

Swiss Re Ltd

**13th Annual General Meeting
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Speech
by

Christian Mumenthaler
Group Chief Executive Officer

Check against delivery.

Ladies and Gentlemen,

Jacques,

Thank you very much for your kind words. I will come back to them at the end of my speech.

Dear shareholders,

Hello, and a warm welcome from me to this Annual General Meeting.

I would like to open today with a more detailed look at Swiss Re's results for the 2023 financial year. After that, I will talk about the market outlook and then close with a few remarks about the challenges posed by climate change, and about sustainable business models.

So let's start now with the results for the last financial year. Jacques de Vaucleroy has already told you that we generated a net income of USD 3.2 billion in 2023, compared with USD 472 million in the previous year. Our return on equity increased almost tenfold to 22.3%. The results speak for themselves. We achieved all of our financial targets, and in some cases we exceeded them. Our hard work has paid off.

A number of factors contributed to this strong result. I would like to highlight three of them. Prices in the reinsurance business rose sharply last year – and remain attractive today. They are at a level that we feel is appropriate for the risks we take on our books. This strengthens our earning power. As do higher interest rates. In the last quarter of 2023, we were able to reinvest our investments at an interest rate of 5%, supporting the overall increase in recurring income of about USD 800 million in 2023 compared with 2022. Our strict underwriting discipline is another factor that helped drive our high net income. And we continue to seek and find profitable business, while consistently terminating contracts that do not meet our profitability requirements.

For us, and especially for you as shareholders of Swiss Re, the strong net income generated last year has come on the heels of an extended lean period. The last several years were difficult. Without going into too much detail, I would like to briefly look back on that period in order to put last year's success into context.

Like any other industry, the reinsurance business is cyclical. We have just passed from one phase to the next. In the mid-2010s, prices started falling. This development coincided with a

period of low interest rates that came in the wake of the financial crisis of 2008/2009. The latter had two effects. On the one hand, low interest rates negatively impacted the results of our investment business. On the other hand, they resulted in a flood of capital entering the reinsurance market in search of returns.

This alternative capital ended up competing with traditional reinsurers like Swiss Re. Among other things, it absorbed some of the upward pressure on prices following natural disasters, meaning that prices remained relatively flat. But then the effects of the pandemic as well as the war in Ukraine and the energy supply bottlenecks started to fuel inflation. This prompted central banks to finally start raising interest rates, marking the end of a disastrous era of financial repression for savers and investors. Purely speculative alternative capital began to flow out of the reinsurance market, and in the wake of Hurricane Ian, which resulted in insured losses of USD 65 billion, reinsurance prices started to rise sharply.

And so in 2023, we were able to reverse the trend. The renewal round at the beginning of last year was one of the best I have experienced. And the fact that this happened during Swiss Re's 160th anniversary year makes it even more satisfying.

On 19 December 1863, the Canton of Zurich approved the founding of Swiss Re, which was certified by State Secretary and poet Gottfried Keller. Swiss Re was a start-up. While its first headquarters were located not in a proverbial garage, they were still in a small, dark office in Zurich's Niederdorf district.

Since then, Swiss Re has operated in an environment shaped by two world wars, countless other conflicts, a global depression, a severe financial crisis in 2008/2009, the Spanish flu, COVID-19 and, more recently, an ever-increasing claims burden from natural catastrophes, and emerged as an industry leader.

And even though we only officially started using our "Making the world more resilient" purpose statement a few years ago, this has, in fact, been our *modus operandi* since day one. Each of the events I just listed and every business cycle the reinsurance industry has passed through has come with new challenges. Swiss Re has always adapted to these challenges and anticipated change.

And we continue to do so. Last year, we streamlined and simplified our corporate structure.

We split the property and life reinsurance business into two segments. This enabled us to eliminate an entire management level. We implemented the reorganisation very quickly. After announcing it in February, we had already put the most important elements in place by the beginning of June.

We are already benefitting from the reorganisation: the leadership team now spends 40% less time in meetings and committees! Our decision paths are shorter, we are able to act faster and we are closer to our clients. And the feedback we are receiving from them is excellent.

At the beginning of my presentation, I talked briefly about the annual result for the overall Group. I would now like to turn to the individual Business Units.

Property & Casualty Reinsurance reported a net income of USD 1.9 billion. This solid result was primarily driven by a robust underwriting performance and disciplined renewals.

We strengthened the reserves in the casualty business, but this was more than offset by the simultaneous release of reserves in the property and specialty lines, and the strong margins. The combined ratio for the full year was 94.8%, meaning we met our target of less than 95%.

Life & Health Reinsurance reported a net income of USD 976 million. This is more than double the previous year's figure, and is attributable to the diminishing effects of COVID-19. However, active in-force portfolio management and a strong investment performance also contributed to this result.

Our business with large corporate clients, which we serve through our Corporate Solutions arm, reported another very good result in 2023. Net income rose from USD 486 million in 2022 to USD 678 million. Disciplined underwriting, steadily increasing portfolio quality and an improved investment result supported this success. Strong growth in new business in property, credit & surety, as well as accident & health partially offset reductions in the professional liability lines. At 91.7%, the reported combined ratio significantly outperformed the target of 94%.

Lastly, I would like to mention Asset Management. In 2023, we achieved a return on investments of 3.4%, up significantly from 2% in 2022.

That concludes my more detailed look at our annual results. I would now like to turn to the market outlook.

The environment remains challenging.

The terrible war in Ukraine has entered its third year. And since the brutal attack on Israel last October, heavy fighting in the Gaza Strip has been causing horrific suffering among the civilian population. The war is jeopardising stability in the region, especially for shipping in the Red Sea. Transcontinental supply chains are under threat. In addition, the US is about to launch into presidential elections that could become the most contentious the country has seen in recent history.

Despite these adversities, the outlook for our sector remains positive. Although interest rates may have already peaked in some places, we continue to benefit from the rate hikes.

In the January 2024 reinsurance treaty renewals, we achieved a price increase of 9%, and a 9% volume increase. However, due to inflation and updated loss models, we have increased our loss assumptions by 11% – based on a prudent forward-looking view. Our portfolio quality remains very good.

For 2024, we have set ourselves a net income target of more than USD 3.6 billion. Starting this year, we will be using the International Financial Reporting Standards (IFRS) for our accounting. We decided to take this step because IFRS more accurately reflects our earnings and balance sheet strength, and therefore the value of the company. This applies in particular to long-term lines of business such as life reinsurance.

With the help of a few examples, I would now like to focus on the longer term and give you some insights into how we are working to realise our climate and sustainability goals.

Let's start with our business. The P&C Re Business Unit has created a Centre of Competence for Renewable Energy to support clients with decarbonisation. This transition is complex, can be fraught with conflicting goals and often involves difficult trade-offs for our clients across all sectors. However, with our products, our expertise and our experience in risk management, we are able to support them in this transition.

On the investment side, we are continuously reducing our exposure to bonds and shares in companies that continue to generate high levels of greenhouse gas emissions. We have strict

multi-year targets in place, and by last year, had reduced the average greenhouse gas emissions for these asset classes by 45% compared with 2018.

We are also making good progress in terms of our operational emissions. By 2030, we aim to reduce CO₂ emissions from our buildings by 53% compared with the 2018 baseline. We are currently at 45%, so we are in the home stretch. For business air travel, we have reduced CO₂ emissions by 64% compared with the 2018 baseline.

I am very proud of the progress we are making in terms of sustainability. And this progress makes me optimistic about our ability as a company to make a substantial contribution to combating global warming.

But my optimism is also fuelled by what I see in my role as Co-Chair of the Alliance of CEO Climate Leaders, which is facilitated by the WEF.

Over 120 global companies have joined the Alliance, and it is still growing. Member companies commit to disclosing and reducing their CO₂ emissions along the entire value chain.

In concrete terms, this means they must ensure their customers move in the same direction. To give you an idea of the scale we are talking about here: if the Alliance were a country, it would be the world's second biggest emitter of CO₂, directly behind China.

So if the Alliance systematically reduces its emissions and ensures that its customers do the same, the impact will be enormous. In other words: the private sector is making progress on climate protection. And that makes me confident about the future.

Just a few more words before I close.

This is my last Annual General Meeting as Group CEO of Swiss Re. I would therefore like to take this opportunity to thank you, our valued shareholders, for your support and loyalty over the eight years that I have had the honour of leading this company. It is you who provide us with the capital we work with. In 2023, we were finally able to once again deliver a result we can all be pleased with.

These were not easy years. But I am pleased that we were able to ride out the storm and are in a much better situation now, with higher interest rates, higher reinsurance prices and a lower cost ratio.

It has been a great privilege to lead Swiss Re for so long. I have had the opportunity to work for this fantastic company for 25 years. During that time, I have had countless inspiring discussions with clients, gained an incredibly broad range of experience and gotten to know many wonderful and competent employees. The talent rallying behind Swiss Re and its mission is hugely impressive. And being part of that mission – and for such a long time – is something I have always found very rewarding.

And that is why it is my turn to say thank you. To you, Jacques, for our good and inspiring collaboration over the past year; I look forward to continuing to work with you until my departure. My heartfelt thanks also goes to my colleagues on the Group Executive Committee. We have helped the company advance and progress in the last years. That was a demanding and challenging task, especially in 2023. Because in addition to the day-to-day business, we also had to manage the reorganisation. And finally, my sincere thanks goes to all of the employees of Swiss Re. Because ultimately, it is their dedication and hard work that enabled Swiss Re to deliver on its promise.

It is time for me to start a new chapter and leave the leadership of Swiss Re in new and capable hands. I am happy that we found someone from within the company to become my successor. Andreas, a fascinating and inspiring job lies in store for you! I wish you and all of Swiss Re the best of luck!

Thank you for your time!

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