiss Solvency Test (SST) will be the Swiss implementation of ICS – at least for the next couple of years.

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 promulgated by its supervisors in respect of the models that the Group uses for capital and solvency purposes, and could be adversely affected if, for example, it is required to use standard models rather than internal models. Generally, legal and regulatory changes could have a material impact on the Group's business.

Regulatory changes also could occur in areas of broader application, such as competition policy and tax laws. For example, changes in tax laws, or the interpretation of the tax laws or tax regulations in jurisdictions in which the Group does business, or withdrawals of tax rulings in jurisdictions such as Switzerland that have issued such rulings to Swiss Re, could increase the level of taxes the Group pays, or impact the attractiveness of products offered by the Group, the Group's investment activities or the value of deferred tax assets or liabilities. These changes, or inconsistencies between the various regimes that apply to the Group, could increase the costs of doing business (including due to increased capital requirements), reduce access to liquidity, limit the scope of current or future business or affect the competitive balance, or could make reinsurance less attractive to primary insurers. 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. 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. Any such action is inherently difficult to predict by the Group. In addition, changes to the process or methodology of issuing ratings, changes in regulation, or the occurrence of events or developments affecting the Group, could adversely affect the Group's existing ratings or make it more difficult for the Group to achieve improved ratings which it would otherwise have expected. In particular, it is possible that the Group's ratings could be negatively affected by a range of factors such as challenging market environment, the level of natural

catastrophe losses, underwriting performance, adequacy of reserves, changes in senior management, economic trends and financial market performance on the Group. 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, possible lockdown measures and other long-term direct/indirect impact of pandemic. Many pandemic-related developments continue to impact 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. Underfinancing of healthcare systems can lead to staff shortages due to the exodus of healthcare workers to high-income countries, which strains the healthcare system in the event of a pandemic. This in turn will adversely affect the insurance industry.

Use of models; accounting matters

The Group is subject to risks relating to the preparation of estimates and assumptions that its management uses, for example, as part of its risk models as well as those that affect the reported amounts of assets, liabilities, revenues and expenses in the Group's financial statements (such as assumptions related to the Group's capital requirements and anticipated liabilities), including assumed and ceded business. For example, the Group estimates premiums pending receipt of actual data from ceding companies, which actual data could deviate from the estimates (and could be adversely affected if premiums turn out to be lower, while claims stay the same). In addition, particularly with respect to catastrophic events, it may be difficult to estimate losses, and preliminary estimates may be subject to a high degree of uncertainty and change as new information becomes available. Deterioration in market conditions could have an adverse impact on assumptions used for financial reporting purposes, which could trigger a potential impairment of various assets and liabilities, including goodwill. Moreover, regulators could require the use of standard models instead of permitting the use of internal models. 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. In addition, the adoption of IFRS for the Group's consolidated accounts has led to additional complexity in the Group's financial reporting process including but not limited to the need to maintain and regularly update a larger number of estimates and assumptions and to apply a significant degree of judgment.

The Group uses alternative performance measures in its external financial reporting. These measures are not prepared in accordance with IFRS or any other comprehensive set of accounting rules or principles and should not be viewed as a substitute for measures prepared in accordance with IFRS. Moreover, these may be different from, or otherwise inconsistent with, non-IFRS financial measures used by other companies. These measures have inherent limitations, are not required to be uniformly applied and are not audited.

Credit risk

If the credit markets were to deteriorate, the Group could experience losses. Changes in the market value of the underlying securities and other factors impacting their price could give rise to market value losses. The Group could also face write-downs in other areas of its portfolio, including other structured instruments, and the Group and its counterparties could face difficulties in valuing credit-related instruments. Differences in opinion with respect to valuations of credit-related instruments could result in legal disputes among the Group and its counterparties as to their respective obligations, the outcomes of which are difficult to predict and could be material. The Group is also subject to credit and other risks in its credit & surety businesses, including reliance on banks that underwrite and monitor facilities in which the Group participates and potential default by borrowers under those facilities.

Liquidity risks

The Group's business requires, and its clients expect, that it has sufficient capital and sufficient liquidity to meet its re/insurance obligations, and that this would continue to be the case following the occurrence of any foreseeable event or series of events, including extreme catastrophes, that would trigger insurance or reinsurance coverage obligations. The Group's uses of funds include, among other things, payment of its obligations arising in its insurance and reinsurance businesses (including claims and other payments as well as insurance provision repayments due to portfolio transfers, securitisations and commutations), which may include large and unpredictable claims (including catastrophe claims), short-term securities lending and repurchase agreements, funding of capital requirements and operating costs, payment of principal and interest on outstanding indebtedness and funding of acquisitions. The Group also has unfunded capital commitments in its private equity and hedge fund investments, which could result in funding obligations at a time when it is subject to liquidity constraints. In addition, the Group has potential collateral requirements in connection with a number of reinsurance and derivative arrangements, the amounts of which may be material and the meeting of which could require the Group to liquidate cash equivalents or other securities.

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

Unexpected liquidity needs (including 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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