

Press release

Swiss Re targets an IFRS net income of more than USD 3.6 billion for 2024

Ad hoc announcement pursuant to Article 53 LR

- **Ahead of its transition from US GAAP to the IFRS accounting standard, Swiss Re announces new financial targets for 2024**
- **Property & Casualty Reinsurance (P&C Re) targets a reported combined ratio of less than 87%**
- **Life & Health Reinsurance (L&H Re) targets a net income of USD 1.5 billion**
- **Corporate Solutions targets a reported combined ratio of less than 93%**
- **The Group targets a multi-year IFRS return on equity (ROE) of more than 14%**

Zurich, 1 December 2023 – Swiss Re announces new IFRS targets, including a net income of more than USD 3.6 billion for 2024 and a multi-year ROE of more than 14%.

Swiss Re Group Chief Executive Officer Christian Mumenthaler said: "Our hard work to increase earnings resilience is paying off with significantly improved profitability in all of our core businesses. Swiss Re is well positioned to benefit from the more economic view provided by the IFRS accounting standard, which is reflected in the targets published today."

Better reflection of earnings power and higher equity

The transition from US GAAP to IFRS provides Swiss Re with an opportunity to demonstrate the value of its business. The new accounting basis will have a positive impact on the bottom line by better reflecting L&H Re's earnings power, and on its balance sheet by eliminating systemic accounting mismatches under US GAAP. As a result, the shareholders' equity position will be significantly higher.

The Group targets an IFRS net income of more than USD 3.6 billion for 2024, of which L&H Re is expected to contribute USD 1.5 billion. P&C Re targets an IFRS reported combined ratio of less than 87% for 2024¹. Corporate Solutions targets an IFRS reported combined ratio of less than 93% for 2024^{1,2}. Swiss Re aims at a multi-year IFRS ROE of more than 14%.

Media Relations

Zurich
Telephone +41 43285 7171

New York
Telephone +1 914 828 6511

Singapore
Telephone +65 6232 3302

Investor Relations

Telephone +41 43 285 4444

Swiss Re Ltd
Mythenquai 50/60
CH-8022 Zurich
Telephone +41 43 285 2121

www.swissre.com

[@SwissRe](https://twitter.com/SwissRe)

Additional information

For press releases, logos and photography of Swiss Re executives, directors or offices go to www.swissre.com/media

A changing reserving philosophy and sustainable dividend growth

The announced financial targets are reflective of Swiss Re's objective to be sustainably positioned at the higher end of the best estimate reserving range across its P&C businesses. This will be supported by the introduction of a reserving uncertainty allowance for new business. The implementation is expected to have a negative impact on profit after tax in 2024 of approximately USD 0.5 billion³.

Swiss Re maintains its capital management priorities, with the aim of returning to sustainable dividend growth. The Group's robust SST ratio of 31.4%⁴ will not be materially affected by the change in accounting standard.

Swiss Re will report under IFRS as of 2024.

¹ Compared to US GAAP, IFRS reported combined ratios reflect discounting of claims and certain methodological differences.

² Compared to P&C Re, Corporate Solutions' IFRS reported combined ratio definition reflects lower discounting and methodological benefits.

³ Impact expected to come from new business uncertainty allowances affecting the 2024 current year result in P&C Re and Corporate Solutions.

⁴ As of 1 July 2023.

Investors' Day webcast

Swiss Re's 2023 Investors' Day will be held today from 10:30 to 15:30 CET. Media are able to follow the event via live [webcast](#). For additional information on the event, including the agenda and presentation slides, please click [here](#).

About Swiss Re

The Swiss Re Group is one of the world's leading providers of reinsurance, insurance and other forms of insurance-based risk transfer, working to make the world more resilient. It anticipates and manages risk – from natural catastrophes to climate change, from ageing populations to cyber crime. The aim of the Swiss Re Group is to enable society to thrive and progress, creating new opportunities and solutions for its clients. Headquartered in Zurich, Switzerland, where it was founded in 1863, the Swiss Re Group operates through a network of around 80 offices globally.

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 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, and historically high inflation rates;

- the frequency, severity and development of, and losses associated with, insured claim events, particularly natural catastrophes, man-made disasters, pandemics, social inflation litigation, acts of terrorism or acts of war, including the ongoing war in Ukraine, and any associated governmental and other measures such as sanctions, expropriations and seizures of assets as well as the economic consequences of the foregoing;
- the Group's ability to comply with standards related to environmental, social and governance ("ESG"), sustainability and corporate social responsibility ("CSR") matters and to fully achieve goals, targets, or ambitions related to such matters;
- the Group's ability to achieve its strategic objectives;
- legal actions or regulatory investigations or actions, including in respect of industry requirements or business conduct rules of general applicability, the intensity and frequency of which may also increase as a result of social inflation;
- central bank intervention in the financial markets, trade wars or other protectionist measures relating to international trade arrangements, adverse geopolitical events, domestic political upheavals or other developments that adversely impact global economic conditions;
- mortality, morbidity and longevity experience;
- the 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 inability to realise amounts on sales of securities on the Group's balance sheet equivalent to their values recorded for accounting purposes;
- the Group's inability to generate sufficient investment income from its investment portfolio, including as a result of fluctuations in the equity and fixed income markets, the composition of the investment portfolio or otherwise;
- changes in legislation and regulation or the interpretations thereof by regulators and courts, affecting the Group or its ceding companies, including as a result of comprehensive reform or shifts away from multilateral approaches to regulation of global operations;
- matters negatively affecting the reputation of the Group, its board of directors or its management;
- the lowering, loss or giving up of one of the financial strength or other ratings of one or more companies in the Group, and developments adversely affecting its ability to achieve improved ratings;
- uncertainties in estimating reserves, including differences between actual claims experience and underwriting and reserving assumptions, in particular in Property & Casualty Reinsurance due to higher costs caused by inflation and supply chain issues;
- policy renewal and lapse rates;
- 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;
- 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;
- the effects of business disruption due to terrorist attacks, cyberattacks, natural catastrophes, public health emergencies, hostilities or other events;

- limitations on the ability of the Group's subsidiaries to pay dividends or make other distributions; and
- operational factors, including the efficacy of risk management and other internal procedures in anticipating and managing the foregoing risks.

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

This communication is not intended to be a recommendation to buy, sell or hold securities and does not constitute an offer for the sale of, or the solicitation of an offer to buy, securities in any jurisdiction, including the United States. Any such offer will only be made by means of a prospectus or offering memorandum, and in compliance with applicable securities laws.