Swiss Re

Swiss Re Capital Markets Limited
MIFIDPRU 8 Remuneration Disclosure for 2024

Introduction

The FCA's Investment Firms Prudential Regime ("IFPR") took effect on 1 January 2022. The IFPR contains a remuneration code with which the Swiss Re Capital Markets Limited ("SRCML") (the "Company") must comply. This includes having a remuneration policy, which must:

- be proportionate to the nature, scale and complexity of the risks inherent in the Company's business model and activities;
- be gender neutral;
- be consistent with, and promote, sound and effective risk management;
- be in line with the Company's business strategy and objectives, and take into account long term effects of investment decisions taken; and
- contain measures to avoid conflicts of interest, encourage responsible business conduct and promote risk awareness and prudent risk taking.

The Company is a non-SNI MIFIDPRU Investment Firm Group for the purposes of the FCA rules in the MIFIDPRU Remuneration Code has implemented in SYSC 19G of the FCA Handbook. It is required to implement the FCA's "standard" approach to remuneration for non-SNI Firms.

Ultimate Parent Undertaking

Swiss Re Europe Holdings S.A. ("SREH"), the Company's immediate parent is incorporated in Luxembourg. The SRCML's ultimate parent undertaking and controlling party is Swiss Re Ltd ("SRL") (together with SRL's other subsidiaries, "the Group" or "Swiss Re"), which is incorporated in Switzerland.

Remuneration Governance and Policy

The Company adopted the Swiss re Standard on Compensation ("SRSC"), which captures Swiss Re's compensation framework and governance, outlines the compensation processes across the Group and provides key guidelines for the execution of individual compensation actions, as well as a legal entity specific Annex to the Swiss Re Standard on Compensation.

Swiss Re aims for total compensation that is competitive in the market and seeks to ensure that total compensation is well-balanced in terms of fixed versus variable compensation and in terms of short-term versus long-term incentives to attract, motivate and retain the talent the Company needs to succeed. This ensures alignment of compensation to long-term business results and individual contribution, recognising both what was achieved and how it was achieved. The compensation framework also reinforces a culture of sustainable performance with a focus on risk-adjusted financial results, fosters compliance, supports appropriate and controlled risk-taking in line with the business and risk strategy, and avoids conflict of interest. Further, the compensation framework supports Swiss Re's commitment to ensure equal pay for equal work regardless of gender, race, ethnicity, sexual orientation or other personal characteristics

Swiss Re has several incentive programmes that reflect the long-term nature of the business: both the Deferred Share Plan (DSP), as the deferred part of the Annual Performance Incentive (API), and the Leadership Share Plan (LSP) aim to reward sustainable long-term performance rather than short-term results. These programmes support closer alignment of the interests of shareholders and employees.

There may be local legal or regulatory requirements which are not addressed by or consistent with the Swiss Re Standard on Compensation. If this is the case, such local requirements must be applied and will prevail.

The most important design characteristics and further details of the SRSC, including the details of the external advisor, can be found under the following link:
2024-annual-report.pdf

Performance and risk adjustment approach

SRCML has a specific risk assessment and adjustment process in place that includes a behavioural and operational risk based assessment, carried out annually for all regulated roles. The outcome of these assessments is taken into account before the vesting/pay-out confirmation of all variable compensation plans. Additionally, clawback provisions apply in a range of events as defined in the individual variable remuneration plan rules.

Material Risk Takers (MRT/Code Staff)

FCA rules state that a “Material Risk Taker” (or “MRT”) is a staff member whose professional activities have a material impact on the risk profile of the Group or the assets that it manages. Human Resources and Compliance perform an analysis each year to identify the Code Staff, i.e. employees covered by the Code. Code Staff comprise of the following:

- Board members of SRCML
- Senior Compliance Officers
- Senior Risk Management Officers
- Senior Finance Officers
- Key Risk Takers in the Front Office functions: SRCML staff responsible for key strategic decisions in the Front Office
- Employees whose total remuneration is in the same remuneration bracket as senior management and Key Risk Takers, and whose professional activities have a material impact on SRCML's risk profile.

The Key Risk Takers are defined as individuals who, by the nature of their role can materially commit or control SRCML's resources or influence its risk profile. The list covers all the "significant influence function" individuals in SRCML. All individuals who meet any of the qualitative criteria under SYSC 19G.5.3 are deemed Code Staff.

The variable compensation of MRT cannot exceed 300% of fixed remuneration for MRT in Control Functions and 500% for MRT in Front Office roles. The variable to fixed remuneration ratio is reviewed on an annual basis.

Quantitative Remuneration Disclosure

In 2024, there were in total 30 staff undertaking tasks for SRCML, 10 of them were identified as MRT.

The following table show the remuneration awards made in respect of the 2024 performance year:

£000s	Senior Management	Other MRT	Other Staff
Number of staff	5	5	20
Total fixed remuneration (GBP)	925	685	1,821
Total variable remuneration (GBP)	730	470	512
Of which awarded in upfront cash	504	350	503
Of which awarded in upfront non-cash	0	0	0
Of which awarded in deferred cash	0	0	0
Of which awarded in deferred non-cash	226	120	9
Total remuneration (GBP)	**1,655**	**1,155**	**2,333**

Deferred remuneration awarded to MRT in respect of prior performance years:

	Senior Management	Other MRT
Due to vest in the 2024 performance year (GBP)	139	72
Of which will be paid	139	72
Of which will be withheld due to performance adjustment	0	0
Due to vest in subsequent performance years (GBP)	677	328

Proportionality – exemption provision to MRT:

	Senior Management	Other MRT
Total number of MRT who benefit from an exemption	1	2
Total remuneration of those material risk takers who benefit from an exception (GBP)	--	--
Of which fixed remuneration	--	--
Of which variable remuneration	--	--

There has not been any guaranteed variable awarded over the period. There has not been any severance payment made over the period.