Letter to shareholders

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

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

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

Despite these measures, P&C Re delivered 2024 first-half net income of USD 989 million, supported by disciplined underwriting and strong investment income. The Business Unit achieved an insurance service result of USD 1.4 billion and a combined ratio[1] of 84.5%. We are targeting a combined ratio below 87% for the full year.

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

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

Corporate Solutions reported a first-half net income of USD 435 million, with strong results driven by consistent underlying business performance, benign claims experience and strong investment income. Stringent portfolio steering and disciplined underwriting led to strong in-force and new business margins complemented by low man-made losses. Corporate Solutions achieved an insurance service result of USD 509 million and a combined ratio[2] of 88.7%. The Business Unit targets a full-year combined ratio below 93%.

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

[1] P&C Re combined ratio is defined as [–Insurance service expense (net) / Insurance revenue (net)].
[2] Corporate Solutions combined ratio is defined as [–(Insurance service expense (gross) + Reinsurance result + Non-directly attributable expenses) / Insurance revenue (gross)].

Jacques de Vaucleroy
Chairman of the Board of Directors

Andreas Berger
Group CEO

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

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

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

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

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

Zurich, 22 August 2024

Jacques de Vaucleroy
Vice Chairman of the Board of Directors

Andreas Berger
Group CEO