Swiss Re

# Annual Report 2025
## Letter to shareholders

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## Dear Shareholders

In 2025, Swiss Re delivered on two key priorities: achieving our Group financial target and strengthening the resilience of the company. Having completed the comprehensive review of underperforming portfolios in Life & Health Reinsurance (L&H Re), all three of our Business Units are positioned to deliver consistent results. This is supported by our Built to lead strategy, which is focused on amplifying our core reinsurance and insurance businesses, leveraging Swiss Re's proprietary data and research, and expanding AI capabilities across the Group.

Sustainability is an integral part of Swiss Re's Built to lead strategy and is embedded across the Group's business activities. In the reporting year, a Group Materiality Assessment reaffirmed the company's commitment to building societal resilience and supporting the net-zero transition. We achieved all externally communicated sustainability targets for 2025, while maintaining our mid- and long-term targets.

Swiss Re increased Group net income by 47% in 2025, delivering a profit of USD 4.8 billion against a target of more than USD 4.4 billion. This result was driven by strong underwriting profits in the property and casualty businesses. For the full year, the Group generated a return on equity (ROE) of 19.6%, above the 15% ROE of the prior year.

Insurance revenue in 2025 for the Group amounted to USD 43.1 billion, while the insurance service result, a reflection of Swiss Re's underwriting profit earned in the period, was USD 5.8 billion, up 36% from USD 4.3 billion in 2024. The return on investments (ROI) was 4.0%, reflecting recurring income of more than USD 4.0 billion and a positive contribution from equity holdings, which were partially offset by realised losses from targeted sales of fixed income securities. Swiss Re achieved a recurring income yield of 4.2% for the full year, up from 4.0% in 2024, and a reinvestment yield of 4.4% for the fourth quarter.

Swiss Re maintained its strong capital position with an estimated Group Swiss Solvency Test (SST) ratio of 250%[1] as of 1 January 2026. Swiss Re's Board of Directors proposed a dividend of USD 8.00 per share, representing a 9% increase. Having achieved our key objectives in 2025, we are well positioned to increase the payout to shareholders through an increased dividend. In addition, Swiss Re has launched a share buyback programme, repurchasing up to USD 1.5 billion of its own shares in 2026, including USD 500 million as part of its sustainable annual share buyback programme.

Property & Casualty Reinsurance (P&C Re) delivered a net income of USD 2.8 billion for 2025, up from USD 1.2 billion in 2024. The result reflects a lower-than-expected large natural catastrophe burden and resilient underlying performance, supported by a solid investment result. P&C Re generated an insurance service result of USD 3.6 billion and a combined ratio of 79.4%,[2] meeting its target of below 85% for the full year.

P&C Re renewed treaty contracts resulting in USD 12.4 billion in premium volume on 1 January 2026, in line with the business which was up for renewal. The outcome reflects continued discipline and active cycle management amid a more challenging pricing environment.

P&C Re achieved a price increase of 0.3% in this renewal round, while maintaining stable terms and conditions. Based on a prudent view on inflation and updated loss models, loss assumptions increased by 4.6%, resulting in a net price decrease of 4.3%. The resulting portfolio quality is supportive of the Group's 2026 financial targets.

Corporate Solutions delivered a net income of USD 988 million in 2025, compared with USD 829 million in 2024. The continued strong result reflects a solid underwriting performance, supported by lower-than-expected large natural catastrophe claims experience and a resilient investment result. The insurance service result reached USD 1.2 billion, up from USD 1.0 billion in 2024. Corporate Solutions delivered a combined ratio of 86.5%[3] in 2025, realising its target of below 91% for the full year.

L&H Re reported a net income of USD 1.3 billion in 2025, compared with USD 1.5 billion in 2024, reflecting the impact of the portfolio review, which concluded in 2025. As a result of these actions, L&H Re missed its net income target of approximately USD 1.6 billion for the year. The insurance service result for 2025 was USD 1.2 billion, compared with USD 1.5 billion for 2024. The decrease in 2025 primarily reflects a USD 0.65 billion negative impact from assumption updates focused on addressing underperforming portfolios in Australia, Israel and South Korea.

We have made substantial progress on our withdrawal from iptiQ, and all remaining parts of that business have now either been sold or will be placed into run-off in due course.

In 2025, global industry losses from natural catastrophes totalled an estimated USD 107 billion, lower than in the previous year and slightly below the average of the prior ten years. The loss burden was driven primarily by historically large wildfire losses in California at the start of the year, as well as severe thunderstorms in the US during the first half. Although no major hurricanes

1 Estimated Group SST ratio as of 1 January 2026. The SST ratio is filed with FINMA periodically and is subject to review.
2 P&C Re combined ratio is defined as [(insurance service expense + amounts recoverable from reinsurers for incurred claims) / (insurance revenue + allocation of reinsurance premiums)].
3 Corporate Solutions combined ratio is defined as [(insurance service expense + allocation of reinsurance premiums + amounts recoverable from reinsurers for incurred claims + non-directly attributable expenses) / insurance revenue].

made landfall in the US, Hurricane Melissa struck the Caribbean, resulting in substantial humanitarian and economic losses. In Switzerland, a rock-and-glacier slide buried the village of Blatten in May 2025.

Man-made disasters also drove large claims, including aviation-related tragedies in the US and India, as well as a fire at an energy facility in California. In 2025, Swiss Re paid claims exceeding USD 39 billion, reinforcing our role as a trusted partner to clients. These payments covered the breadth of our businesses, from life and health to property and casualty, as well as large corporate risks.

The year also marked new additions to our Group Executive Committee: Anders Malmström became Group Chief Financial Officer; Kera McDonald became Group Chief Underwriting Officer; and Bernhard Kaufmann joined Swiss Re as Group Chief Risk Officer. On 1 January 2026, Nicole Pieterse became Group Chief People Officer, and on 1 April 2026, Henock Teklu will join Swiss Re as Group Chief Transformation Officer and Chief of Staff.

The global re/insurance industry is expected to continue benefiting from a broadly favourable operating environment in 2026. For Swiss Re, continued underwriting discipline in an increasingly competitive market environment and robust investment income will be vital to sustain overall profitability. Risks remain elevated, with the global environment characterised by ongoing policy and geopolitical uncertainty that demands continued vigilance.

Against this backdrop, Swiss Re is well positioned to play its traditional resilience-building role as a shock absorber against peak perils and as a provider of critical, data-driven risk insights. We remain committed to helping our clients and partners in business, government and across society understand and mitigate emerging threats, and to recover quickly when they materialise.

For 2026, the Group targets a net income of USD 4.5 billion. P&C Re and Corporate Solutions maintain their combined ratio targets of less than 85% and less than 91%, respectively. L&H Re targets an increased net income of USD 1.7 billion in 2026, reflecting its strengthened portfolio. The Group maintains its multi-year IFRS ROE target of more than 14% and aims for continued dividend per share growth of 7% or more for the dividend to be proposed to the AGM in 2027.

In our commitment to drive operational efficiency, the Group is on track to achieve a reduction in run-rate operating expenses of around USD 300 million by 2027. Swiss Re has also accelerated the integration of AI into underwriting, claims and data handling, with the aim of transforming end-to-end insurance processes to boost efficiency and improve decision-making.

We would like to thank you, our shareholders, for your continued trust and support as we reinforce our commitment to achieving this year's performance targets.

We also thank Swiss Re employees for their readiness to adapt in a dynamic environment and build on the company's technical expertise. And we are grateful to our clients for partnering with Swiss Re to accelerate growth, strengthen resilience, and support prosperity in communities and economies worldwide.

Zurich, 12 March 2026

**Jacques de Vaucleroy**
Chairman of the Board of Directors

**Andreas Berger**
Group Chief Executive Officer

# Financial Calendar

10 April 2026
Annual General Meeting

07 May 2026
First-quarter 2026 results, conference call

06 August 2026
Half-year 2026 results, conference call

05 November 2026
Nine-month 2026 results, conference call

# Cautionary note on forward-looking statements and disclaimer

Certain statements contained herein are forward-looking. These statements (including as to plans, objectives, targets, and trends) 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 expected or assumed 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 the risk of a global economic downturn, deglobalisation, fragmentation of markets, changes in 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, including global political or domestic instability, 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, liability excess inflation, acts of terrorism or acts of war, including developments or escalation of ongoing conflicts or wars 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 adhere to standards related to the environment, climate change, social issues, employment (such as inclusion), respect for human rights, and governance. These are often referred to by expressions such as sustainability, environmental, social and governance ("ESG"), and corporate social responsibility ("CSR"). The Group's ability to fully achieve goals, targets, ambitions or stakeholder expectations related to CSR, ESG and/or sustainability 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, the intensity and frequency of which may increase;
- the Group's dependence on third parties, including reinsurers, external investment managers, and other service providers;
- 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, regulatory or governmental intervention in the financial markets, trade wars or other tariffs and protectionist measures relating to international trade and cross-border service arrangements, adverse geopolitical events, domestic political upheavals or other developments that adversely impact global economic conditions;
- mortality, morbidity and longevity experience;
- 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;
- changes in legislation and regulation or the interpretations thereof by regulators and courts, affecting the Group or its ceding companies or the markets in which they are operating;
- 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;
- changes in our policy renewal and lapse rates and their impact on the Group's business;
- developments, litigation, or regulatory changes relating to the use of artificial intelligence ("AI") by the Group or third-party vendors, including risks around data quality, explainability, fairness, privacy, cybersecurity, intellectual property, overstating AI capabilities, reliability and effectiveness of AI systems, data or third-party dependency, failings in human oversight or expertise, adoption or integration, and the Group's ability to implement and govern AI responsibly and in line with evolving legal, ethical and technological standards;
- the outcome of tax audits, the ability to realise tax loss carryforwards and 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;
- 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; and
- limitations on the ability of the Group's subsidiaries to pay dividends or make other distributions.

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.

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.

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