Swiss Re

Financial Report

2023

Financial highlights

Financial highlights

For the years ended 31 December

USD millions, unless otherwise stated	2022	2023	Change in %
Group			
Net income/loss attributable to common shareholders	472	3 214	–
Gross premiums written	47 889	49 954	4
Premiums earned and fee income	43 118	45 003	4
Earnings per share in CHF	1.63	9.94	
Shareholders' equity	12 699	16 146	27
Return on equity in %[1]	2.6	22.3	
Return on investments in %	2.0	3.4	
Net operating margin in %[2]	2.7	10.0	
Number of employees[3]	14 408	14 719	2
Property & Casualty Reinsurance			
Net income/loss attributable to common shareholders	312	1 861	–
Gross premiums written	23 848	24 367	2
Premiums earned	22 028	22 881	4
Combined ratio in %[4]	102.4	94.8	
Net operating margin in %[2]	3.2	12.5	
Life & Health Reinsurance			
Net income/loss attributable to common shareholders	416	976	–
Gross premiums written	15 986	16 909	6
Premiums earned and fee income	14 984	15 648	4
Net operating margin in %[2]	4.3	8.6	
Corporate Solutions			
Net income/loss attributable to common shareholders	486	678	40
Gross premiums written	8 198	8 152	–1
Premiums earned	5 482	5 479	–0
Combined ratio in %[4]	93.1	91.7	
Net operating margin in %[2]	11.0	15.5	

[1] Return on equity is calculated by dividing net income/loss attributable to common shareholders by average common shareholders' equity.
[2] Net operating margin is calculated as "Income/loss before interest and income tax expense/benefit" divided by "Total revenues" excluding "Net investment result – unit-linked".
[3] Regular staff.
[4] The Group has prospectively, as from Q1 2023, revised the methodology used to calculate the combined ratio to include interest on funds withheld.

Swiss Re's Annual Report

Swiss Re's Annual Report consists of the Business Report and the Financial Report.

Financial Report
This publication provides a more detailed account of Swiss Re's financial performance during the year and the market trends influencing its business. It also provides details on risk and capital management, as well as information on our governance and compensation.

Climate-related financial disclosures
Swiss Re's climate-related financial disclosures based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) were published in the Financial Report since 2016. Starting this year, they are part of the Swiss Re Sustainability Report.

www.swissre.com/sustainabilityreport

Contents

Financial year

Swiss Re increased net income to USD 3.2 billion and delivered a 22% return on equity for 2023.

The global economy and financial markets

Year in review

World real gross domestic product (GDP) growth outperformed expectations in 2023, in spite of numerous geopolitical and macro challenges. Disinflation is underway, but continued economic strength has kept labour markets tight, keeping wage growth above the historical trend. A strong jobs market and robust consumer spending saw the S&P 500 rise 24.2% in 2023. The rapid interest rate hiking cycle continued into its second year, pushing yields on government bonds to multi-decade peaks in the autumn.

Global economic growth
Global real GDP growth was stronger than expected in 2023, staying relatively stable at 2.6% compared with 3.1% in 2022. In the US, ongoing economic resilience was based largely on consumer spending and a lower impact of monetary policy than anticipated. In Europe, government support measures to combat the energy crisis, notably at the start of the year, helped consumers weather the ongoing cost of living crisis.

Advanced economies once again grew at a slower rate (1.6%) than emerging markets (3.9%). The US was a pillar of strength, avoiding a technical recession – defined as two consecutive quarters of negative growth – and with full-year real GDP growth stronger in 2023 (2.5%) than in 2022 (2.1%). The euro area, on aggregate, narrowly avoided a technical recession in the face of cyclical and structural headwinds.

Emerging market GDP growth, excluding the contribution from China, was 3.0% in 2023 in real terms, down from 4.1% in 2022. India outperformed among major emerging markets, with real growth of 6.7%. Brazil continued to grow solidly at 2.9% in 2023, the economy having rebounded in 2021–2022. Growth in China disappointed due to weak domestic and external demand, and a downturn in the property market. Nevertheless, large government interventions kept the economy growing at 5.2%, in line with the target.

Inflation
Headline inflation rates eased in 2023 as global energy and food prices came off the peaks seen in 2022. Still, the outbreak of conflict in the Middle East, together with oil production cuts and tensions in the Red Sea, kept energy prices front of mind. Core consumer inflation measures, which strip out the more volatile energy and food components, proved more resilient, peaking only in 2023 rather than the previous year. Strong labour markets kept wage growth high, adding to inflation pressures, particularly in service sectors.

In the US, the softening of the extremely hot labour market and cooling in real estate rentals saw Consumer Price Index (CPI) inflation average 4.1% in 2023, down from 8.0% in the prior year. In the euro area, inflation was more persistent due to the longer duration of wage contracts than in the US, but the easing of global supply chains and strong reverse base effects from lower energy prices saw headline inflation come down to 5.4% (versus 8.4% in 2022).

There was significant disinflation in Latin America, except in Argentina, where price gains continued to accelerate into year end. In emerging Asian markets, more conservative fiscal policy and geographical distance from the larger geopolitical shocks kept inflation lower than global averages. Inflation in China stood at just 0.2% in 2023 on weak domestic demand. In Japan, inflation averaged 3.2% over the course of 2023 versus 2.5% in 2022.

Economic indicators 2022–2023

	US		eurozone		UK		Japan		China	
	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**
Real GDP growth[1]	2.1	**2.5**	3.5	**0.5**	4.5	**0.1**	0.9	**2.0**	3.0	**5.2**
Inflation[1]	8.0	**4.1**	8.4	**5.4**	9.0	**7.3**	2.5	**3.2**	2.0	**0.2**
Long-term interest rate[2]	3.9	**3.9**	2.6	**2.0**	3.7	**3.6**	0.2	**0.6**	2.8	**2.6**
USD exchange rate[2,3]	–	**–**	107	**110**	120	**127**	0.8	**0.7**	14.5	**14.1**

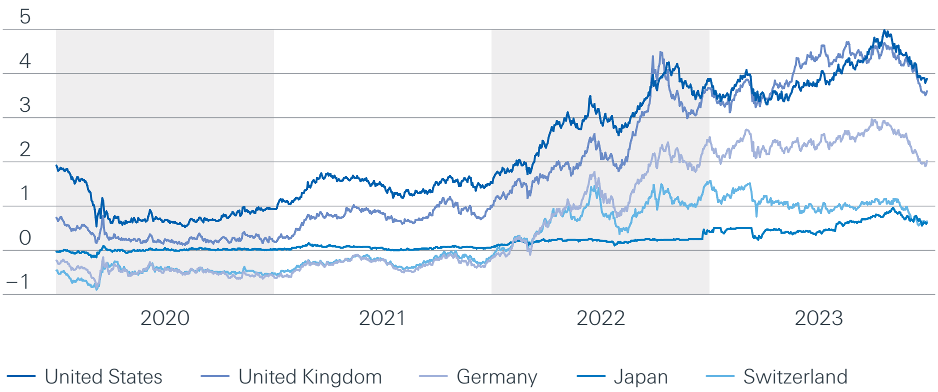
[1] Yearly average
[2] Year-end
[3] USD per 100 units of foreign currency

Source: Oxford Economics, Swiss Re Institute

3.9%
US 10-year Treasury bond yield
Year-end 2023

2.0%
German 10-year Bund yield
Year-end 2023

Interest rates for 10-year government bonds 2020–2023



Source: Refinitiv, Swiss Re Institute

Interest rates
In the second year of the steepest and largest interest rate hiking cycle in decades, policy rates in 2023 climbed to levels last seen before the global financial crisis as central banks sought to tame rampant inflation. The US Federal Reserve (Fed) raised policy rates by 100 basis points (bps) in 2023, keeping interest rates steady at 5.375% after their final hike in July. The European Central Bank (ECB) hiked rates by twice as much over the course of the year and also launched its quantitative tightening policy, with the refinancing rate reaching 4.5% in September. The rate hike cycle in major advanced markets appears to be over. Central banks will now likely look for evidence of inflation returning to target, and of the pass-through of higher rates to the real economy. One potential exception to the end of the rate hike cycle in 2023 in major advanced markets is Australia, where the Reserve Bank followed a "stop-start" approach, resuming interest rate hikes on two occasions after initially pausing in between meetings during the year.

Emerging economies have demonstrated greater divergence on interest rates compared to the advanced markets, with central banks across several continents already cutting rates. Brazil, China and Poland have all begun to lower rates amid improving inflation outlooks. Meanwhile, South Africa and Mexico ended the year on hold, and Turkey and Russia were raising rates.

Longer-dated advanced market sovereign bond yields moved notably higher in both nominal and real terms over the first three quarters of 2023 and peaked at multi-year highs in the autumn. Bond market volatility was extremely high versus historical averages in 2023. In October, the US 10-year Treasury hit 5.0% for the first time since 2007. In the UK, 10-year gilt yields surpassed those seen in the pension fund crisis in 2022. Bond yields, however, retreated into the year-end on faster disinflation and increased expectations for broader central bank interest rate cuts in 2024. A notable development in 2023 was the Japanese central bank easing its long-held yield curve control (YCC) policy in July.

Stock market performance
The S&P 500 yielded a price return of 24.2% in 2023, after the 19.9% decline in 2022. Equities rallied through to July, with technology stocks leading the way, spurred by hopes around the potential of artificial intelligence. Then, stronger-than-expected economic growth, particularly in the US, led stock markets to decline over the summer over concerns that central banks would be forced to raise interest rates higher than previously thought in order to tame inflation. Stocks picked up the pace again from October to the year end as lower inflation readings and signs of a soft landing – an environment where both inflation and economic growth slow, but recession is avoided – made interest rate cuts in 2024 more likely.

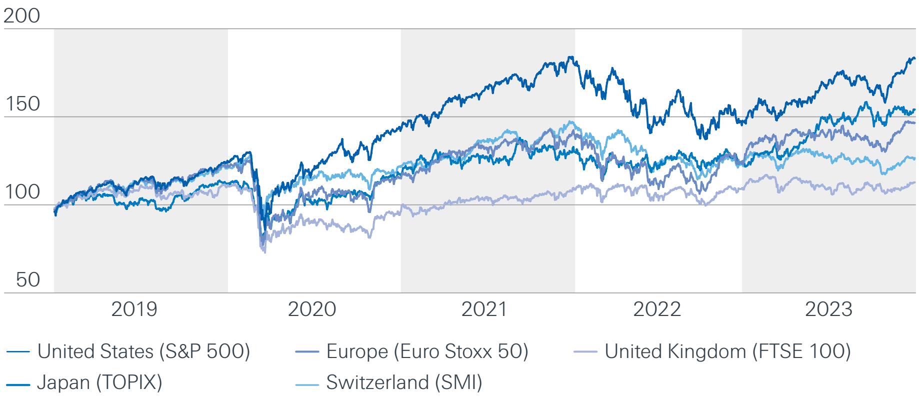
Stock market volatility was lower in 2023 than in 2022, but there were nonetheless notable moves. Events in 2023 included a regional banking crisis in the US and the failing of Credit Suisse. The resulting market volatility spurred interventions of the respective central banks and government bodies amid fears of contagion in the broader banking system. The suspension of the US debt ceiling and outbreak of the conflict in the Middle East also created short-term volatility. At the same time, markets had to digest a net reduction in liquidity as central banks continued to shrink their balance sheets.

Among advanced markets, in the US the S&P 500 had a strong annual performance, on par with European equities (Euro Stoxx 50 +19.2%, FTSE 100 +3.8%) in local currency terms. Emerging markets stock performance varied (MSCI EM +7.0%, Shanghai Composite Index –3.7%).

Currency movements
European currencies strengthened against the US dollar in 2023, including sterling (+6.0%), the euro (+3.5%) and the Swiss franc (+9.9%). The dollar weakened in the first half of the year on domestic growth concerns and narrowing yield differentials, but outperformed in the second due to much stronger-than-expected GDP readings in the US and higher real yields relative to advanced market peers. The currency peaked in October before weakening into the year end on rising confidence that the US rate hiking cycle is over, and expectations of Fed rate cuts in 2024.

In Asia, the Japanese yen weakened to 150 per US dollar in November after the Bank of Japan announced tweaks to its YCC policy. The Chinese renminbi was weighed down by the divergence between the Fed and the People's Bank of China monetary policy stance, a large differential in growth outlooks and weak external demand.

Stock markets 2019–2023, indexed 100 = January 2019



Source: Refinitiv, Swiss Re Institute

[1] Bloomberg, US Dollar Index (DXY index).

Outlook

Year ahead economic outlook
The world economy will likely slow in 2024 as the lagged impacts of monetary policy tightening continue to accumulate. However, outlooks diverge across the major economies: the US is likely to continue to outperform, slowing only in the second half of the year, while the euro area enters 2024 with a stagnant outlook, with a recovery expected to begin in the second half of the year. China, meanwhile, is grappling with structural domestic growth challenges despite large government interventions. Swiss Re forecasts below-trend global real GDP growth in 2024 of 2.4% before a rebound to 2.7% in 2025, the latter supported by lower inflation and interest rates.

Inflation is likely to remain volatile in the advanced markets and remain above target in 2024. CPI inflation is expected to moderate in both 2024 and 2025 in advanced markets.

Advanced market central banks are set to begin to ease monetary policy, but interest rates are likely to remain in restrictive territory in 2024. A sharp rise in long-term US sovereign bond yields in the autumn of 2023 signalled a shift out of the low interest rate environment which had endured since the Great Financial Crisis.

Long-term outlook: the "four Ds"
The key structural factors affecting the long-term economic outlook remain the "4Ds": Divergence, Digitalisation, Decarbonisation and Debt. Governments will have to balance the need for investment in decarbonisation and digitalisation with growing debt sustainability concerns. This is especially true as economies slow in 2024, thereby reducing tax revenue, and as interest rates remain higher than over the past decade, increasing the cost of debt repayments. With advanced market government initiatives supporting sectors in their efforts to onshore, reshore or friend-shore, divergence could further stress fiscal deficits. Divergence, decarbonisation and debt could also add to structurally higher inflation, while digitalisation could alleviate some of the price pressures.

Geopolitics will likely play a dominant role in 2024. The conflict between Israel and Hamas has added new, potentially non-linear, downside risks to the outlook, whereby energy price shocks have knock-on spiralling effects throughout the global economy. At the same time, the conflict in Ukraine enters its third year, and key elections in many countries, including in the US, add uncertainty to the outlook.

Primary non-life

4 300
Market size in USD billions
Estimated global premiums written in 2023[1]

3.7%
Market growth
Estimated real premium growth in 2023

Market overview
The global non-life insurance industry generated around USD 4 300 billion in gross premiums in 2023. Non-life insurance ranges from motor to property, specialty, personal accident, health and liability insurance. Health insurance accounts for about 47% of total non-life premiums; commercial property and casualty (P&C) about 25% and personal P&C about 28%.

Market performance
Swiss Re estimates that global non-life insurance premiums written increased by 3.7% year-on-year in inflation-adjusted (real) terms in 2023, above the 3.1% average annual growth from 2018–2022. Challenging economic conditions weighed on demand for insurance in 2023, primarily the high inflation rates in many economies, which again put pressure on consumers' purchasing power. This was more than offset by strong insurance price growth, in particular in personal lines. Elevated inflation also increased the value of exposures in 2023, which positively impacted premium growth.

Personal insurance outperformed commercial lines and health insurance premium growth in real-terms in 2023. Personal premiums written rose by 5.3% compared with 2022, driven by significant repricing of risk in motor and homeowner insurance. In contrast, commercial insurance premium growth was softer at about 2.5% in 2023, below its five-year average of 4.1%, as hard market conditions softened in advanced markets. Global reported price increases for composite commercial insurance were 2.0% in the fourth quarter of 2023, the slowest growth rate since early 2019.[2] However, worldwide commercial property insurance price growth remained strong at 6% in the fourth quarter – the 25th consecutive quarter of growth.

Global health insurance premiums rose by around 3.7% in 2023. This followed a 0.7% increase in 2022, and comes just above the five-year average premium growth rate of 3.5%. The acceleration in growth is attributable to the US, where premiums grew by 3.6% in 2023 as insurers adjusted to higher costs and utilisation.

In advanced markets, non-life premiums written grew by around 3.6% in real terms in 2023, stronger than the 2018–2022 annual average of 2.9%. Advanced EMEA, North America and Advanced Asia performed similarly. Emerging market premiums rose by 4.2% in 2023, close to the five-year average growth. China, which accounts for about half of emerging market non-life premiums, grew more strongly than the rest, at around 5.0%. Emerging Europe and Middle East experienced no real growth in premiums, while real premiums declined in Latin America.

Insurance claims in most large markets have increased markedly since 2021, in line with economic inflation. In 2023, the impact of economic inflation on claims growth eased from the heights of 2022, but it remains elevated. In the US, for example, non-life claims grew by 3.8% in 2023, following a 16.3% increase in 2022. Motor and property were the main contributors due to both higher frequency and severity. The shift of inflation into wages and healthcare costs in 2023 is seen in increasing claims costs in casualty lines, in particular from bodily injury claims.

Swiss Re estimates overall profitability of the global non-life insurance industry, indicated by return on equity (ROE), at 5.9% in 2023. This is a clear improvement from 4.3% in 2022, which was the lowest point in recent years. In 2023, the further rise in claims was counterbalanced by more commensurate pricing, resulting in an industry combined ratio of 98.9%. Insurers' investment results also benefitted from higher yields on fixed income assets, which raised the total investment yield by about 1 percentage point vs 2022.

Outlook
Swiss Re forecasts global real growth in non-life premiums of 3.1% in 2024. This would be around trend, as repricing continues, principally in personal lines, and despite slowing GDP growth globally. In 2025, premium growth is forecast at around 2.6%.

Underwriting profitability should improve further in 2024 as the impact of economic inflation on claims diminishes. As more of the fixed income portfolio is renewed at higher yields, investment returns are also expected to strengthen further. Industry return on equity (ROE) could consequently move up to 8.9% in 2024.

[1] Numbers in this section are based on estimates as of February 2024.
[2] Based on the 4Q23 Global Insurance Market Index report prepared by Marsh.

Reinsurance non-life

300
Market size in USD billions
Estimated global premium income in 2023

4.1%
Market growth
Estimated global real premium growth in 2023

Market overview
Global non-life reinsurance premiums, including health reinsurance, totalled approximately USD 300 billion in 2023, with about 24% in emerging markets.

Market performance
Swiss Re estimates that global non-life reinsurance premiums grew by 4.1% in real terms (6.1% in nominal terms) in 2023, driven by strength in commercial lines, which account for most of the demand from primary insurers. Premiums from advanced markets increased in real terms while emerging market premiums grew by 5.2%.

Low premium growth in advanced markets is primarily a consequence of substantial re-pricing of risk in non-life reinsurance at the January to July 2023 renewals. As a consequence of insufficient profitability – the reinsurance industry did not earn its cost of capital between 2017 and 2022 – and tight reinsurance capacity, the renewals exhibited strong rate increases, tighter terms and conditions, and higher retentions by primary insurers, which lowered growth. Profitability conditions for the reinsurance sector have significantly improved. The rebalancing of risk-sharing between insurers and reinsurers has also enabled reinsurers to return to their role of absorbing shocks and smoothing earnings for insurers.

Natural catastrophe losses in 2023 were again above average and Swiss Re estimates full-year losses for the insurance industry of more than USD 100 billion. A key characteristic of 2023 was the high frequency of low- to medium-severity loss events that aggregated to a high total loss number. The costliest event was the earthquake in Turkey and Syria in February 2023, which caused insured losses of USD 6.2 billion. By peril, losses were overwhelmingly driven by severe convective storms in the US, with aggregated insured losses of above USD 60 billion. Losses from tropical cyclones were below average. However, hurricane Otis, which hit the Pacific coast of Mexico, is likely to become the country's costliest insured event.

Swiss Re estimates that the reinsurance sector (excluding health insurance) achieved return on equity (ROE) of around 15–20% in 2023. This was above the cost of capital for the industry. Preliminary data indicate a sector combined ratio of around 90–92% for 2023, a clear improvement from 98% in 2022 and 2021.

By the end of 2023, reinsurance capital (traditional and alternative) had recovered from a steep drop in 2022, as financial asset values fell. However, carriers continued to actively manage their limits in 2023, given both insufficient profitability in the past, and uncertainty over future claims such as the rising trend of natural catastrophe losses, inflation pressure on claims and social inflation. Although overall alternative capital inflows have been lacklustre since 2018, catastrophe bond issuance reached a new record high in 2023, a sign of growing demand for transfer of peak risks.

The sector's capital base remains very strong and enables reinsurers to continue to fulfil their role as the backbone of the insurance industry and supporters of societal resilience.

Market outlook
The January 2024 renewals were firm and underpin a positive outlook for the non-life reinsurance industry. Notable rate increases were limited to portfolios affected by higher claims developments. Such developments are likely to continue, where necessary, in relevant portfolios. The non-life reinsurance industry has a good chance to earn its cost of capital in 2024. Premium income growth is forecast to improve by 2.9% in real terms in 2024 and 2.3% in 2025, in parallel with growth in the primary non-life insurance market, with increased demand from the property line of business as the key driver.

Primary life

2 900
Market size in USD billions
Estimated global premium income in 2023

1.8%
Market growth
Estimated global real premium growth in 2023

Market overview
The global life insurance industry generated about USD 2 900 billion of premium income in 2023, a quarter of which came from emerging markets. About 80% of life insurance premium income is derived from savings and retirement products and the rest from risk protection, which covers mortality, longevity and morbidity risks. Europe accounts for the largest share of saving business, at about 34%, followed by North America (28%). China (31%) is the largest market for life protection business globally, followed by North America (24%).

Market performance
Swiss Re estimates that global life insurance premiums grew by 1.8% in real terms in 2023 (3.2% in nominal terms), above the 2018–2022 annual average. Higher interest rates and rising wages in 2023 supported individual and group saving demand globally, but ongoing elevated inflation eroded nominal premium growth. Savings premiums growth was 2.1% in real terms while risk premiums grew by about 0.3%, below the five-year real trend of 1.9%.

Premium income in advanced markets declined by 0.4% in real terms in 2023 (2.1% nominal growth). Advanced EMEA experienced a 1.1% contraction in premium growth, principally from Germany and Italy due to disposable income declines, lower new business volumes and higher lapses. This was partially offset by growth in the UK and France. Premium income grew by 1.3% in North America and declined by 1.7% in Advanced Asia in 2023. The higher interest rate environment was a new tailwind for annuity business and pension risk transfer deals, particularly in the US and the UK, which benefitted from higher crediting rates and funding ratios.

Emerging markets excluding China grew by an estimated 3.1% in real terms in 2023, driven by India (4.1%), Eastern Europe (4.2%) and Mexico (10.5%). This was supported by a mix of factors, including regulatory changes, catch-up effects from 2022 and demand for inflation-linked products. In China, the life insurance market grew by 12.5% in real terms and was boosted by strong sales of savings-type products, mainly via the bancassurance channel. China carried the total emerging market real growth of 8.9% in 2023.

The profitability of the global life insurance sector deteriorated slightly in the first half of 2023 from the end of 2022, as estimated by Swiss Re's profitability model. The key driver of this deterioration was the higher payments for surrenders and disability as well as accident and health benefits, as COVID-19 became endemic in the US. Higher interest rates continued to exceed running portfolio yields and investment returns improved as portfolios gradually rolled into higher yields in 2023.

Market outlook
Swiss Re forecasts above-trend global growth of 1.6% in life insurance premiums in real terms in 2024, and 2.4% real growth in 2025. Higher interest rates in most advanced markets should continue to support above-trend demand for saving products, especially annuity products as individuals increasingly look to insurers for their retirement planning. Savings premiums are expected to grow in real terms by an above-trend 1.5% in 2024. Risk premiums should also grow by a below-trend 1.7% in 2024 in real terms.

Structural factors including a growing global middle class and ageing demographics in advanced and emerging economies, will likely continue to underpin premium growth in both segments. Digital adoption along the life underwriting and claims cycle, public support for life insurance in emerging markets and the inadequacy of public pension provision in ageing societies worldwide are all expected to support demand for life insurance and reinsurance solutions over the long term.

Reinsurance life

83

Market size in USD billions
Estimated global premium income in 2023

–5.0%

Market growth
Estimated global real premium growth in 2023

Market overview
The life reinsurance industry generated about USD 83 billion premium income globally in 2023.[3] More than three-quarters of this is attributable to the US, Australia, China, Canada, Hong Kong and the UK. Advanced markets generated 86% of global ceded reinsurance premiums, and emerging markets 14%.

Market performance
Global life reinsurance premiums decreased by 5.0% year-on-year in real terms in 2023. In nominal terms, growth was –1.8%. Growth in premium income was strongest in emerging markets at 5.0% in real terms in 2023. However, China, the largest life insurance market among emerging countries, shrank by 2.4% in 2023.

In advanced markets, the life reinsurance market contracted by 6.8% in real terms, with the strongest decline in the advanced Asia-Pacific region as a result of declining primary insurance premiums.

Global life reinsurance profitability improved in 2023, supported by higher interest rates and much lower COVID-19 mortality claims. Swiss Re estimates that the life reinsurance industry operating margin approached its pre-pandemic level of 7.4% (2015–2019 average). Increasing investment returns were a tailwind for the life insurance industry overall, with reinvestment yields above portfolio running yields in 2023. Overall, life underwriting performance was positive in 2023. However, while the acute impacts of COVID-19 have faded, mortality has not reverted to pre-pandemic levels everywhere. The re/insurance industry is closely monitoring mortality and morbidity developments, and partially adjusted mortality pricing in 2023 to account for the longer-term implications of the pandemic.[4]

Longevity risk transfer is a growth area underpinning a very active pension risk transfer market in the US and the UK, with record-level transfers achieved in 2022 and 2023. Longevity reinsurance is central to the pricing of annuity transactions, as insurers offering the said transactions to pension funds typically look to simultaneously access reinsurance capacity to hedge at least part of the longevity risk inherent in these lines.[5] Life reinsurers are also increasingly involved in the development and reinsurance of capital-light, index-linked products with guaranteed benefits, notably in some European markets. Finally, the higher interest rate environment has increased the capital cost associated with the risk of lapses under Solvency II rules, which prompted pockets of growth for reinsurance solutions covering lapses in the last years.

Market outlook
Swiss Re forecasts global life reinsurance premiums to increase in real terms by 1.4% and 2.2% in 2024 and in 2025, respectively, (4.1% and 4.9% in nominal terms). This is expected to be supported by a recovery in the primary life insurance market, as macroeconomic conditions normalise by the end of 2024. Emerging Asia is expected to continue to drive global growth as regulatory changes and government targets create new pockets of growth. North America and Advanced Europe are expected to grow slightly in 2024. Advanced Asia-Pacific should expand at an above-trend rate from 2024 onwards.

[3] Health business is accounted for under the non-life insurance sections.
[4] AM Best's Market Segment Report, Global Reinsurance, September 2023.
[5] See Swiss Re, A retirement lifeline, October 2023.

Summary of financial statements

Income statement

USD millions	2022	2023	Change in %
Revenues			
Gross premiums written	47889	49954	4
Net premiums written	43917	45095	3
Change in unearned premiums	–1049	–339	–68
Premiums earned	42868	**44756**	4
Fee income from policyholders	250	247	–1
Net investment income – non-participating business	2869	3995	39
Net realised investment gains/losses – non-participating business	–3	719	–
Net investment result – unit-linked business	–43	21	–
Other revenues	57	62	9
Total revenues	45998	**49800**	8
Expenses			
Claims and claim adjustment expenses[1]	–19607	–18646	–5
Life and health benefits[1]	–13721	–13695	–0
Return credited to policyholders	–280	–364	30
Acquisition costs	–7800	–8364	7
Operating expenses	–3369	–3737	11
Total expenses before interest expenses	–44777	**–44806**	0
Income before interest and income tax expense	1221	**4994**	–
Interest expenses	–570	–556	–2
Income before income tax expense	651	**4438**	–
Income tax expense	–171	–1210	–
Net income before attribution of non-controlling interests	480	**3228**	–
Income/loss attributable to non-controlling interests	–8	–14	75
Net income attributable to common shareholders	472	**3214**	–

[1] The Group has revised the presentation of the medical business of Elips Versicherungen AG and starting 2023 reports it under claims and claim adjustment expenses. Comparative information was adjusted accordingly.

Changes in equity

USD millions	2022	2023	Change in %
Total shareholders´ equity as of 1 January	23568	12699	–46
Net income attributable to common shareholders	472	3214	–
Dividends	–1825	–1850	1
Change in unrealised gains/losses on securities, net of tax	–9738	2225	–
Change in foreign currency translation, net of tax	68	–263	–
Purchase/sale of treasury shares and share based payments	31	201	–
Adjustment for pension and other post-retirement benefits, net	124	–27	–
Other changes in equity	–1	–53	–
Total shareholders’ equity as of 31 December	12699	**16146**	27
Non-controlling interests	110	225	105
Total equity as of 31 December	12809	**16371**	28

Summary balance sheet

USD millions	2022	2023	Change in %
Assets			
Fixed income securities	74 573	77 212	4
Equity securities	2 114	156	–93
Other investments	16 068	19 449	21
Short-term investments	8 907	9 931	11
Investments for unit-linked business	330	325	–2
Cash and cash equivalents	4 077	4 583	12
Deferred acquisition costs	8 121	8 151	0
Acquired present value of future profits	794	724	–9
Reinsurance recoverable	6 507	6 104	–6
Other reinsurance assets	32 074	35 255	10
Goodwill	3 863	3 978	3
Other	13 248	13 708	3
Total assets	170 676	**179 576**	5
Liabilities and equity			
Unpaid claims and claim adjustment expenses	85 418	87 513	2
Liabilities for life and health policy benefits	20 925	20 624	–1
Policyholder account balances	4 850	4 775	–2
Other reinsurance liabilities	23 505	26 681	14
Short-term debt	786	1 291	64
Long-term debt	10 252	8 526	–17
Other	12 131	13 795	14
Total liabilities	157 867	**163 205**	3
Shareholders' equity	12 699	**16 146**	27
Non-controlling interests	110	225	105
Total equity	12 809	**16 371**	28
Total liabilities and equity	170 676	**179 576**	5

"Swiss Re can look back on a successful 2023. We achieved all our financial targets in a year that was characterised by geopolitical turbulence and continued economic uncertainty."

Christian Mumenthaler
Group Chief Executive Officer

Group results

Swiss Re increased net income to USD 3.2 billion and delivered a 22% return on equity for 2023

Swiss Re increased its full-year net income to USD 3.2 billion for 2023 from USD 472 million in 2022, with a return on equity (ROE) of 22.3%. The result was supported by improved underwriting margins while higher interest rates drove an increase in investment income.

Group net income was above the target of more than USD 3 billion for 2023.

Based on Swiss Re's positive earnings momentum, the Board of Directors will propose an ordinary dividend of USD 6.80 per share, a 6% increase compared with the prior year.

Swiss Re's Business Units also met their financial targets for the full year. Property & Casualty Reinsurance (P&C Re) achieved a combined ratio of 94.8%[1] for 2023, meeting the target of less than 95%. Life & Health Reinsurance (L&H Re) reported above-target net income of USD 976 million for 2023. Corporate Solutions' full-year combined ratio of 91.7%[1] outperformed the target of less than 94%.

The property and casualty businesses benefitted from improved price adequacy following strong renewals. Disciplined underwriting allowed P&C Re and Corporate Solutions to manage elevated industry losses from natural catastrophes.

P&C Re reported a net income of USD 1.9 billion for 2023, compared with USD 312 million in the previous year. The solid result was primarily driven by a resilient underwriting performance and disciplined renewals. Strong margins and positive reserve developments in property and speciality lines helped offset reserve strengthening in the casualty business. In addition, the result was supported by a solid investment performance.

Large natural catastrophe claims amounted to USD 1.3 billion[2] in 2023, below the full-year budget of USD 1.7 billion. These claims included the earthquake in Turkey and Syria at the beginning of the year, Hurricane Otis in Mexico in the fourth quarter as well as several storms and consequent flooding in Europe throughout the year.

Life & Health Reinsurance (L&H Re) reported net income of USD 976 million for 2023, compared with USD 416 million in the previous year. The underlying result benefitted from active in-force portfolio management and a strong investment result, which offset elevated mortality claims in the US.

Corporate Solutions reported a net income of USD 678 million in 2023, compared with USD 486 million in the previous year. The increase reflects a steadily improved portfolio resilience, driven by disciplined underwriting and portfolio steering. Corporate Solutions' performance also benefitted from a higher investment result.

Higher interest rates contributed positively to Swiss Re's investment result. The full-year return on investments (ROI) increased materially to 3.4% from 2.0% in 2022. This improvement was even more pronounced in the fourth quarter, when the recurring income yield rose to 3.9% and the reinvestment yield was 5.0%.

Swiss Re's capital position continued to be strong. The Group Swiss Solvency Test (SST) ratio was 306% as of 1 January 2024, supported by solid earnings and the benefit of higher interest rates.

Shareholders' equity for the Group, excluding non-controlling interests, increased to USD 16.1 billion as of 31 December 2023, compared with USD 12.7 billion at the end of 2022. This reflected the net income of USD 3.2 billion, net change in unrealised losses on fixed income of USD 2.2 billion, partially offset by a payment to shareholders of USD 1.9 billion for the 2022 ordinary dividend.

Earnings per share for 2023 were USD 11.09 or CHF 9.94, up from USD 1.63 or CHF 1.63 for 2022. Book value per share stood at USD 55.60 or CHF 46.79 at the end of 2023, compared with USD 43.94 or CHF 40.65 at the end of 2022. Book value per share is based on shareholders' equity and excludes non-controlling interests.

Premiums

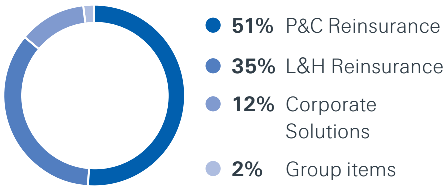
Net premiums earned and fee income for the Group rose 4.4% to USD 45.0 billion in 2023, compared with USD 43.1 billion in the previous year. At constant foreign exchange rates, net premiums earned and fee income increased by 4.9%. Gross premiums written increased by 4.3% to USD 50.0 billion in 2023.

P&C Re's net premiums earned increased 3.9% to USD 22.9 billion in 2023 compared with the previous year. At constant foreign exchange rates, net premiums earned increased by 4.3%.

L&H Re's net premiums earned and fee income increased 4.4% to USD 15.6 billion in 2023 compared with the previous year, driven by large transactions written across regions. At constant foreign exchange rates, net premiums earned and fee income increased by 5.6%.

Corporate Solutions' net premiums earned remained stable at USD 5.5 billion in 2023 compared with the previous year. At constant foreign exchange rates and excluding the elipsLife business sold in mid-2022, net premiums earned increased by 7.3%, driven by new business mainly in property, credit & surety as well as in accident & health, partially offset by conscious reductions in professional liability lines.

Net premiums and fees earned by business segment, 2023
Total: USD 45.0 billion



4.0

Non-participating net investment income in USD billion, 2023
(2022: USD 2.9 billion)

3.4%

Group return on investments, 2023
(2022: 2.0%)

iptiQ and Alternative Capital Partners
iptiQ continued its growth in 2023 with gross premiums written of USD 1.1 billion, 29.3% higher than in 2022. At constant foreign exchange rates, gross premiums written increased by 28.1%. The growth is mainly attributable to the EMEA regions. iptiQ achieved USD 60 million adjusted gross income[3], an increase of 15.4% compared with USD 52 million in 2022.

iptiQ reported a loss before interest and tax (EBIT) of USD 247 million in 2023. This is in line with the full-year EBIT guidance of USD –250 million, compared with a loss of USD 362 million in 2022. iptiQ remains on track to achieve its 2025 break-even target.

Alternative Capital Partners' activities generated USD 195 million in fee and commission revenues in 2023, compared with USD 116 million in 2022. These revenues are reported under acquisition costs and under other revenues.

Investment results
The Group's non-participating investment portfolio increased to USD 111.3 billion at the end of 2023 from USD 105.7 billion at the end of 2022, primarily reflecting the impact of a weaker US dollar.

The ROI increased to 3.4% for 2023, compared with 2.0% for 2022. The investment result benefitted from a strong increase in recurring income and a higher contribution from alternative investments.

The Group's non-participating net investment income was USD 4.0 billion in 2023, compared with USD 2.9 billion in 2022, reflecting the increase in recurring income.

The Group's recurring income yield was 3.6% in 2023, compared with 2.6% in 2022, benefitting from targeted reinvestments in the higher interest rate environment. The fixed income reinvestment yield stood at 5.0% in the fourth quarter of 2023.

The Group reported non-participating net realised gains of USD 719 million in 2023, compared with losses of USD 3 million in 2022. The increase was primarily driven by a higher contribution from private equity and foreign exchange gains, which were partially offset by realised losses from targeted sales of fixed income securities.

Expenses
Acquisition costs increased from USD 7.8 billion in 2022 to USD 8.4 billion in 2023, reflecting growth and higher commissions.

Operating expenses increased to USD 3.7 billion in 2023, compared with USD 3.4 billion in 2022, impacted by higher costs related to variable compensation, unfavourable foreign exchange rates and costs related to the organisational transformation. Interest expenses remained stable at USD 0.6 billion.

The Group reported a tax charge of USD 1.2 billion on a pre-tax income of USD 4.4 billion for 2023, compared with a tax charge of USD 171 million on a pre-tax income of USD 651 million for 2022. This translates into an effective tax rate in the current and prior-year reporting periods of 27.3% and 26.3%, respectively. The tax rate in 2023 was driven by profits earned in higher tax jurisdictions, tax charges from non-deductible expenses, increases in valuation allowance on deferred tax assets and tax charges from foreign currency translation differences between statutory and US GAAP accounts, partially offset by tax benefits from prior-year adjustments.

Financial targets
For 2024, the Group targets a net income of more than USD 3.6 billion under IFRS, of which L&H Re is expected to contribute approximately USD 1.5 billion. P&C Re targets an IFRS reported combined ratio[4] of less than 87% for 2024. Corporate Solutions targets an IFRS reported combined ratio[5] of less than 93%. Swiss Re aims for a multi-year IFRS ROE of more than 14%.

[1] The Group has prospectively, as from 1 January 2023, revised the methodology used to calculate the combined ratio to include interest on funds withheld.
[2] Net of reinstatement premiums of USD 67 million.
[3] Calculated as US GAAP EBIT adjusted for operating expenses, other overheads and investment gains/losses.
[4] P&C Re combined ratio definition: Insurance service expense (net) / Insurance revenue (net).
[5] Corporate Solutions combined ratio definition: (Insurance service expense (gross) + reinsurance result + non-attributable expenses) / Insurance revenue (gross).

"P&C Re delivered on our financial targets in 2023 and remained disciplined in our underwriting."

Urs Baertschi
CEO Property & Casualty Reinsurance

Property & Casualty Reinsurance

Property & Casualty Reinsurance delivered a solid result

Property & Casualty Reinsurance (P&C Re) reported a net income of USD 1.9 billion for 2023, compared with USD 312 million in the previous year. The solid result was primarily driven by a resilient underwriting performance and disciplined renewals. Strong margins and positive reserve developments in property and speciality lines helped offset reserve strengthening in casualty business. In addition, the result was supported by a solid investment performance.

Large natural catastrophe claims amounted to USD 1.3 billion[1] in 2023, below the full-year budget of USD 1.7 billion. These claims included the earthquake in Turkey and Syria at the beginning of the year, Hurricane Otis in Mexico in the fourth quarter as well as several storms and consequent flooding in Europe throughout the year.

The prior-year development was unfavourable, driven by reserve strengthening in casualty business, largely offset by positive reserve development in property and specialty portfolios.

The net operating margin[2] amounted to 12.5%, compared with 3.2% in 2022. This was a result of higher underwriting and investment contributions.

Premiums
Net premiums earned increased by 3.9% to USD 22.9 billion. At stable foreign exchange rates, premiums earned would have increased by 4.3%, reflecting continued price increases.

Gross premiums written increased by 2.2% to USD 24.4 billion in 2023. At stable foreign exchange rates, they would have increased by 3.2%.

Combined ratio
The combined ratio for 2023 decreased to 94.8%[3], compared with 102.4% in 2022, reflecting improved margins and lower-than-expected large natural catastrophe losses, absorbing reserve strengthening in casualty. P&C Re met its full-year combined ratio target of less than 95%.

Administrative expense ratio[4]
The ratio increased to 6.1% in 2023 from 5.0% in 2022, reflecting higher expenses due to higher variable compensation and unfavourable foreign exchange impacts.

Lines of business

The property combined ratio improved to 68.5% for 2023 from 98.7% in 2022, due to strong underlying profitability and favourable large natural catastrophe experience.

The casualty combined ratio rose to 126.7% for 2023, compared with 109.6% in 2022, impacted by reserve additions primarily in US liability, resulting in an increase of incurred but not reported claims (IBNR) to total reserves ratio.

The specialty combined ratio stood at 82.1% for 2023, a decrease from 93.2% in 2022, reflecting a strong result supported by favourable current and prior-year developments.

Investment result

Return on investments (ROI) was 2.4% for 2023, compared with 1.4% in 2022, reflecting an increase in the investment result of USD 623 million.

Net investment income increased by USD 609 million to USD 1.7 billion in 2023 compared with the prior year, predominantly driven by higher recurring income.

Net realised losses were USD 191 million in 2023, compared with net realised losses of USD 205 million for 2022. Positive contributions from alternative investments and an improved result from equities (net of derivatives) were offset by targeted sales within the fixed income portfolio and losses from internal loan restructurings.

Insurance-related investment results and foreign exchange gains/losses are not included in the figures above.

Property & Casualty Reinsurance results

USD millions	2022	2023	Change in %
Revenues			
Gross premiums written	23 848	24 367	2
Net premiums written	22 826	22 878	0
Change in unearned premiums	–798	3	–
Premiums earned	22 028	**22 881**	4
Net investment income	1 355	1 981	46
Net realised investment gains/losses	–117	65	–
Other revenues	27	30	11
Total revenues	23 293	**24 957**	7
Expenses			
Claims and claim adjustment expenses	–16 344	–15 075	–8
Acquisition costs	–5 106	–5 376	5
Operating expenses	–1 106	–1 386	25
Total expenses before interest expenses	–22 556	**–21 837**	–3
Income before interest and income tax expense	737	**3 120**	–
Interest expenses	–372	–581	56
Income before income tax expense	365	**2 539**	–
Income tax expense	–53	–672	–
Net income before attribution of non-controlling interests	312	**1 867**	–
Income/loss attributable to non-controlling interests		–6	–
Net income attributable to common shareholders	312	**1 861**	–
Combined ratio in %[3]	102.4	94.8	

Outlook

Under the IFRS reporting framework, the P&C Re target is to achieve a reported combined ratio[5] of less than 87% for 2024.

For property lines, 2024 began positively. The natural catastrophe renewals for 1 January 2024 were orderly with sufficient capacity in the market to meet increased demand from cedents, with the exception of lower attaching layers covering loss frequency. In this environment, P&C Re expects to grow in line with its risk appetite throughout 2024, prioritising capacity to long-term sustainable structures.

The casualty reinsurance portfolio continues to focus on profitability. P&C Re will continue to right-size underperforming portfolios, selectively grow diversifying pockets of business and apply high underwriting and costing discipline, while navigating a marketplace where demand and supply are in a fragile balance. P&C Re aims to defend the potential upside from the higher-yield environment, where conditions and rate improvements enable the business to keep up with loss trends.

In specialty lines, there is positive market momentum in selected lines, and P&C Re continues to capitalise on its leading franchise, with selected growth in engineering. In other lines, P&C Re will mainly focus on profitability, while carefully managing accumulation of systemic risks such as war and recession.

[1] Net of reinstatement premiums of USD 67 million.
[2] Net operating margin = Earnings before interest and income tax expenses (EBIT) / total revenues.
[3] The Group has prospectively, as from 1 January 2023, revised the methodology used to calculate the combined ratio to include interest on funds withheld.
[4] Operating expenses divided by premiums earned.
[5] P&C Re combined ratio definition: Insurance service expense (net) / Insurance revenue (net).

“Active portfolio management and a strong investment result helped L&H Re achieve our financial target.”

Paul Murray
CEO Life & Health Reinsurance

Life & Health Reinsurance

Life & Health Reinsurance achieved its net income target

Life & Health Reinsurance (L&H Re) reported a net income of USD 976 million for 2023, compared with a net income of USD 416 million in the previous year, and above the target net income of approximately USD 900 million. The underlying result benefitted from active in-force portfolio management and a strong investment result, which offset elevated mortality claims in the US.

Premiums
Net premiums earned and fee income increased by 4.4% to USD 15.6 billion in 2023, compared with USD 15.0 billion in the previous year. At constant foreign exchange rates, the growth was 5.6%, supported by large transactions written across regions.

Gross premiums written in 2023 increased by USD 0.9 billion, or 5.8% to USD 16.9 billion. At stable foreign exchange rates, they would have increased by 7.1%.

Net operating margin[1]
The net operating margin was 8.6% in 2023, compared with a margin of 4.3% in the prior year. The increase was driven by a strong investment result and benefitted from active in-force portfolio management actions.

Management expense ratio[2]
The management expense ratio was 5.2%, compared with 5.1% in the prior year. The increase in operating revenues was more than offset by higher operating expenses.

Lines of business
Earnings before interest and income tax expenses (EBIT) for the life business increased to USD 789 million in 2023 from USD 285 million in 2022. The result benefitted from a higher investment result, reflecting increased recurring income and higher realised gains, while the underwriting performance remained impacted by elevated mortality claims in the US.

EBIT for the health business was USD 464 million in 2023, compared with USD 304 million in the prior year. The result benefitted from higher investment income due to increased reinvestment yields and realised gains, while the underwriting result reflected favourable impacts from active in-force portfolio management, partly offset by adverse experience across regions.

Investment result
Return on investments (ROI) was 4.7% in 2023, compared with 3.2% in 2022, with an increase in the investment result of USD 524 million.

Net investment income increased by USD 344 million to USD 1.4 billion for 2023. The recurring income yield was 4.1% in 2023, compared with 3.2% in 2022, mainly reflecting reinvestments into a higher interest rate environment.

Net investment-related realised gains were USD 285 million for 2023, compared with USD 105 million in 2022. The increase reflects an improved result from equities (net of derivatives) and lower credit-related losses as well as additional gains from internal loan restructurings, partially offset by fewer gains from sales.

Insurance-related investment results as well as foreign exchange gains/losses are not included in the figures above.

Outlook
L&H Re has a positive outlook for 2024 based on high new business activity, the transition to IFRS and the benefit of higher interest rates on investment income. L&H Re will target an IFRS net income of approximately USD 1.5 billion for 2024.

The growth in life and health treaty reinsurance new business continues to emerge, driven by increased customer awareness, with greater growth expected in emerging markets. Cession rates on core business are expected to remain broadly stable in major markets, while mortality premiums across the market are expected to increase in a post-COVID environment. Recent increases in interest rates are expected to benefit the business in the long term.

L&H Re sees a continued strong focus from clients on capital, risk and balance sheet optimisation in mature markets, leading to ongoing opportunities for large transactions.

L&H Re also sees opportunities to respond to the expanding need for health protection, driven by ageing societies, and is applying its risk knowledge to help reduce the protection gap in all regions.

Life & Health Reinsurance results

USD millions	2022	**2023**	Change in %
Revenues			
Gross premiums written	15 986	16 909	6
Net premiums written	14 476	15 391	6
Change in unearned premiums	258	10	–96
Premiums earned	14 734	**15 401**	5
Fee income from policyholders	250	247	–1
Net investment income – non-participating business	1 431	1 848	29
Net realised investment gains/losses – non-participating business	187	347	86
Net investment result – unit-linked	–43	21	–
Other revenues	1	1	
Total revenues	16 560	**17 865**	8
Expenses			
Life and health benefits	–12 948	–13 061	1
Return credited to policyholders	–280	–364	30
Acquisition costs	–1 772	–1 998	13
Operating expenses	–840	–905	8
Total expenses before interest expenses	–15 840	**–16 328**	3
Income before interest and income tax expense	720	**1 537**	–
Interest expenses	–233	–210	–10
Income before income tax expense	487	**1 327**	172
Income tax expense	–71	–351	–
Net income attributable to common shareholders	416	**976**	135
Management expense ratio in %[2]	5.1	5.2	
Net operating margin in %[1]	4.3	8.6	

[1] Net operating margin = Earnings before interest and income tax expenses (EBIT) / (total revenues – net investment result unit-linked).
[2] Management expense ratio is calculated as "Operating expenses" divided by "Total revenues" excluding "Net realised investment gains/losses – non-participating business" and "Net investment result – unit-linked business".

"Corporate Solutions delivered on its financial target for 2023 and established itself as a resilient profit contributor to the Group."

Andreas Berger
CEO Corporate Solutions

Corporate Solutions

Corporate Solutions delivers another year of strong performance

Corporate Solutions reported a strong net income of USD 678 million for 2023 and a combined ratio of 91.7%[1], compared with a net income of USD 486 million and a combined ratio of 93.1% in 2022. The continued net income increase reflects a steadily improved portfolio resilience, driven by stringent portfolio steering and disciplined underwriting, supported by lower overall large losses and a higher investment result.

The net operating margin[2] was 15.5% for 2023, compared with 11.0% for 2022.

Premiums
Gross premiums written remained broadly unchanged at USD 8.2 billion in 2023, compared with the previous year, reflecting the partial sale of elipsLife business mid-2022. Business excluding the sold parts of elipsLife grew by 9.7% at constant foreign exchange rates, compared with 2022. This reflects strong new business growth, partly offset by a conscious reduction in professional liability lines.

Net premiums earned remained stable at USD 5.5 billion in 2023 compared with the previous year, successfully offsetting the elipsLife business sale in mid-2022. At constant foreign exchange rates and excluding the impact of the elipsLife sale, the comparative increase was 7.3%. This was driven by new business mainly in property, credit and surety as well as accident and health, and the continuous earn-through of previously realised rate increases, absorbing a conscious reduction in professional liability lines.

Combined ratio
Corporate Solutions' combined ratio was 91.7%[1] for the full year, with a stable combined ratio delivery quarter-by-quarter, outperforming both the prior-year combined ratio of 93.1% and the target of less than 94% for 2023.

The enhanced performance demonstrates a steadily improved portfolio resilience, with total current-year large losses of USD 544 million, which were lower compared with the prior year. The Business Unit benefitted from overall low participation in large natural catastrophe events, while large man-made losses of USD 402 million were slightly higher than in the prior year, reflecting a series of losses in the fourth quarter.

Lines of business
The property combined ratio for 2023 improved to 70.7% from 72.9% in 2022. The line of business benefitted from strong new business growth along with rate increases earning through, and favourable prior-year development.

The casualty combined ratio increased to 109.8% in 2023, compared with 105.8% in 2022. This was mainly a result of prior-year man-made losses and assumption-driven reserve increases in professional liability.

The specialty combined ratio for 2023 improved to 94.4% from 96.2% in 2022, driven by enhanced profitability of the credit book and lower reserve additions related to the Ukraine war.

Investment result
The return on investments (ROI) was 3.0% in 2023, compared with 1.4% in 2022, with an increase in the investment result of USD 226 million. Net investment income increased by USD 173 million to USD 401 million for 2023 due to a higher contribution from fixed income, reflecting higher reinvestment yields. Net realised losses were USD 8 million in 2023, compared with losses of USD 61 million in 2022, reflecting a favourable result from equities, partially offset by losses from targeted sales of fixed income securities.

Insurance-related derivative results and foreign exchange gains/losses are not included in the investment figures.

Corporate Solutions offers insurance protection against weather perils and other risks, which is accounted for as derivatives. Insurance-related net realised gains were USD 42 million in 2023, compared with gains of USD 84 million in 2022, as the 2022 result benefitted from extraordinarily high margins.

Corporate Solutions results

USD millions	2022	2023	Change in %
Revenues			
Gross premiums written	8 198	8 152	–1
Net premiums written	6 124	5 643	–8
Change in unearned premiums	–642	–164	–74
Premiums earned	5 482	**5 479**	–0
Net investment income	223	401	80
Net realised investment gains/losses	29	58	100
Other revenues	3	5	67
Total revenues	5 737	**5 943**	4
Expenses			
Claims and claim adjustment expenses[3]	–3 225	–3 420	6
Life and health benefits[3]	–339		–100
Acquisition costs	–748	–733	–2
Operating expenses	–793	–869	10
Total expenses before interest expenses	–5 105	**–5 022**	–2
Income before interest and income tax expense	632	**921**	46
Interest expenses	–24	–29	21
Income before income tax expense	608	**892**	47
Income tax expense	–114	–206	81
Net income before attribution of non-controlling interests	494	**686**	39
Income/loss attributable to non-controlling interests	–8	–8	–
Net income attributable to common shareholders	486	**678**	40
Combined ratio in %[1]	93.1	91.7	

Outlook
Corporate Solutions will target a reported IFRS combined ratio[4], defined in line with key primary insurance competitors, of less than 93% for the financial year 2024.

Corporate Solutions observed moderate rate increases for the majority of 2023, slowing towards the end of the year. For 2024, the Business Unit anticipates a differentiated but overall stable risk-adjusted trend across its business lines despite continuing elevated loss trends, persistent inflationary pressures and heightened economic and geopolitical uncertainty, exacerbated by high costs of protection in the reinsurance market.

The property and specialty market is expected to drive momentum due to increased claims activities in 2023 coupled with reinsurance renewals at sustained rates observed during the January 2024 renewals.

Similarly, credit and surety is expected to experience favourable market conditions driven by increased demand. The recent trend of declining rates in casualty and financial lines will be carefully managed.

Corporate Solutions' core strategic priority remains stringent portfolio steering to strengthen cycle resilience and achieve profitable growth. This is achieved by maintaining a strong relative weight in property, which delivers high risk-adjusted returns and enables fast portfolio steering opportunities due to its short-tail nature. At the same time, Corporate Solutions aims to grow price cycle-decorrelated portfolios, which will further reduce earnings volatility.

Corporate Solutions will continue the expansion of differentiated offerings and adjacent services, including the administration of international programmes, innovative risk solutions and risk data services. These propositions offer diversification of earnings into fee-based sources of income and more cycle-independent risk-taking growth opportunities. They also reinforce Corporate Solutions' positioning as the preferred specialised risk partner for mid to large-sized corporates.

[1] The Group has prospectively, as from Q1 2023, revised the methodology used to calculate the combined ratio to include interest on funds withheld.
[2] Net operating margin = Earnings before interest and income tax expenses (EBIT) / total revenues.
[3] The Group has revised the presentation of the medical business of Elips Versicherungen AG and, starting 2023, reports it within Casualty under claims and claim adjustment expenses. Comparative information was adjusted accordingly.
[4] Corporate Solutions combined ratio definition: (Insurance service expense (gross) + reinsurance result + non-attributable expenses) / Insurance revenue (gross).

"Swiss Re delivered a strong investment result, reflecting a focus on portfolio quality and targeted deployments supporting higher recurring income."

Velina Peneva
Group Chief Investment Officer

Group investments

Financial markets and investment strategy
2023 ended up being a much better year for financial markets after a challenging 2022, with both equity and fixed income assets delivering positive annual returns. Post-Covid distortions continued to unwind, with inflation normalising further from its peak as the rate-hike cycle continued in both the US and in Europe.

The magnitude of fiscal stimulus, the resilience of the labour markets and continued strong consumer spending in the US were the main positive surprises. There were also several challenging market events in 2023, such as the US regional banking crisis, whose impact proved to be limited and temporary, supported by a swift and decisive response from central banks to help contain the economic and financial fallout. Concerns about a cooling US economy were proven wrong by strong GDP growth in the third quarter, driving up expectations for a soft landing as the inflation rate continued to decline and normalise. This was given a further boost in December by an earlier-than-expected dovish pivot by the Federal Reserve (Fed).

In terms of key market developments, the S&P 500 returned +24.2% in 2023, despite significant volatility during the year and limited breadth of the rally across sectors. The technology sector outperformed, thanks to rising optimism around artificial intelligence and rate-cut expectations.

With respect to interest rates, sovereign bond yields rose from May through October, before heading lower again in the fourth quarter and ending the year roughly unchanged. Volatility remained historically elevated, with some extreme moves on display. For example, on 13 March, the two-year US Treasury yield saw its largest daily decline since 1982, falling by 61 basis points (bps) to 3.98%, while in late October, prospects of higher-for-longer interest rates drove the 10-year US Treasury yield above 5% for the first time since 2007.

Finally, spreads on investment grade corporate bonds widened to near-recessionary levels during the March banking sector turmoil before tightening towards historical lows by year-end as risk sentiment improved. All this happened as the Fed and the European Central Bank (ECB) continued with the most aggressive interest rate hiking cycle in decades, delivering 100bps and 200bps of rate hikes, respectively, last year.

Swiss Re's investment performance was strong, driven by the positive impact from reinvestments at higher yields. The result was further supported by net realised gains from real estate sales, which were partially offset by losses from the targeted sales of lower-yielding fixed income securities to further enhance the contribution from recurring income. The portfolio continues to benefit from an up-in-quality bias and a further increase in the allocation to private markets.

Investment result
The investment result was driven by recurring income and a positive contribution from alternative investments. The Group's non-participating investment portfolio increased to USD 111.3 billion at the end of 2023 from USD 105.7 billion at the end of 2022, primarily reflecting the impact of a weaker US dollar. The return on investments (ROI) was 3.4% for 2023, compared with 2.0% for 2022.

The Group manages its investment portfolio with a continued focus on maximising recurring income. The Group's non-participating net investment income was USD 4.0 billion in 2023, compared with USD 2.9 billion in 2022. The increase was mainly driven by higher recurring income. The Group's recurring income yield was 3.6% in 2023, compared with 2.6% in 2022, reflecting reinvestment into higher-yielding fixed income securities.

The Group reported non-participating net realised gains of USD 719 million in 2023, compared with losses of USD 3 million in 2022. The increase was primarily driven by a higher contribution from private equity and foreign exchange gains, which were partially offset by realised losses from targeted sales of fixed income securities.

Outlook
Global economic growth is expected to slow in 2024, as the effect of cumulative interest rate hikes continue to feed through to the real economy. Inflation, while moderating, is projected to remain above central bank targets.

Swiss Re believes that sovereign bond yields will settle in a higher range compared with the last decade, while material upside in risk assets will become more difficult to attain, also given stretched valuations. As such, focus on quality and selectivity of deployment across sectors and geographies are key.

Swiss Re's investment portfolio remains well-diversified, both across asset classes and regions. The Group aims to maintain the allocation to higher-quality credit products and to selectively regrow the listed equity portfolio subject to market developments. Private markets continue to be an important pillar of the portfolio strategy and positioning, where Swiss Re intends to further grow the exposure in private debt given continued attractive investment opportunities.

Swiss Re continues to work towards reaching its target of Group-wide net-zero emissions by 2050 and has set intermediate carbon intensity reduction targets for both the corporate bond and listed equity portfolio as well as parts of the real estate portfolio.

4.0
Net investment income in USD billions, 2023
(2022: USD 2.9 billion)

3.4%
Group return on investments 2023
(2022: 2.0%)

3.6%
Group recurring income yield 2023
(2022: 2.6%)

Share performance

Swiss Re shares
Swiss Re had a market capitalisation of CHF 30.0 billion on 31 December 2023, with 317.5 million shares outstanding, of which 290.4 million were entitled to dividends. Swiss Re shares are listed in accordance with the International Reporting Standard on the SIX Swiss Exchange (SIX) and are traded under the ticker symbol SREN.

American Depositary Receipts (ADR)
In the US, Swiss Re maintains an ADR level I programme (OTC symbol SSREY).

Share price performance and total shareholder return
Swiss Re shares opened the year at CHF 87.64. An intra-day high of CHF 104.20 was achieved on 28 November 2023. On 22 August 2023, the shares experienced an intra-day low of CHF 83.10. The year-end share price was CHF 94.56.

During 2023, the total shareholder return (in USD) of the STOXX Europe 600 Insurance index (SXIP) was 18.4% and of the broader index of Swiss blue chips (SMI) 17.6%. The Swiss Re total shareholder return for 2023 was 27.9% (in USD).

Share trading
The average daily trading volume for 2023 was 0.9 million shares. Trading volume peaked at 2.8 million shares on 27 February 2023.

Swiss Re's dividend policy
Swiss Re's dividend policy is a central element of Swiss Re's capital management priorities.

The Group aims to ensure superior capitalisation at all times and to maximise financial flexibility, growing the regular dividend with long-term earnings and, at a minimum, maintaining it. Swiss Re will also deploy capital for business growth where it meets its strategy and profitability requirements and repatriate excess capital to shareholders. Since 2023, dividends are declared in USD, aligned with the reporting and main business currency of the Group. Shareholders will receive a CHF amount, converted from USD on 15 April 2024 (prior to ex-dividend date of 16 April 2024).

Dividends are typically paid out of current earnings and Swiss Re pays its dividend annually. Shares are ex-dividend two working days after the Annual General Meeting (AGM). Dividend payment is typically two working days after the ex-dividend date. The corresponding dates in 2024 are 16 and 18 April.

Dividends
The Board of Directors proposes an ordinary dividend of USD 6.80 per share for 2023. The dividend paid for 2023 will be subject to 35% Swiss withholding tax.

Public share buyback programme
The Board has decided not to seek approval at the AGM 2024 for a new share buyback programme.

Index representation[1]
At the time of publication (13 March 2024), Swiss Re is represented in various relevant Swiss, European and global indices, including the SMI and the SXIP. Swiss Re is also a member of various sustainability indices, including the FTSE4Good Index Series (as of 19 June 2023), Euronext Vigeo Europe 120 Index (as of 31 December 2023), Solactive Europe Corporate Responsibility Index (as of 18 September 2023) and Bloomberg Gender Equality Index (as of 31 January 2023).

Information for investors
More information is available on Swiss Re's website: www.swissre.com/investors.

General information on Swiss Re shares

Identification numbers	Share	ADR
Swiss Security Number (Valorennummer)	12688156	–
ISIN (International Securities Identification Number)	CH0126881561	US8708861088

Ticker symbols	Bloomberg	Telekurs	Reuters
Share	SREN:SW	SREN	SREN.SW
ADR[1]	SSREY:US	SSREY	SSREY.PK

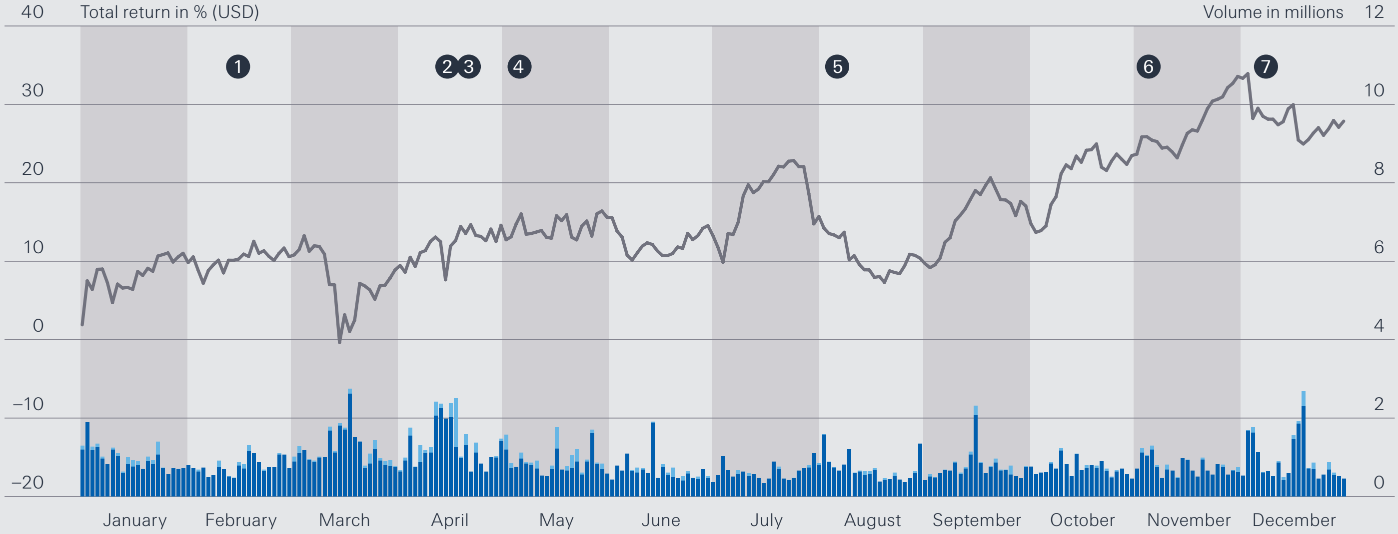
[1] Swiss Re's ADR are not listed but traded over the counter; four ADRs correspond to one Swiss Re share.

Weighting in indices

As of 29 December 2023	Index weight (in %)
Swiss/blue chip indices	
SMI	2.44
SPI	2.31
Insurance indices	
STOXX Europe 600 Insurance	5.50
Bloomberg Europe 500 Insurance	6.19
FTSEurofirst 300 Insurance	6.34
Dow Jones Insurance Titans 30	2.33
Sustainability indices	
Bloomberg Gender Equality	0.20
Euronext Vigeo Europe 120 Index	0.74
FTSE4Good Global	0.08

[1] The selection criteria and methodologies used to determine the participation in such indices and the attributed company score are determined by the entities responsible for the indices and ratings.

Swiss Re total shareholder return (USD) and trading volume in 2023



1 Annual results 2022 (17 February)
2 Ex-dividend date (14 April)
3 Dividend payment (18 April)
4 Q1 results 2023 (4 May)
5 H1 results 2023 (4 August)
6 9M results 2023 (3 November)
7 Investors' Day (1 December)

Key share statistics 2018–2023

As of 31 December	2018	2019	2020	2021	2022	2023
Shares outstanding[1]	338619465	327404704	317497306	317497306	317497306	317497306
of which Treasury shares and shares reserved for corporate purposes	38575324[2]	36749762[3]	28520907	28544112	28509236	27091936
Shares entitled to dividend	300044141	290654942	288976399	288953194	288988070	290405370

CHF unless otherwise stated						
Dividend paid per share	5.00	5.60	5.90	5.90	5.90	5.688[8]
Dividend yield[4] (in %)	5.55	5.15	7.08	6.54	6.82%	6.02%
Earnings per share[5]	1.34	2.46	–2.97	4.52	1.63	9.94
Book value per share[6]	91.72	97.46	83.00	74.30	40.65	46.79
Price per share year-end	90.12	108.70	83.34	90.26	86.48	94.56
Price per share year high (intra-day)	98.80	110.45	117.05	77.26	102.43	104.20
Price per share year low (intra-day)	84.20	88.90	52.68	94.96	68.16	83.10
Daily trading volume (in CHF millions)	126	120	147	84	80	69
Market capitalisation[7] (in CHF millions)	30516	35589	26460	28657	27457	30023
ADR price at year-end (in USD)	22.84	28.12	23.69	24.78	23.50	28.14

1 Nominal value of CHF 0.10 per share.
2 Includes 10.1m shares repurchased under the share buy-back programme launched on 7 May 2018, which concluded on 15 February 2019.
3 Includes 8.2m shares repurchased under the share buy-back programme launched on 6 May 2019, which concluded on 18 February 2020.
4 Dividend divided by year-end share price of corresponding year.
5 Calculated by dividing net income by the weighted average number of shares entitled to dividends.
6 Based on shareholders' equity (excluding convertible perpetual capital instruments) divided by the number of shares entitled to dividends.
7 Based on shares outstanding.
8 USD 6.40 declared, paid in CHF.

Economic Value Management

Swiss Re's 2023 Economic Value Management (EVM) results reflected strong new business performance and a favourable contribution from investment activities.

"The 2023 EVM results reflect long-term value creation."

John R. Dacey
Group Chief Financial Officer

With the adoption of IFRS as the new accounting basis as of 2024, Swiss Re will discontinue EVM reporting.

EVM performance

The economic results in Property & Casualty Reinsurance (P&C Re), Life & Health Reinsurance (L&H Re) and Corporate Solutions reflected strong new business and good investment performance, partially offset by a loss from previous years' business.

Swiss Re reported a total contribution to economic net worth (ENW) of USD 3.2 billion in 2023, compared with USD –1.6 billion in 2022. On a risk-adjusted basis, Swiss Re reported an EVM profit of USD 1.2 billion in 2023, compared with an EVM loss of USD 4.1 billion in 2022.

Group performance
The EVM profit of USD 1.2 billion in 2023 reflected strong new business performance from P&C Re, L&H Re and Corporate Solutions as well as a good investment result. This was partially offset by a loss from previous years' business, driven primarily by L&H Re due to assumption updates and adverse experience.

The EVM profit on new business increased to USD 3.7 billion in 2023 from USD 1.4 billion in 2022. The strong 2023 result was driven by a favourable pricing environment in P&C Re, transactional business in L&H Re and robust underwriting in Corporate Solutions.

The EVM loss from previous years' business amounted to USD 3.2 billion in 2023, compared with an EVM loss from previous years' business of USD 4.7 billion in 2022. The result mainly reflected unfavourable assumption updates and adverse experience in L&H Re, reserve strengthening for US casualty and natural catastrophe losses in P&C Re, partially offset by reserve releases in property and specialty.

Investment activities generated an EVM profit of USD 637 million in 2023, compared with a loss of USD 896 million in 2022. The 2023 result was driven by outperformance in credit products. The 2022 result was adversely impacted by credit spread widening and equity mark-to-market losses, partially offset by outperformance from alternative investments.

ENW per share growth amounted to 10.8% in 2023.

Key information

USD millions, unless otherwise stated	2022	2023	Change in %
EVM profit	–4 126	1 228	n/a
Total contribution to ENW	–1 579	3 217	n/a
Economic net worth (ENW)	31 107	32 785	5
Economic net worth per share in USD	107.64	112.89	5
Economic net worth per share growth, %[1]	–5.9	10.8	
Profit margin – new business, %	4.9	12.4	
Profit margin – previous years' business, %	–15.6	–11.3	
Profit margin – investments, %	–11.6	7.4	

[1] ENW per share growth is calculated as follows: (current-year closing ENW per share + current-year dividends per share) ÷ (prior-year closing ENW per share + current-year opening balance sheet adjustments per share).

Business segment performance
P&C Re reported an EVM profit of USD 1.6 billion in 2023, compared with a loss of USD 738 million in 2022. The EVM profit on new business of USD 2.0 billion in 2023 was driven by strong renewals outcome and lower-than-expected large loss experience. EVM loss on previous years' business amounted to USD 565 million in 2023, driven by reserve strengthening in US casualty, and natural catastrophe losses such as earthquake in Turkey and Syria, Cyclone Gabrielle and flooding in New Zealand, partially offset by reserve releases in property and specialty. Investment activities generated an EVM profit of USD 108 million in 2023, compared with a profit of USD 852 million in 2022. The 2023 result reflected the outperformance in credit, partially offset by a negative impact from interest rate movements on a net short duration position. In comparison, the 2022 result reflected the favourable impact of higher interest rates on a net short duration position and outperformance from alternative investments, partially offset by credit spread widening and equities underperformance.

L&H Re reported an EVM loss of USD 537 million in 2023 compared with a loss of USD 3.3 billion in 2022. The EVM profit on new business of USD 1.4 billion in 2023 benefitted from transactional business. The EVM loss on previous years' business of USD 2.5 billion mainly reflected unfavourable assumption changes, and elevated mortality experience in the US. Investment activities generated an EVM profit of USD 573 million in 2023, compared with a loss of USD 1.5 billion in 2022. The 2023 profit was driven by a positive impact from interest rate movements and credit spread tightening. In comparison, the 2022 loss was driven by the adverse impact of higher interest rates on a net long duration position as well as credit spread widening.

Corporate Solutions reported an EVM profit of USD 576 million in 2023, compared with a profit of USD 402 million in 2022. The EVM profit on new business of USD 359 million in 2023 reflected a robust underwriting result due to a steadily improved portfolio resilience driven by stringent portfolio steering and disciplined underwriting, supported by lower overall large losses. The EVM profit on previous years' business of USD 193 million benefitted from favourable experience variances in property and specialty. Investment activities generated an EVM profit of USD 24 million, compared to an EVM loss of USD 1 million in 2022. The positive result was driven by credit outperformance, reflecting tighter investment grade credit spreads. In comparison, the 2022 EVM loss driven by a negative contribution from equities and credit spread widening.

Group items reported an EVM loss of USD 362 million in 2023, compared with a loss of USD 506 million in 2022. The significantly lower EVM loss on new business of USD 26 million in 2023, compared with a loss of USD 160 million in 2022, was mainly due to higher trademark licence fee income from the business segments and a lower loss from iptiQ. The EVM loss on previous years' business of USD 268 million mainly related to adverse assumption updates and experience variances in iptiQ, unfavourable run-off business and increased Group overhead expenses. Investment activities generated an EVM loss of USD 68 million in 2023, compared with a loss of USD 222 million in 2022. The 2023 result reflected valuation losses in Principal Investments, partially offset by a favourable impact from interest rate movements.

Business segments – key information

USD millions, unless otherwise stated	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	**Total**
2022					
EVM profit	–738	–3 284	402	–506	–4 126
Total contribution to ENW	447	–2 063	629	–593	–1 579
Profit margin – new business, %	2.7	9.3	5.4	n/a	4.9
Profit margin – previous years' business, %	–14.1	–20.8	9.6	n/a	–15.6
Profit margin – investments, %	21.5	–58.9	–0.2	–32.0	–11.6

USD millions, unless otherwise stated	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	**Total**
2023					
EVM profit	1 552	–537	576	–362	1 228
Total contribution to ENW	2 626	371	957	–737	3 217
Profit margin – new business, %	15.1	10.7	10.9	n/a	12.4
Profit margin – previous years' business, %	–4.5	–19.4	8.6	n/a	–11.3
Profit margin – investments, %	2.2	20.5	5.0	–14.5	7.4

EVM financial information

EVM income statement

For the years ended 31 December

USD millions, unless otherwise stated	2022	2023
Underwriting result		
Gross premiums and fees	49 615	60 966
Gross premiums and fees growth rate, %	–28.3	22.9
Premiums and fees	46 914	57 922
Premiums and fees retention rate, %	94.6	95.0
Premiums and fees growth rate, %	–30.1	23.5
Claims and benefits	–31 434	–36 591
Commissions	–8 477	–11 403
Other	–39	164
Gross underwriting result – new business	**6 964**	**10 093**
Expenses	–3 697	–3 907
Net underwriting result – new business	**3 267**	**6 186**
Taxes	–601	–1 055
Capital costs	–1 245	–1 383
EVM profit – new business	**1 422**	**3 747**
EVM profit – previous years' business	**–4 652**	**–3 156**
EVM profit – underwriting	**–3 230**	**591**
Investment result		
Mark-to-market investment result	–9 909	6 140
Benchmark investment result	9 811	–4 602
Gross outperformance (underperformance)	**–97**	**1 538**
Other	123	119
Expenses	–235	–280
Net outperformance (underperformance)	**–210**	**1 377**
Taxes	–5	–310
Capital costs	–681	–431
EVM profit – investments	**–896**	**637**
EVM profit	**–4 126**	**1 228**
Cost of debt	51	–507
Release of current year capital costs	3 840	2 916
Additional taxes	–1 343	–421
Total contribution to ENW	**–1 579**	**3 217**
Profit margin – new business, %	4.9	12.4
Profit margin – previous years' business, %	–15.6	–11.3
Profit margin – investments, %	–11.6	7.4

EVM balance sheet

As of 31 December

USD millions	2022	2023
Assets		
Investments	104 906	109 556
Cash and cash equivalents	4 073	4 582
In-force business assets	261 177	278 039
Retrocession assets	25 381	25 419
Other assets	3 111	4 153
Total assets	**398 648**	**421 749**
Liabilities		
In-force business liabilities	315 344	333 837
Retrocession liabilities	21 562	22 139
Provision for capital costs	11 134	11 499
Future income tax liabilities	3 119	4 441
Debt	11 228	10 437
Other liabilities	5 154	6 611
Total liabilities	**367 541**	**388 964**
Economic net worth	**31 107**	**32 785**
Total liabilities and economic net worth	**398 648**	**421 749**

Statement of economic net worth

For the years ended 31 December

USD millions	2022	2023
Economic net worth as of 1 January	**35 374**	**31 107**
Change in EVM methodology	−418	
Restated economic net worth as of 1 January	**34 957**	**31 107**
Total contribution to ENW	−1 579	3 217
Dividends and share buyback	−1 825	−1 850
Other, including foreign exchange on economic net worth	−446	311
Economic net worth as of 31 December	**31 107**	**32 785**
Common shares outstanding as of 31 December	288 988 070	290 405 370
Economic net worth per share in USD as of 31 December	107.64	112.89

Business segments – EVM income statement

For the year ended 31 December

USD millions, unless otherwise stated	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Consolidation	**Total**
2022						
Underwriting result						
Gross premiums and fees	24 500	17 218	7 642	1 202	–946	49 615
Gross premiums and fees growth rate, %	–6.8	–51.2	6.7	–16.0	n/a	–28.3
Premiums and fees	23 543	16 746	5 786	840		46 914
Premiums and fees retention rate, %	96.1	97.3	75.7	69.8	n/a	94.6
Premiums and fees growth rate, %	–7.4	–52.1	4.6	–28.1	n/a	–30.1
Claims and benefits	–15 442	–11 803	–3 663	–526		–31 434
Commissions	–5 455	–2 129	–738	–156		–8 477
Other	–48	21	9	–21		–39
Gross underwriting result – new business	**2 599**	**2 834**	**1 394**	**137**	**0**	**6 964**
Expenses	–1 267	–801	–977	–652		–3 697
Net underwriting result – new business	**1 332**	**2 034**	**417**	**–515**	**0**	**3 267**
Taxes	–314	–290	–109	112		–601
Capital costs	–639	–714	–135	243		–1 245
EVM profit – new business	**379**	**1 030**	**172**	**–160**	**0**	**1 422**
EVM profit – previous years' business	**–1 969**	**–2 789**	**231**	**–125**	**0**	**–4 652**
EVM profit – underwriting	**–1 590**	**–1 759**	**403**	**–284**	**0**	**–3 230**
Investment result						
Mark-to-market investment result	–3 599	–5 271	–686	–353		–9 909
Benchmark investment result	5 220	3 642	730	219		9 811
Gross outperformance (underperformance)	**1 621**	**–1 628**	**44**	**–135**	**0**	**–97**
Other	81	27	14	1		123
Expenses	–126	–66	–20	–23		–235
Net outperformance (underperformance)	**1 577**	**–1 667**	**38**	**–157**	**0**	**–210**
Taxes	–305	314	–11	–2		–5
Capital costs	–420	–171	–28	–62		–681
EVM profit – investments	**852**	**–1 525**	**–1**	**–222**	**0**	**–896**
EVM profit	**–738**	**–3 284**	**402**	**–506**	**0**	**–4 126**
Cost of debt	–93	–22	23	142		51
Release of current year capital costs	1 960	1 725	299	–144		3 840
Additional taxes	–681	–482	–95	–85		–1 343
Total contribution to ENW	**447**	**–2 063**	**629**	**–593**	**0**	**–1 579**
Profit margin – new business, %	2.7	9.3	5.4	n/a	n/a	4.9
Profit margin – previous years' business, %[1]	–14.1	–20.8	9.6	n/a	n/a	–15.6
Profit margin – investments, %	21.5	–58.9	–0.2	–32.0	n/a	–11.6

[1] The overall previous years' business profit margin for the Reinsurance Business Unit was –17.4%.

Business segments – EVM income statement

For the year ended 31 December

USD millions, unless otherwise stated	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Consolidation	**Total**
2023						
Underwriting result						
Gross premiums and fees	25 156	27 826	7 453	1 387	–857	60 966
Gross premiums and fees growth rate, %	2.7	61.6	–2.5	15.4	n/a	22.9
Premiums and fees	23 746	27 638	5 397	1 141		57 922
Premiums and fees retention rate, %	94.4	99.3	72.4	82.2	n/a	95.0
Premiums and fees growth rate, %	0.9	65.0	–6.7	35.9	n/a	23.5
Claims and benefits	–13 789	–18 978	–3 054	–769		–36 591
Commissions	–5 382	–5 172	–651	–197		–11 403
Other	184	–25	26	–21		164
Gross underwriting result – new business	**4 759**	**3 462**	**1 718**	**153**	**0**	**10 093**
Expenses	–1 488	–880	–1 018	–520		–3 907
Net underwriting result – new business	**3 271**	**2 583**	**700**	**–367**	**0**	**6 186**
Taxes	–693	–283	–166	86		–1 055
Capital costs	–569	–894	–175	255		–1 383
EVM profit – new business	**2 008**	**1 406**	**359**	**–26**	**0**	**3 747**
EVM profit – previous years' business	**–565**	**–2 517**	**193**	**–268**	**0**	**–3 156**
EVM profit – underwriting	**1 444**	**–1 111**	**552**	**–294**	**0**	**591**
Investment result						
Mark-to-market investment result	3 377	2 066	646	51		6 140
Benchmark investment result	–2 862	–1 108	–567	–65		–4 602
Gross outperformance (underperformance)	**515**	**958**	**79**	**–14**	**0**	**1 538**
Other	81	24	13	1		119
Expenses	–161	–69	–27	–23		–280
Net outperformance (underperformance)	**435**	**912**	**66**	**–35**	**0**	**1 377**
Taxes	–87	–203	–15	–6		–310
Capital costs	–240	–136	–28	–27		–431
EVM profit – investments	**108**	**573**	**24**	**–68**	**0**	**637**
EVM profit	**1 552**	**–537**	**576**	**–362**	**0**	**1 228**
Cost of debt	–387	10	46	–175		–507
Release of current year capital costs	1 338	1 383	322	–127		2 916
Additional taxes	123	–484	14	–73		–421
Total contribution to ENW	**2 626**	**371**	**957**	**–737**	**0**	**3 217**
Profit margin – new business, %	15.1	10.7	10.9	n/a	n/a	12.4
Profit margin – previous years' business, %[1]	–4.5	–19.4	8.6	n/a	n/a	–11.3
Profit margin – investments, %	2.2	20.5	5.0	–14.5	n/a	7.4

[1] The overall previous years' business profit margin for the Reinsurance Business Unit was –12.1%.

Business segments – EVM balance sheet

As of 31 December

USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Consolidation	**Total**
2022						
Assets						
Investments	64 680	33 941	9 751	6 132	−9 598	104 906
Cash and cash equivalents	1 604	1 715	715	39		4 073
In-force business assets	22 621	230 455	3 625	4 970	−494	261 177
Retrocession assets	2 185	20 401	6 652	348	−4 205	25 381
Other assets	8 307	5 369	1 241	3 278	−15 085	3 111
Total assets	**99 398**	**291 881**	**21 984**	**14 767**	**−29 381**	**398 648**
Liabilities						
In-force business liabilities	66 929	230 124	15 798	6 392	−3 898	315 344
Retrocession liabilities	1 259	19 457	1 585	55	−795	21 562
Provision for capital costs	1 859	8 858	295	122		11 134
Future income tax liabilities	−559	4 460	−132	−650		3 119
Debt	5 693	9 135	480	3 941	−8 021	11 228
Other liabilities	11 804	6 286	865	2 866	−16 667	5 154
Total liabilities	**86 985**	**278 321**	**18 891**	**12 725**	**−29 381**	**367 541**
Economic net worth	**12 412**	**13 560**	**3 093**	**2 042**	**0**	**31 107**
Total liabilities and economic net worth	**99 398**	**291 881**	**21 984**	**14 767**	**−29 381**	**398 648**

Business segments – EVM balance sheet

As of 31 December

USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Consolidation	Total
2023						
Assets						
Investments	68226	34357	9896	3757	−6681	109556
Cash and cash equivalents	2348	816	824	594		4582
In-force business assets	22948	245866	3799	5875	−449	278039
Retrocession assets	1947	20311	6850	454	−4142	25419
Other assets	13131	8846	2574	4927	−25326	4153
Total assets	**108600**	**310197**	**23943**	**15608**	**−36598**	**421749**
Liabilities						
In-force business liabilities	67866	245750	16221	7799	−3799	333837
Retrocession liabilities	1751	19145	1986	52	−794	22139
Provision for capital costs	1860	9164	346	130		11499
Future income tax liabilities	407	4655	96	−717		4441
Debt	5281	6929	502	2631	−4906	10437
Other liabilities	19499	8569	978	4664	−27100	6611
Total liabilities	**96664**	**294212**	**20129**	**14557**	**−36598**	**388964**
Economic net worth	**11937**	**15984**	**3814**	**1050**	**0**	**32785**
Total liabilities and economic net worth	**108600**	**310197**	**23943**	**15608**	**−36598**	**421749**

Business segments – statement of economic net worth

For the year ended 31 December

USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	**Total**
2023					
Economic net worth as of 1 January	**12 412**	**13 560**	**3 093**	**2 042**	**31 107**
Total contribution to ENW	2 626	371	957	–737	3 217
Dividends	–800	–500	–220	–330	–1 850
Other, including foreign exchange on economic net worth	–2 301	2 553	–16	75	311
Economic net worth as of 31 December	**11 937**	**15 984**	**3 814**	**1 050**	**32 785**

Business segments – reconciliation to US GAAP

As of 31 December

USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	**Total**
2022					
US GAAP shareholders' equity	**5 856**	**2 595**	**2 098**	**2 150**	**12 699**
Discounting	9 376	69	889	5	10 339
Investments and debt	2 457	366	29	775	3 627
Reserving basis					
US GAAP margins		25 410		558	25 968
Other	526	–192	793	–899	228
Recognition differences	–79	–756	68	4	–762
Goodwill and other intangibles	–2 014	–1 791	–305	–457	–4 567
Taxes	–1 959	–3 318	–225	5	–5 497
Capital costs	–1 788	–8 815	–275	–122	–11 000
Other	37	–9	22	23	73
Total EVM valuation adjustments	**6 556**	**10 965**	**995**	**–108**	**18 408**
Economic net worth	**12 412**	**13 560**	**3 093**	**2 042**	**31 107**
2023					
US GAAP shareholders' equity	**5 853**	**5 748**	**2 777**	**1 768**	**16 146**
Discounting	9 259	124	988	18	10 390
Investments and debt	2 669	–151	18	61	2 596
Reserving basis					
US GAAP margins		25 396		509	25 904
Other	171	–337	885	–1 022	–303
Recognition differences	40	–666	28	9	–589
Goodwill and other intangibles	–2 066	–1 833	–315	–235	–4 448
Taxes	–2 228	–3 191	–288	34	–5 672
Capital costs	–1 798	–9 131	–317	–130	–11 376
Other	35	26	38	38	136
Total EVM valuation adjustments	**6 084**	**10 236**	**1 037**	**–718**	**16 639**
Economic net worth	**11 937**	**15 984**	**3 814**	**1 050**	**32 785**

Economic Value Management (EVM)
EVM is Swiss Re's proprietary integrated economic valuation and steering framework, which consistently measures economic performance across all businesses. In addition, the EVM balance sheet provides the basis for determining available capital under the Swiss Solvency Test (SST).

The EVM framework differs significantly from US GAAP, which is the basis on which Swiss Re prepares its consolidated financial statements. Swiss Re's EVM income statement (and its line items) should not be viewed as a substitute for the income statement (and its line items) in Swiss Re's US GAAP consolidated financial statements, and Swiss Re's EVM economic net worth (ENW) should not be viewed as a substitute for shareholders' equity as reported in Swiss Re's US GAAP consolidated balance sheet. EVM results may be subject to significant volatility as assets and liabilities are measured on a market-consistent basis.

The EVM financial information has been prepared in accordance with the Group's EVM principles and follows largely the same consolidation principles as used in the preparation of the Group's consolidated US GAAP financial statements.

Assets and liabilities denominated in foreign currencies are translated to the reporting currency at closing exchange rates. Revenues and expenses denominated in foreign currencies are translated to the reporting currency at average exchange rates for the reporting year. Foreign currency translation gains and losses are recognised directly in ENW with no impact on the EVM income statement.

EVM follows a closed-book principle and excludes the recognition of all potential future new business activities, including future renewals.

Measuring economic performance & solvency at Swiss Re
https://www.swissre.com/Library/measuring-economic-performance-solvency-at-swiss-re.html

EVM sensitivities

USD billions	Change in 2023 EVM new business profit	Change in economic net worth as of 31.12.2023
Financial market shocks:		
25% decrease in equity values	–1.3	–1.3
25% decrease in property values	–1.6	–1.6
50bps increase in credit spreads	n/a	–1.5
Change in reference rates (yield curve):[1]		
Increase by 50bps	n/a	0.1
Decrease by 50bps	n/a	–0.1
Inclusion of a liquidity premium in the valuation of EVM net insurance liabilities:		
Set reference rates equal to government rates plus 10bps	n/a	0.4
Set reference rates equal to government rates plus 50bps	n/a	2.1
Set reference rates equal to government rates plus 100bps	n/a	4.1
Mortality and morbidity rates reduced by 5%:[2]		
Mortality	0.2	3.9
Longevity	–0.1	–0.4
Morbidity	0.1	1.4
Future mortality improvements:		
Linearly reduce mortality improvements to 0% p.a. 5 years earlier than the base assumption	n/a	–0.6

[1] This sensitivity illustrates the impact of parallel shifts in risk-free interest rates on the balance sheet. The business volume is assumed to be constant.
[2] The assumption is that future mortality/morbidity rates are lower than those assumed in the base calculations by a uniform 5% in all future years. The related impact on profit share agreements and changes in premium rates have been reflected.

All sensitivities exclude the impact on additional taxes.

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Risk and capital management

Our capital strength and financial flexibility enable us to profitably grow our business within the boundaries set by our risk appetite and risk tolerance.

“Our businesses are well positioned to benefit from the current market environment, while the higher interest rate environment supports recurring investment income.”

John R. Dacey
Group Chief Financial Officer

“Swiss Re’s sound risk management provides resilience at times of geopolitical turbulence and economic uncertainty.”

Patrick Raaflaub
Group Chief Risk Officer

Swiss Re’s strong capital position and disciplined risk-taking enable profitable growth.

The Group’s capital position remains strong with a Group SST ratio of 306% as of 1 January 2024, reflecting positive investment and underwriting contributions.

Financial strength
Swiss Re’s capital position remains strong with a Group Swiss Solvency Test (SST) ratio of 306% as of 1 January 2024, which is above Swiss Re’s 200–250% target Group capitalisation range. Rating agencies AM Best, Moody’s and Standard & Poor’s (S&P) rated Swiss Re’s financial strength “superior”, “excellent” and “very strong”, respectively. This capital strength enables Swiss Re to support its clients while continuing to offer an attractive dividend to shareholders.

Swiss Re’s overarching target is to maintain a very strong capital position that operates efficiently within constraints imposed by regulators and requirements from rating agencies, while giving the company maximum financial flexibility. Swiss Re’s capital allocation decisions are steered to make capital and liquidity fungible to the Group wherever possible, while complying with local regulations and client needs.

Based on the Group’s capital strength and solid earnings in 2023, the Board of Directors proposes an ordinary dividend of USD 6.80 per share for the 2023 financial year, reflecting an increase of 6% from last year’s dividend. Although declared in USD, shareholders will receive the 2024 dividend payment in CHF converted from USD.

Liquidity
Swiss Re's core insurance and reinsurance operations generate liquidity primarily through premium income. Exposure to liquidity risk stems mainly from two sources: the need to cover potential extreme loss events, and regulatory constraints that limit the flow of funds within the Group.

The amount of liquidity held is largely determined by internal liquidity stress tests, which estimate the potential funding requirements stemming from extreme loss events. Based on these internal liquidity stress tests, it is estimated that Swiss Reinsurance Company Ltd, the most important legal entity of the Group from a liquidity perspective, currently holds significant surplus liquidity.

Swiss Re also provides FINMA, its principal regulator, with a yearly report on its liquidity position, in accordance with FINMA Circular 13/5, "Liquidity – Insurers".

Risk Management
Group Risk Management is key to the controlled risk-taking that underpins Swiss Re's financial strength. Risk Management is mandated to ensure that the Group and its legal entities have the necessary expertise, frameworks and infrastructure to support sound risk-taking. In addition, it monitors and ensures adherence to applicable frameworks and also performs reserving and reporting activities.

Risk Management is embedded throughout Swiss Re's business. The Group has dedicated Chief Risk Officers (CRO) and risk teams for all major legal entities and regions. These are closely aligned to Swiss Re's business structure, in order to ensure effective risk oversight, but remain part of the Risk Management function under the Group CRO, thus ensuring their independence as well as a consistent Group-wide approach to overseeing and controlling risks. They are supported in this by central risk teams that provide specialised risk expertise and oversight.

The Group's risk-taking is steered by Swiss Re's Risk Appetite Framework, which consists of two interlinked components: risk appetite and risk tolerance. The risk appetite statement facilitates discussions about where and how Swiss Re should deploy its capital, liquidity and other resources under a risk-return view. The risk tolerance sets clear boundaries to risk-taking.

Swiss Re's proprietary integrated risk model provides a meaningful assessment of the risks to which the Group is exposed and represents an important tool for managing its business. It determines the capital requirements for internal purposes and forms the basis for regulatory reporting under the SST and under Solvency II for legal entities in the European Economic Area (EEA) and the United Kingdom.

Swiss Re continuously reviews and updates its risk model and parameters to reflect the Group's experience, as well as changes in the risk environment and current best practice.

Swiss Re's risk profile
In SST 2024, Swiss Re's total risk increased to USD 20.2 billion, mainly driven by higher financial market risk. The shift led to an increase in diversification at risk category level.

The slight increase in property and casualty risk is mainly driven by higher reserve volatilities impacting the costing & reserving risk, partially offset by a reduction in natural catastrophe and cyber risks.

Higher life and health risk mainly reflects business growth in the US, resulting in higher exposure to mortality trend and lethal pandemic risk. The increase is further driven by the impact on exposure of reviewability parameter updates and lower interest rates.

Financial market risk increased significantly, mainly due to corporate bond purchases and the reduction in investment hedges.

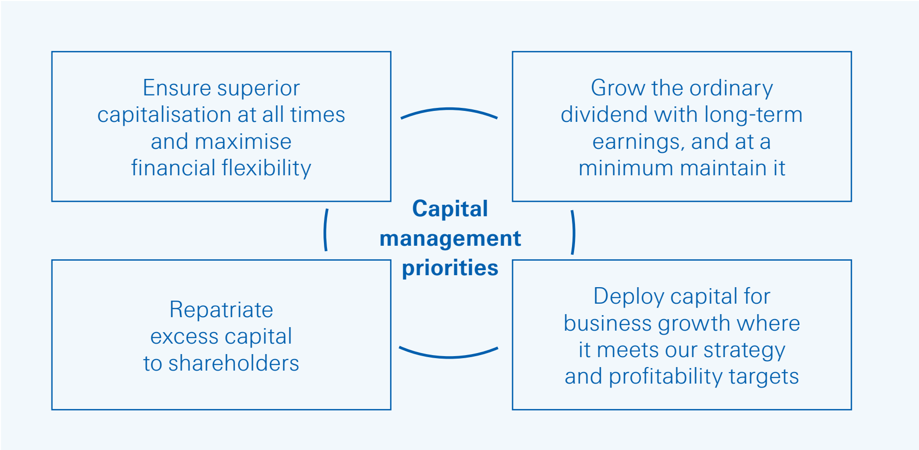
The significant increase in credit risk is driven by new business in credit and surety, the unwinding of investment hedges and corporate bond purchases.

Financial strength and capital management

Capital position and management priorities
Swiss Re's capital position continues to be strongly supported by solid earnings, a diversified business model, disciplined risk-taking and the benefit of higher interest rates. This enables the company to deploy capital to respond to market opportunities and therefore create sustainable long-term shareholder value by delivering an attractive ordinary dividend.

Swiss Re's capital management priorities aim to ensure the ability to continue operations following an extremely adverse year of losses from insurance and/or financial market events. Swiss Re's Board of Directors has defined an SST capitalisation target range of 200–250% for the Swiss Re Group.

The following subsections describe Swiss Re's capitalisation according to the SST and the financial strength ratings.



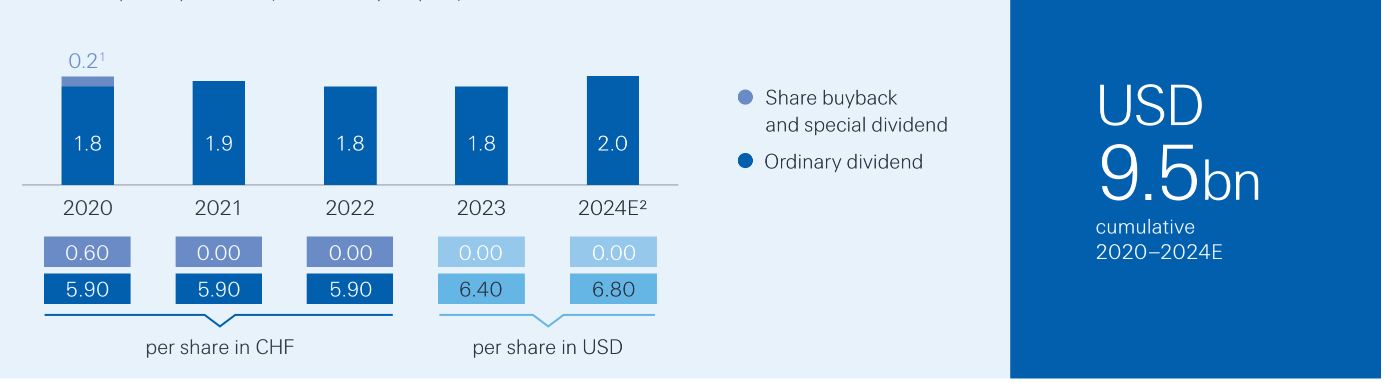
External dividends to shareholders
The Board of Directors proposes an ordinary dividend of USD 6.80 per share for the 2023 financial year, reflective of the Group's improved profitability and strong capital position.

Although declared in USD, shareholders will receive the 2024 dividend payment in CHF converted from USD.

Swiss Re Ltd subsidiaries dividends and capital allocation
Swiss Re's peer-leading capital repatriation is supported by strong dividend payments from Swiss Re Ltd subsidiaries, in particular Swiss Reinsurance Company Ltd.

The Group also reinvested in the business by redeploying capital to support growth where it meets its strategy and profitability targets.

External capital repatriation (USD bn, in year paid)



[1] Remainder of the first tranche of the 2019/2020 share buyback programme; second tranche of the 2019/2020 share buyback programme was cancelled.
[2] Capital repatriation includes AGM 2024 proposal for ordinary dividend.

Swiss Solvency Test (SST)

Swiss Re is supervised by FINMA at the Group level as well as for its regulated legal entities domiciled in Switzerland. FINMA supervision comprises minimum solvency requirements, along with a wide range of qualitative assessments and governance standards.

Prior to SST 2024[1], the ratio was calculated as SST risk-bearing capital (SST RBC) minus market value margin (MVM), divided by SST target capital (SST TC) minus market value margin.

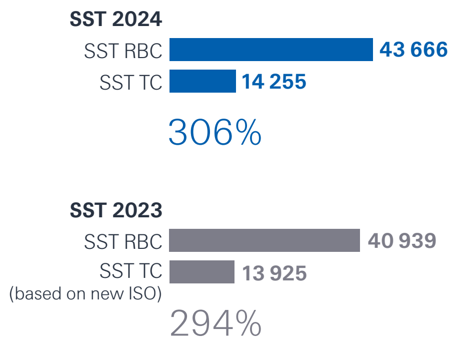
In accordance with the update of the Insurance Supervision Ordinance (ISO) regulation with effect from 1 January 2024, the SST 2024 ratio is calculated as SST risk-bearing capital divided by SST target capital, with both components having new definitions:

- SST RBC is lower under the new ISO because it includes a deduction for market value margin.
- SST TC is lower under the new ISO because market value margin is not included any more.

These changes have no impact on the value of the SST ratio.

The Group SST 2024 report will be filed with FINMA in April 2024. Accordingly, the information presented on the following pages is based on currently available information and may differ from the final Group SST 2024 figures.

Swiss Re maintains a strong capital position, with the Group SST 2024 ratio increasing by 12pp to 306% compared with SST 2023. The increase was mainly driven by positive investment and underwriting contributions, as well as higher short-term interest rates, partially offset by dividends, subordinated debt buyback and higher financial market risk.



Swiss Re Group SST Ratio[1]

USD millions	SST 2023 as reported	SST 2023 based on new ISO	SST 2024	Change (SST 2024 vs SST 2023 based on new ISO)
SST risk-bearing capital	**48774**	**40939**	**43666**	2727
SST target capital	**21760**	**13925**	**14255**	330
Market value margin	**7835**	**–**	**–**	–
SST ratio	**294%**	**294%**	**306%**	12pp

SST risk-bearing capital (SST RBC)

SST RBC is derived from the market conform value of assets minus market conform value of liabilities before MVM and SST capital costs, which is adjusted for the items in the table below.

Changes to the SST net asset value mainly include economic capital generation or depletion due to underwriting and investment activities, foreign exchange movements, capital management actions (such as dividend payments and the change in projected dividend payments) as well as the change in market value margin. The increase in SST NAV to USD 37.4 billion was mainly driven by positive investment and underwriting contribution, partially offset by dividends.

SST risk-bearing capital

USD millions	SST 2023 based on new ISO	SST 2024	Change
Market conform value of assets minus market conform value of liabilities before MVM and SST capital costs	44717	47750	3033
Market value margin	**–7835**	**–7875**	–39
Market conform value of assets minus market conform value of liabilities	36881	39875	2994
Deductions	**–2399**	**–2480**	–81
SST net asset value	34482	37395	2912
Tier 1 risk-absorbing capital instruments counted towards core capital	**0**	**0**	0
SST core capital	34482	37395	2912
Supplementary capital	**6456**	**6271**	–185
SST risk-bearing capital	40939	43666	2727

[1] The "Swiss Re Group SST Ratio" table shows the SST ratio calculation as reported for SST 2023 (the SST ratio calculation as of 1 January 2023) using the previous definitions of SST risk-bearing capital and SST target capital, as well as the SST 2023 ratio calculation based on the new ISO using the new definitions, which are restated for comparison purposes only.

The overall contribution from underwriting activities was positive, mainly reflecting favourable underwriting results from Property & Casualty Reinsurance and Corporate Solutions. This was partially offset by negative underwriting performance from Life & Health Reinsurance and Group items:

- The Property & Casualty Reinsurance positive underwriting contribution was mainly driven by strong renewals outcome and reserve releases in property and specialty. This was partially offset by reserve strengthening in US casualty, and natural catastrophe losses such as the earthquake in Turkey and Syria, cyclone Gabrielle and flooding in New Zealand.
- The Life & Health Reinsurance negative underwriting contribution was mainly driven by unfavourable assumption changes, and elevated mortality experience in the US. This was partially offset by transactional business.
- The Corporate Solutions positive underwriting contribution mainly reflected a robust underwriting result due to a steadily improved portfolio resilience driven by stringent portfolio steering and disciplined underwriting, supported by lower overall large losses and favourable experience variances in property and specialty.
- The Group items negative underwriting contribution was mainly related to adverse assumption updates and experience variances in iptiQ as well as unfavourable run-off business and increased Group overhead expenses.

The positive investment contribution was mainly driven by outperformance in credit products and favourable interest rates impact.

Foreign exchange impacts were positive, mostly driven by the depreciation of the US dollar against major currencies.

Deductions mainly reflect projected dividends (to be paid in 2024, subject to AGM 2024 approval) as well as deferred and transactional real estate-specific taxes.

The decrease in supplementary capital was mainly driven by the buyback of subordinated debt instruments that are eligible supplementary capital under SST, partially offset by the issuance of a new supplementary capital instrument and market value movements.

The market value margin is added as a liability in accordance with Art. 30 para. 2 ISO. Market value margin remained stable, as the impact of lower interest rates in most major currencies was offset by parameter updates in mortality trend and critical illness.

SST target capital (SST TC)

Swiss Re uses an internal risk model to determine the economic capital required to support the risks on the Group's book, as well as to allocate risk-taking capacity to the different lines of business. The model also provides the basis for capital cost allocation, which is used for pricing, profitability evaluation and compensation decisions. In addition to these internal purposes, the model is used to determine regulatory capital requirements under economic solvency frameworks such as SST and Solvency II.

In 2017, FINMA approved Swiss Re's internal model and its components for SST reporting purposes under their revised model review process.

Since SST 2023, the following major model change has been implemented and approved by FINMA for SST 2024.

- Risk exposures for financial market risk and for default-related effects that were previously based on Swiss Re's internal Economic Value Management view have now been linked to SST quantities. This change does not have a significant impact on the solvency ratio.

The risk exposure basis for SST is a projection for the period from 1 January 2024 to 31 December 2024, and is based on the economic balance sheet as of 31 December 2023 and adjustments to reflect 1 January 2024 business shifts.

To derive SST target capital, total risk is adjusted for the line item "Other impacts" as shown below. "Other impacts" mainly reflect the impact from business development in the forecasting period.

SST target capital increased to USD 14.3 billion, driven by the increase in total risk (see Risk assessment, page 59 for details), partially offset by higher short-term interest rates.

SST Target Capital

USD millions	SST 2023 based on new ISO	SST 2024	Change
Total risk	**18 974**	**20 210**	**1 236**
Other impacts	–5 049	–5 955	–906
SST target capital	**13 925**	**14 255**	**330**

Rating agencies
Rating agencies assign credit ratings to the Swiss Re Group and its rated subsidiaries and their respective obligations. The agencies evaluate Swiss Re based on a set of criteria that include an assessment of its capital adequacy, governance and risk management. Each rating agency uses a different methodology for this assessment.

AM Best, Moody's and S&P rate Swiss Re's financial strength based upon quantitative inputs and an interactive dialogue. The insurance financial strength ratings are shown in the table below.

On 1 November 2023, S&P published a credit opinion with a AA– financial strength of Swiss Re and its core subsidiaries. The outlook on the rating is "stable". The rating reflects Swiss Re's leading position in the non-life and life reinsurance market with a renowned brand, diversified product suite and very strong capital adequacy.

On 18 December 2023, Moody's re-affirmed the Aa3 insurance financial strength rating of Swiss Re and its core subsidiaries with a stable outlook. The rating reflects Swiss Re's excellent market position, high degree of geographic and business diversification, very strong capital adequacy, conservative investment portfolio and very good financial flexibility.

On 6 September 2023, AM Best confirmed the Swiss Re Group financial strength rating of A+ (Superior) with stable outlook. The rating reflects AM Best's assessment of Swiss Re's balance sheet strength as "strongest", strong operating performance, very favourable business profile and very strong enterprise risk management.

Swiss Re's financial strength ratings

As of 31 December 2023	Financial strength rating	Outlook	Last update
Standard & Poor's	AA–	Stable	1 November 2023
Moody's	Aa3	Stable	18 December 2023
AM Best	A+	Stable	6 September 2023

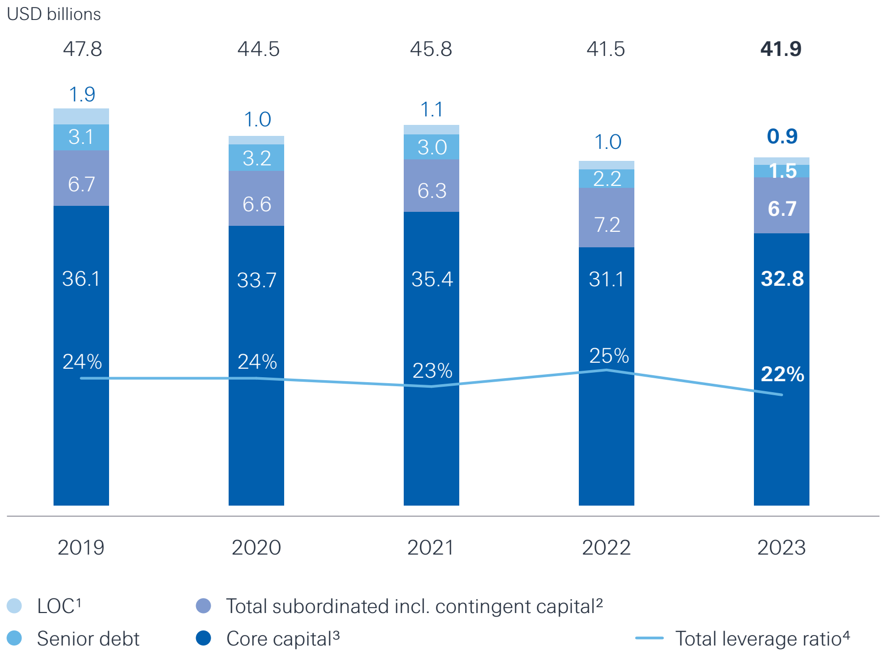
Funding activities
The Group seeks to maximise financial flexibility by maintaining strong access to diversified sources of funding and a prudent approach to leverage.

Swiss Re drew down the last USD 0.8 billion of its pre-funded subordinated debt facilities in May 2023.

Swiss Re continues to take a prudent approach to leverage. In this context, after re-assessing its capital and leverage position, Swiss Re undertook an opportunistic repurchase of USD 1.5 billion of subordinated notes in October 2023.

As a result of the aforementioned activities, as of 31 December 2023, the Group's SST ratio remained very strong while its total leverage ratio calculated based on its EVM framework reduced by 3pts to 22%, further enhancing the Group's financial flexibility.

Group available capital and leverage



[1] Utilised unsecured LOC and related instruments.
[2] Funded subordinated debt and contingent capital instruments, excluding non-recourse positions.
[3] Core capital of the Swiss Re Group is defined as economic net worth (ENW).
[4] Total funded senior and subordinated debt and contingent capital, excluding non-recourse position but including utilised LOCs, divided by total capitalisation.

Liquidity management

The active management of liquidity risks ensures the Group's ability to satisfy its financial obligations.

As a re/insurance group, Swiss Re's core business generates liquidity primarily through premium income. The Group's exposure to liquidity risk stems mainly from two sources: the need to cover potential extreme loss events and regulatory constraints that limit the flow of funds within the organisation.

A range of liquidity policies and measures are in place to manage these risks, in particular to ensure that:
- sufficient liquidity is held to meet funding requirements under current conditions as well as adverse circumstances;
- diversified sources are used to meet the Group's residual funding needs;
- long-term liquidity needs are taken into account in the Group's planning process and in asset-liability management.

Liquidity risk management
Swiss Re's core liquidity policy is to retain access to sufficient liquidity in the form of unencumbered liquid assets, cash and pre-funded facilities to meet potential funding requirements arising from a range of possible stress events. To allow for regulatory restrictions on intra-Group funding, liquidity is managed from a legal entity perspective. The amount of liquidity held is determined by internal liquidity stress tests, which estimate the potential funding requirements stemming from extreme loss events.

The funding requirements under stress include:
- cash and collateral outflows, as well as potential capital and funding support required by subsidiaries as a result of loss events;
- repayment or loss of all maturing unsecured debt and credit facilities;
- additional collateral requirements associated with a potential ratings downgrade of Swiss Re;
- further contingent funding requirements related to asset downgrades;
- other large committed payments, such as expenses, commissions and tax.

The stress tests also assume that funding from assets is subject to conservative asset liquidation assumptions, intra-Group funding is not available if subject to regulatory approval, no new unsecured funding is available and funding from new re/insurance business is reduced.

The primary liquidity stress test is based on a one-year time horizon and a loss event corresponding to 99% tail value at risk (see page 59).

Swiss Re's liquidity stress tests are reviewed regularly and their main assumptions are approved by the Group Executive Committee. Swiss Re provides FINMA with a yearly report on its liquidity position, in accordance with FINMA Circular 13/5, "Liquidity – Insurers".

Liquidity position of Swiss Reinsurance Company Ltd (SRZ)
From a liquidity perspective, SRZ is the most important legal entity of the Group. The estimated total liquidity sources in SRZ assumed to be available within one year in stressed conditions, net of short-term loans from Swiss Re Ltd and securities lending, amounted to USD 28.2 billion as of 31 December 2023, compared with USD 25.0 billion as of 31 December 2022.

Based on the internal liquidity stress tests described above, Swiss Re estimates that SRZ holds surplus liquidity after dividends payable to Swiss Re Ltd. In 2023, the amount of surplus liquidity increased. This was largely driven by sizeable operating cash flows, partly offset by the buying back of subordinated debt in October.

Risk management

Risk Management provides independent oversight and applies an integrated approach to managing current and emerging risks.

Embedded throughout the business, the Group Risk Management function ensures an integrated approach to managing current and emerging threats. Risk Management plays a key role in business strategy and planning, where Swiss Re's risk appetite framework facilitates risk-return discussions and sets boundaries to Group-wide risk-taking.

Taking and managing risk is central to Swiss Re's business. All risk-related activities, regardless of the legal entity in which they are undertaken, are subject to the Group's risk management framework. This framework sets out how Swiss Re organises and applies its risk management practices to ensure that all activities are conducted in line with the principles and limits mandated by the Group Risk Policy.

The framework comprises the following major elements:
- Risk policy and risk governance documentation
- Key risk management principles
- Risk culture and behaviour
- Organisation of risk management, including responsibilities at Board and executive level
- Risk control framework
- Management of risk categories
- Risk appetite framework, including limits

Swiss Re applies a differentiated governance approach at legal entity level, depending on the materiality of individual entities. Major legal entities within the Group that are designated as significant legal entities, are subject to enhanced governance, which includes the following requirements:
- Establish bylaws and terms of reference, outlining the roles and responsibilities of both the board and management.
- Establish an Audit Committee.
- Designate a Chief Risk Officer and Chief Financial Officer.

Swiss Re's risk management framework is set out in risk governance documentation at Group and legal entity level. Risk governance is the subset of corporate governance that describes the risk management framework and documents risk management practices. Group-level risk documents form the basis for all risk governance across Swiss Re. Additional risk governance for legal entities is prepared as an addendum to the Group or parent entity document.

Group risk governance documents are organised hierarchically across five levels, which are mirrored by equivalent documents at legal entity (LE) level:
- SRL Bylaws and the charter for the Group Board's Risk Committee outline the ultimate authority for risk management, assigning responsibilities to the Group Board of Directors and the Group Executive Committee.
- The Group Risk Policy is defined by the Group Board of Directors and articulates Swiss Re's risk appetite framework (risk appetite and tolerance) as well as fundamental risk and capital structure principles.
- The Group Risk Management Standards outline how the Group organises and applies its risk management practices.
- Risk category standards describe how risk practices are implemented for a specific category.
- The lowest level comprises risk management methodology and process documentation.

Key risk management principles
Swiss Re's risk management is based on four fundamental principles. These apply consistently across all risk categories at Group and legal entity level:

- Controlled risk-taking – Financial strength and sustainable value creation are central to Swiss Re's value proposition. The Group thus operates within a clearly defined risk policy and risk control framework.

- Clear accountability – Swiss Re's operations are based on the principle of delegated and clearly defined authority. Individuals are accountable for the risks they take on, and their incentives are aligned with Swiss Re's overall business objectives.

- Independent risk controlling – Dedicated units within Risk Management control all risk-taking activities. These are supported by Compliance and Group Internal Audit functions.

- Open risk culture – Risk transparency, knowledge sharing and responsiveness to change are integral to the risk control process. The central goal of risk transparency is to create a culture of mutual trust and reduce the likelihood of surprises in the source and potential magnitude of losses.

Three lines of control
In line with the principle of independent risk controlling, Swiss Re organises risk controlling along three lines, with progressive levels of independence. This approach is designed to achieve a strong, coherent and Group-wide risk culture built on the principles of ownership and accountability.
- The first line comprises the day-to-day risk control activities performed by risk takers in the business as well as in corporate functions, including proactive identification of risks, as well as establishing and operating an effective control system.
- Independent oversight performed by the Risk Management and Compliance functions represents the second line of control.
- The third line consists of independent audits of processes and procedures carried out by Group Internal Audit or by external auditors.

Risk governance documentation hierarchy

Level 0 – Risk management tasks of boards and executive management	SRL Bylaws	LE bylaws
Level 1 – Risk Appetite Framework incl. risk and capital principles	Group Risk Policy	LE risk appetite
Level 2 – Risk-taking oversight throughout the Group	Group Risk Management Standards	LE risk management standards
Level 3 – Risk-taking oversight for specific risk categories	Group risk category standards	
Level 4 – Method and process documentation	Documentation on specific topics	LE-specific topics

Risk culture
Swiss Re fosters and maintains a strong risk culture to promote risk awareness and discipline across all its activities. This risk culture stands for the risk and control-related values, knowledge and behaviour shared by all employees. Its principal components are summarised in a framework that builds on the Group's Code of Conduct as well as on the risk management principles set forth in the Group Risk Policy.

The risk culture framework serves to promote rigour and discipline, and influence appropriate risk-taking behaviour: risk takers are expected to exhibit in four key aspects, which are assessed annually for all employees in the performance and compensation process:
- Leadership in providing clear vision and direction
- Consideration of risk in decision-making and incentives
- Clearly defined roles and responsibilities around risk control and transparent flow of risk information
- Risk management skills and knowledge

Swiss Re's risk culture provides the foundation for the efficient and effective application of its Group-wide risk management framework. Group Risk Management reinforces the risk culture by ensuring risk transparency and fostering open discussion and challenge in the Group's risk-taking and risk management processes.

Key risk takers across Swiss Re are a particular focus in promoting good risk and control-related behaviours. The relevant positions are identified in a regular process, and those who hold them are subject to additional behavioural objectives and assessments.

Training of risk management professionals is an integral element of Swiss Re's risk management strategy. Risk training needs are identified for each employee and all new staff complete special induction training as well as mandatory training courses on risk awareness.

Organisation of risk management
The Board of Directors of Swiss Re Ltd (the Group Board) is ultimately responsible for Swiss Re's overall risk governance principles and policies. It approves the Group's risk strategy and Group Risk Policy, which defines Swiss Re's risk appetite and tolerance, key principles for risk-taking and control, and key capital structuring principles based on endorsement by the Risk Committee. The Group Board mainly performs risk oversight and governance through its Risk Committee and its Audit Committee:

- The Risk Committee – Assists the Board in ensuring the Group's risk management and control framework, risk appetite and risk-taking principles are adequate, aligned with the business strategy and properly applied. In this role, it reviews risk aspects related to underwriting activities, new products and strategic initiatives, and is responsible for overseeing the Group's capital allocation and funding activities.

  The Risk Committee's responsibilities include reviewing the Group Risk Policy and endorsing it for approval to the Group Board of Directors, as well as reviewing risk limits established to control risk tolerance, monitoring their usage and deciding on actions following any breaches. In addition, the Risk Committee reviews and discusses with the Group Chief Risk Officer the most important risk exposures, critical principles used in internal risk measurement, the valuation risk of assets and liabilities, and the capital and liquidity adequacy assessment.

- The Audit Committee – Assists the Board in fulfilling its oversight responsibilities relating to the integrity of the Group's and the company's financial statements and compliance with legal and regulatory requirements. It serves as an independent monitor of the Group's financial reporting process and system of internal controls. The Audit Committee also reviews legal, regulatory and operational risks, as well as compliance matters. It also reviews fraud risk, as well as related controls.

The Group Executive Committee has delegated various risk management responsibilities to the Group Chief Risk Officer (Group CRO). The Group CRO is responsible for providing the Group Board and Group Executive Committee with independent assurance that all of Swiss Re's risks are being appropriately modelled, governed and managed, and that adequate controls are in place. As part of executing these responsibilities, the Group CRO is charged with establishing the Group's risk management framework for all risk categories.

The Group CRO is a member of the Group Executive Committee and reports directly to the Group CEO. He also advises the Group Chairman and the Group Board of Directors, including its respective committees, in particular the Risk Committee, on significant matters arising in his area of responsibility. In addition, the Group CRO is also an Executive Committee member and CRO of SRZ, which is the main operating carrier for Swiss Re.

Key Risk Management bodies and responsibilities

Group Board of Directors
- Responsible for the Group's governance principles and policies
- Mainly performs risk oversight and governance through its Risk Committee and Audit Committee

Group Executive Committee
- Develops and implements the risk management framework
- Sets and monitors risk capacity limits
- Some responsibilities delegated to Group CRO

Group CRO
- Principal independent risk controller
- Heads the Risk Management function
- Member of Group Executive Committee
- Advises Chairman and Board on risk matters

Global Risk Management units
- Oversight of financial market, credit and liquidity risk
- Shared risk expertise: risk modelling and governance, as well as political, sustainability and emerging risks
- Strategic control services: operational and regulatory risk management

Group Internal Audit
- Independent risk controller
- Assesses adequacy and effectiveness of internal control systems

Compliance
- Compliance with applicable laws, Code of Conduct
- Manages compliance risks

Business-level management
- Manages underwriting decisions and operational risks in its business scope

Business-level CROs
- Expertise and resources for the control of insurance and operational risks within their business scope
- P&C and L&H Reinsurance Risk Management performs Group-level accumulation control for all P&C and L&H risks
- Supported by functional, regional & legal entity CROs
- Report to Group CRO and to business-level CEO

Legal entity management
- Manages underwriting decisions and operational risks

Legal entity CROs
- Responsible for risk oversight and establishing risk governance in their respective legal entities
- Supported by subsidiary CROs as well as dedicated risk teams

The Group CRO leads the independent Risk Management function, which is responsible for risk oversight and control across Swiss Re. Risk Management provides assurance to executive management and boards of directors at all levels of Swiss Re that risk-taking is well controlled, in line with risk appetite, and complies with all internal and external regulations. The Risk Management function thus forms an integral part of Swiss Re's business model and risk management framework.

Swiss Re's Risk Management function comprises global departments that provide specialised risk expertise and oversight, as well as business-level risk departments for P&C Reinsurance, L&H Reinsurance, Corporate Solutions and Global Clients & Solutions. In addition, the Risk Management function also includes the specialised risk, insurance and economic expertise and research of the Swiss Re Institute.

The global risk management departments oversee Group liquidity and capital adequacy and maintain the Group frameworks for controlling these risks throughout Swiss Re. They also support CROs at Group and legal entity level in discharging their oversight responsibilities. They do so by providing services, such as:

- Financial risk management
- Specialised risk category expertise and accumulation control
- Risk modelling and analytics
- Regulatory relations management
- Maintaining the central risk governance framework

The business-level Risk Management departments provide the expertise and resources for the control of insurance and operational risks within their respective business scope, and are also in charge of actuarial reserving and monitoring reserve holdings in their business areas. The heads of these departments have a dual role, as they also serve as CROs of their respective Business Units. P&C and L&H Reinsurance Risk Management also perform Group-level accumulation control for P&C and L&H risks, respectively, in addition to their Business Unit-specific responsibilities.

The business-level Risk Management departments are supported by functional and regional CROs, as well as by legal entity risk teams led by dedicated CROs who report directly or indirectly to their top-level entity CRO, with a secondary reporting line to their legal entity CEO. These legal entity CROs are responsible for risk oversight in their entities, as well as for establishing the proper risk governance to ensure efficient risk identification, assessment and control. They are assisted by subsidiary CROs who are responsible for overseeing risk management issues that arise at regional or subsidiary level.

While the Risk Management organisation is closely aligned to Swiss Re's business structure, in order to ensure effective risk oversight, all embedded teams and CROs remain part of the Group Risk Management function under the Group CRO, thus ensuring their independence as well as a consistent Group-wide approach to overseeing and controlling risks.

Risk management activities are complemented by Swiss Re's Group Internal Audit and Compliance units:

- Group Internal Audit performs independent, objective assessments of the adequacy and effectiveness of internal control systems. It evaluates the execution of processes within Swiss Re, including those within Risk Management.
- The Compliance function oversees Swiss Re's compliance with applicable laws, regulations, and rules – primarily in relation to compliance risks – and the Code of Conduct. It also assists the Group Board of Directors, the Group Executive Committee and other management bodies in identifying, mitigating and managing compliance risks.

Risk control framework

Swiss Re operates within a clearly defined risk control framework. This is set out in the Group Risk Management Standards and comprises a body of standards that establishes an internal control system for taking and managing risk. These standards set responsibilities for risk takers and risk controllers. The risk control framework defines key tasks, which are the core components of Swiss Re's risk management cycle:

- Limit setting and monitoring – Allows Swiss Re to control its risk-taking decisions and total risk accumulations, including the passive risk the company is exposed to through its operations.
- Risk oversight of plan – Ensures that the risk implications of plans are understood and determines whether business and investment plans adhere to the internal risk appetite framework, including risk appetite and tolerance.
- Risk identification and exposure quantification – Ensures that all risks to which Swiss Re is exposed are transparent in order to make them controllable and manageable.
- Risk assessment – Enables Swiss Re to understand the magnitude and nature of its risks through quantitative and qualitative analysis, ensuring that the company operates within its risk appetite.
- Risk reporting – Creates internal risk transparency and enables Swiss Re to meet external disclosure requirements.

Swiss Re has implemented a principle-based integrated internal control system to mitigate identified operational risks including financial reporting and compliance risks, as well as risks that could impair the effectiveness and efficiency of operations. This control system represents a subset of Swiss Re's risk control framework and is based on international standards established by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). It is applied on multiple organisational levels, including Group, functions, regions and legal entities.

Risk transfer

To efficiently manage capital across the Group and ensure that risk-taking in individual legal entities is well diversified, the Group employs internal retrocession and funding agreements. These serve to improve the fungibility of capital and consequently, Group-wide diversification. In addition, the Group aims to maximise the amount of funds available centrally by optimising the excess capital held within its subsidiaries and branches.

Swiss Re also manages and mitigates insurance risk through external retrocession, insurance risk swaps or by transferring risk to capital markets through insurance-linked securities, industry loss warranties or other derivatives. This provides protection against extreme catastrophic events, further diversifies risk, stabilises economic results and releases underwriting capacity.

Risk Appetite Framework

The Risk Appetite Framework establishes the overall approach through which Swiss Re practices controlled risk-taking throughout the Group. The framework is set out in the Group Risk Policy and consists of two interlinked components: risk appetite and risk tolerance.

Optimise risk/return portfolio

Control risk exposures

	Risk appetite	Risk tolerance
Group Risk Policy	Risk appetite statement	Risk tolerance objectives and limits
Group strategic plan	Target liability portfolio[1] and strategic asset allocation (SAA)	Risk capacity limits
Annual planning process	Business plans	Operational limits

In addition, Swiss Re uses financial market derivative instruments as well as financial market securities to hedge financial market and credit risks arising from investments and insurance liabilities. Interest rate risk from insurance liabilities is managed through investments in fixed income instruments whose pricing is sensitive to changes in government yields, such as government bonds.

Risk appetite framework

In the context of business strategy and planning, the risk appetite statement facilitates discussions about where and how Swiss Re should deploy its capital, liquidity and other resources under a risk-return view, while the risk tolerance sets clear boundaries to risk-taking.

During strategic planning and target setting, Risk Management provides an opinion on the proposed strategy and targets to the Group Executive Committee, and ultimately the Group Board of Directors. The opinion focusses on the risk impact of the proposed strategy and the risks related to its implementation. The strategic plan, risk appetite and capital allocation ambition are expressed in a target portfolio for the Group's assets and liabilities, which should ultimately deliver the Group's targeted performance.

Swiss Re's risk appetite outlines the Group's own principles on acceptable risks and provides key directions for risk-taking and risk controlling as part of implementing Swiss Re's strategy: achieving targeted performance, providing liquidity and financial flexibility, managing capital adequacy, and protecting and growing franchise value.

The Group Board of Directors further details Swiss Re's risk appetite through its approval of Swiss Re Group's underwriting plan and asset management SAA, as well as the Group's capital and financial plan.

Swiss Re's internal risk tolerance describes the extent to which the Group and SRZ Boards of Directors have authorised executive management to assume risk. It represents the amount of risk that Swiss Re is willing to accept within the constraints imposed by its capital and liquidity resources, its strategy, and the regulatory and rating agency environment within which it operates.

Swiss Re's internal risk tolerance is based on the following objectives:

- To maintain Group capital at a level that safeguards respectability with clients and regulators.
- To ensure the resilience of SRZ as the main operating entity from a capital and liquidity perspective.
- To avoid material operational risks that could subject the Group to large operational losses with corresponding consequences from an economic, reputational or regulatory perspective.

To meet the first objective, the Risk Policy defines internal respectability limits to ensure that the Group has enough resources to meet capital requirements at Group level, as well as respectability and liquidity requirements for all legal entities. These limits ensure that Swiss Re has adequate capital and liquidity above minimum requirements to be considered a respectable counterparty by external stakeholders. To meet the second objective, Swiss Re's risk tolerance criteria include internal resilience limits for SRZ to ensure that the main operating entity is able to withstand capital and liquidity stresses. To meet the third objective, the Group has established a Group-wide risk matrix methodology in which key operational risks are assessed against an acceptable level of expected losses. Any operational risk exposure that exceeds the Group's internal operational risk tolerance is subject to a mitigation plan that is monitored by the Group Risk Committee.

Internal risk tolerance respectability criteria for the Swiss Re Group are set out in the Group Risk Policy. The Group and SRZ Boards are responsible for approving the risk tolerance criteria, as well as for monitoring and reviewing risk tolerance. Breaches or anticipated breaches of limits established to control the risk tolerance criteria must be communicated to the Risk Committee.

Swiss Re's risk-taking is governed by a limit framework in order to ensure that accumulation risk and large losses remain at an acceptable level, as well as to steer the allocation of available risk capacity. The limit framework is rooted in the risk appetite and risk tolerance objectives set in the Group Risk Policy, and helps to translate these objectives into concrete, measurable criteria. In addition, lower-level limits are implemented to allocate scarce capacity. The limit framework also allows for risk monitoring and thus supports risk controlling during the execution of the plan.

[1] From 1 January 2024, the target liability portfolio is replaced with the Group Underwriting Plan.

Risk assessment

In SST 2024, total risk increased to USD 20.2 billion, mainly driven by higher financial market risk.

Swiss Re's internal model provides a meaningful assessment of the risks to which the company is exposed and is an important tool for managing the business.

For more information about Swiss Re's internal risk model, see the Internal control system and risk model section of the Financial Report, which is available online.

Swiss Re is exposed to insurance and financial risks that are calculated in its internal risk model, as well as other risks that are not explicitly part of the economic capital requirement but are actively monitored and controlled due to their significance for Swiss Re. These include operational, liquidity, model, valuation, regulatory, political, strategic and sustainability risks.

Property and casualty risk is mainly driven by underlying risks inherent in the business Swiss Re underwrites, in particular non-life claims inflation, natural catastrophe, man-made, and costing and reserving risk. The main drivers of life and health insurance risk are lethal pandemic and mortality trend risk.

The Group's financial risk derives from financial market risk as well as from credit risk. Key drivers of financial market risk are credit spread and equity risk. Credit risk is mainly driven by the credit and surety business, and by default risk on capital market products.

Total risk is based on 99% tail value-at-risk (tail VaR) and represents the average unexpected loss that occurs with a frequency of less than once in 100 years over a one-year time horizon.

Total risk increased to USD 20.2 billion, mainly driven by higher financial market risk. The shift led to an increase in diversification at risk category level.

Group capital requirement based on one-year 99% tail VaR

USD millions	SST 2023[1]	SST 2024	Change	Cross reference information
Property and casualty	13679	13788	109	see page 62
Life and health	9310	9866	556	see page 63
Financial market	7882	9729	1848	see page 64
Credit[2]	3056	3464	408	see page 65
Diversification	–14953	–16638	–1684	
Total risk	**18974**	**20210**	**1236**	

1 The update to the ISO as of 1 January 2024 does not impact the SST 2023 capital requirements in this table.
2 Credit comprises credit default and credit migration risk from both asset management and underwriting. It excludes credit spread risk, which is part of financial market risk.

Swiss Re's internal model takes account of the accumulation and diversification between individual risks. The effect of diversification at the risk category level, shown in the table above, represents the difference between total risk (the Group's 99% tail VaR) and the sum of standalone tail VaR amounts for the individual risk categories. This amount does not reflect diversification within risk categories. The extent of diversification is largely determined by the selected level of aggregation – the higher the aggregation level, the lower the diversification effect.

Alternative risk measurements[1] for Swiss Re Group

USD millions	SST 2023[2]	SST 2024	Change in %
99% VaR	**15.0**	**15.8**	+6%
99.5% VaR	**17.1**	**18.2**	+7%

1 For the alternative risk measurements, the same risk exposure and data basis is applied as for the SST calculation.
2 The update to the ISO as of 1 January 2024 does not impact the SST 2023 alternative risk measurements in this table.

Alternative risk measurements — 99% and 99.5% VaR — increased to USD 15.8 billion and USD 18.2 billion, respectively.

Swiss Re's risk landscape

The risk categories shown in the table below are discussed on the following pages. Swiss Re identifies and evaluates emerging threats across these categories through a systematic framework that includes the assessment of potential surprise factors that could affect known loss potentials. Liquidity risk management is discussed on page 52.

Core risks in Swiss Re's internal model

Insurance risk

Property & Casualty
- Natural catastrophe
- Man-made
- Costing and reserving
- Claims inflation

Life & Health
- Lethal pandemic
- Mortality trend
- Longevity
- Critical illness
- Income protection
- Lapse

Financial risk

Financial market
- Credit spread
- Equity
- Foreign exchange
- FM inflation
- Interest rate
- Real estate

Credit
- Default risk
- Migration risk

Other significant risks

Operational	**Liquidity**	**Model**	**Valuation**
Regulatory	**Political**	**Sustainability**	**Strategic**

Emerging risks

Swiss Re is exposed to a broad landscape of risks. These include risks that are actively taken as part of insurance or asset management operations, and are calculated in the internal risk model as part of the Group's economic capital requirement as well as to allocate risk-taking capacity:

- Property and Casualty (P&C) insurance risk arises from coverage provided for property, liability, motor and accident risks, as well as for specialty risks such as engineering, agriculture, aviation, marine and cyber. It includes underlying risks inherent in the business Swiss Re underwrites, such as inflation or uncertainty in pricing and reserving.

- Life and Health (L&H) insurance risk arises from coverage provided for mortality (death), longevity (annuity) and morbidity (illness and disability). In addition to potential shock events (such as a severe pandemic), it includes underlying risks inherent in life and health contracts that arise when mortality, morbidity or lapse experience deviates from expectations.

- Financial market (FM) risk represents the potential impact on assets or liabilities that may arise from movements in financial market prices or rates, such as equity prices, interest rates, credit spreads, hedge fund prices, real estate prices, commodity prices or foreign exchange rates. Financial market risk originates from two main sources: investment activities and the sensitivity of the economic value of liabilities to financial market fluctuations.

- Credit risk reflects the potential financial loss that may arise due to diminished creditworthiness or default of counterparties of Swiss Re or of third parties. Credit risk arises from investment and treasury activities, structured transactions and retrocession, as well as from liabilities underwritten by credit and surety insurance units.

The risk landscape also includes other risks that are not explicitly part of the Group's economic capital requirement but are actively monitored and controlled due to their significance for Swiss Re:

- Operational risk represents the potential economic, reputational or compliance impact of inadequate or failed internal processes, people and systems, or from external events, including legal risk and the risk of a material misstatement in financial reporting. Swiss Re has implemented a capital model for operational risk, which is used for Solvency II purposes.

- Liquidity risk represents the possibility that Swiss Re will not be able to meet expected and unexpected cash flow and collateral needs without affecting either daily operations or Swiss Re's financial condition.

- Model risk reflects the potential impact of model errors or the inappropriate use of model outputs. It may arise from data errors or limitations, operational or simulation errors, or limitations in model specification, calibration or implementation. Model risk may also be caused by insufficient knowledge of the model and its limitations, in particular by management and other decision makers.

- Valuation risk represents uncertainty around the appropriate value of assets or liabilities. It may arise from product complexity, parameter uncertainty, quality and consistency of data, valuation methodology or changes in market conditions and liquidity. Swiss Re is exposed to financial valuation risk from investment assets it holds as well as reserve valuation risk from insurance liabilities that result from the coverage it underwrites.

- Regulatory risk arises from changes to insurance regulations and supervisory regimes as well as from interactions with regulatory authorities of the jurisdictions in which Swiss Re operates.

- Political risk comprises the consequences of political events or actions that could have an adverse impact on Swiss Re's business or operations.

- Sustainability risk comprises the environmental, social and governance risks that may arise from individual business transactions or the way Swiss Re conducts its operations.

- Strategic risk represents the possibility that poor strategic decision making, execution or response to industry changes or competitor actions could harm Swiss Re's competitive position and thus its franchise value.

Some of these risks are reflected indirectly in the risk model, as their realisations may be contained in the historical data and scenarios used to calibrate some of the risk factors. In addition, output from the model is used in measuring liquidity risk under stressed conditions.

As separate risk categories, these risks are an integral part of Swiss Re's risk landscape. They are monitored and managed within the Risk Management organisation, and included in risk reports to executive management and the Board at the Group and legal entity level.

Across all risk categories, Swiss Re actively identifies emerging risks and threats as part of its risk identification process; this includes new risks as well as changes to previously known risks that could create new risk exposures or increase the potential exposure or interdependency between existing risks.

Reputational risk is not considered a separate risk category but rather represents a possible consequence of any risk type in addition to the potential financial and compliance impact.

Insurance risk

Insurance risk management involves identifying, assessing and controlling risks that Swiss Re takes through its underwriting activities, including related risks such as lapse, inflation or uncertainty in pricing and reserving. Risk Management also provides independent assurance throughout the business cycle, starting with the annual business planning process. It reviews underwriting standards, costing models and large or complex transactions, as well as monitoring exposures, reserves and limits.

Swiss Re's Group limit framework includes risk limits for major insurance exposures that guard against risk accumulations and ensure that risk-taking remains within Swiss Re's risk tolerance. These limits are approved by the Group Executive Committee. At business unit and legal entity level, capacity and underwriting limits are assigned to steer the business, and ensure adherence to the Group's risk limits and SST capitalisation targets.

Regular internal reports ensure transparency across the Group, providing management with quantitative and qualitative risk assessments. Swiss Re's insurance risk landscape and related governance processes are regularly discussed and reviewed by the Group CRO and his leadership team, as well as by dedicated insurance risk oversight bodies that assist and advise the Group CRO.

Swiss Re also manages and mitigates insurance risk through external retrocession, insurance risk swaps or by transferring risk to capital markets. This provides protection against extreme catastrophic events, further diversifies risk, stabilises economic results and releases underwriting capacity.

Property and casualty risk

+1%

Change since SST 2023

Risk developments

The slight increase in property and casualty risk is mainly driven by higher reserve volatilities impacting the costing and reserving risk, partially offset by a reduction in natural catastrophe and cyber risks.

Management

Legal entity CROs are responsible for overseeing all property and casualty exposures written in their areas. In addition, Group Risk Management monitors and controls accumulated exposures across Swiss Re to ensure that they remain within the defined risk tolerance level.

The first line of control for property and casualty risks lies within the teams that underwrite those risks. In general, complex transactions must be reviewed by at least two authorised individuals and are subject to authority limits. Each underwriter is assigned an individual authority based on technical skills and experience. In addition, capacity limits are allocated to local teams; any business that exceeds this authority or is otherwise complex or unusual triggers an escalation process that extends up to the Group Executive Committee. Certain single risks and specified renewable treaty classes with non-material changes can be authorised by only one individual underwriter with the necessary authority – but these risks and treaties are subject to checks after acceptance.

All transactions that could materially impact the risk at the Group level or for key legal entities require independent review and sign-off by Risk Management before they are authorised. This is part of a three-signature principle, under which key transactions must be approved by market units, Underwriting and Risk Management. For transactions of defined types and within defined limits, this may be applied through the approval of underwriting or pricing guidelines. For other transactions, the signatures must be secured through an individual review.

Swiss Re's limit framework for property and casualty exposures includes risk limits for major natural catastrophe scenarios and other key risks, such as terrorism, claims inflation, reserving and liability.

Insurance risk stress tests with a 200-year return period

Annualised unexpected loss, 99.5% VaR in USD millions[1]	SST 2024
Atlantic hurricane	5 893
Californian earthquake	4 243
European windstorm	2 977
Japanese earthquake	2 602
Lethal pandemic	3 778

[1] Excluding the impact of earned premiums for the business written and reinstatement premiums that could be triggered as a result of the event.

In SST 2024, the largest natural catastrophe exposure for the Swiss Re Group derives from the Atlantic hurricane scenario with a USD 5.9 billion loss. The lethal pandemic loss is estimated to be at USD 3.8 billion.

Life and health risk

+6%

Change since SST 2023

Risk developments

Higher life and health risk mainly reflects business growth in the US resulting in higher exposure to mortality trend and lethal pandemic risk. The increase is further driven by the impact on exposure of reviewability parameter updates and lower interest rates.

Management

Legal entity CROs are responsible for overseeing all life and health exposures written in their respective areas. Accumulated exposures across Swiss Re are monitored and controlled by Group Risk Management to ensure that they remain at an acceptable level for the Group.

Costing actuaries and underwriters represent the first line of control for life and health risks. All transactions that could materially change risk at the Group level or for key legal entities require independent review and sign-off by Risk Management before they can be authorised. This is part of a three-signature principle, under which key transactions must be approved by the Chief Pricing Office and Risk Management in addition to market units. For transactions of defined types and within defined limits, this may be applied through the approval of underwriting or pricing guidelines. For other transactions, the approval must be secured through a review of the individual transaction.

Swiss Re's limit framework for life and health exposures includes risk limits for key risks, such as life (mortality trend and longevity combined), lethal pandemic, mortality trend, lapse, critical illness and income protection. Market exposure limits are in place for catastrophe and stop-loss business. Swiss Re pays particular attention to densely populated areas and applies limits for individual buildings to guard against risk exposure accumulations.

Financial risk

Financial risk management involves identifying, assessing and controlling risks inherent in the financial markets as well as counterparty credit risks, while monitoring compliance with Swiss Re's risk appetite and risk management standards.

Swiss Re's central Solvency & Financial Risk Management team oversees all activities that generate financial market or credit risk. Its mandate covers internally and externally managed assets, strategic participations, treasury activities, and credit and market risks that derive from Swiss Re's underwriting and retrocession activities, including structured transactions, credit insurance and surety business. The Head of Solvency & Financial Risk Management reports to the Group Chief Risk Officer, with a secondary reporting line to the Group Chief Investment Officer.

Solvency & Financial Risk Management controls exposure accumulation for financial market and credit risks. In addition, the team is responsible for assurance activities related to asset valuation and financial risk models, as well as for reporting Swiss Re's financial risks. These responsibilities are exercised through defined governance processes, including regular reviews by Swiss Re's Group Investment Committee and other financial risk oversight bodies.

All activities with financial market and credit risk are subject to limits at various levels of the organisation (eg Group, legal entities and lines of business). At the highest level, the Group Board of Directors sets a financial risk concentration limit which defines how much of the Group's risk exposure can derive from financial risk. The Group Executive Committee approves the limits, through the endorsement of the Group Asset Liability Committee and Group Underwriting Committee, respectively, for financial market and credit risk at the Group level. Where required, additional risk limits are established by Risk Management for legal entities, key business lines, individual counterparties and countries. Furthermore, as part of the planning process, the risk-taking functions employ capacity limits to control the amount of risk. Limits may be expressed in terms of notional value of policies, losses in a stress scenario, value at risk based on historic market moves, linear sensitivities to a particular risk factor or different methodologies of exposure aggregation.

Financial market risk

+23%

Change since SST 2023

Risk developments
Financial market risk increased significantly, mainly due to corporate bond purchases and the reduction in investment hedges.

Management
Financial market risk is monitored and controlled by dedicated experts within the Group's Solvency & Financial Risk Management team. Solvency & Financial Risk Management regularly reports on key financial market risks and risk aggregations, as well as on specific limits for internally and externally managed investment mandates. These reports track exposures, document limit usage and provide information on key risks that could affect the portfolio. The reports are presented and discussed with those responsible for the relevant business line in Swiss Re's Financial Market Risk Council.

The reporting process is complemented by regular risk discussions between Solvency & Financial Risk Management, Asset Management and the Group's external investment managers, as well as by regular interactions with other key units that take financial market risk, such as Principal Investments and Acquisitions, Treasury and the respective business teams that write transactions.

Financial market SST ratio sensitivities

Impact on SST ratio		SST 2024
Interest rates	+50bps	12pp
Interest rates	–50bps	–13pp
Credit spreads	+50bps	–8pp
Credit spreads	–50bps	8pp
Equity values	+25%	0pp
Equity values	–25%	0pp
Real estate values	+25%	8pp
Real estate values	–25%	–8pp

Among the financial market sensitivities shown above, the Group SST ratio is most sensitive to a 50-basis-point decrease in interest rates, which would result in an estimated decrease in the SST ratio of 13 percentage points. The SST 2024 ratio is insensitive to equity shocks, because their relative impact on the numerator (SST RBC) and on the denominator (SST TC) is about the same.

Credit risk stress test with a 200-year return period

Annualised unexpected loss, 99.5% VaR in USD million[1]	SST 2024
Credit default[1]	2657

[1] Excluding the impact of earned premiums for the business written and reinstatement premiums that could be triggered as a result of the event.

Credit risk

+13%

Change since SST 2023

Risk developments
The significant increase in credit risk is driven by new business in credit and surety, the unwinding of investment hedges and corporate bond purchases.

Management
Credit risk is monitored and controlled by experts within the Solvency & Financial Risk Management team. Solvency & Financial Risk Management regularly monitors and reports on counterparty credit quality, credit exposures and limits. In addition, the team compiles a watch list of cases that merit close attention. These reports are presented and discussed at the Credit Council.

The reporting process is supported by a Group-wide credit exposure information system that contains all relevant data, including counterparty details, ratings, credit risk exposures, credit limits and watch lists. Key credit practitioners across Swiss Re have access to this system, thus providing the necessary transparency to implement specific exposure management strategies for individual counterparties, industry sectors and geographic regions.

Credit risks are aggregated by country in order to monitor and control risk accumulation to specific risk drivers, such as economic, sovereign and political risks.

Management of other significant risks

Operational risk
The Group has implemented an internal control system to mitigate operational risks through three lines of control. This system assigns primary responsibility for identifying and managing operational risks to individual risk takers (first line of control), with independent oversight and control by the Risk Management and Compliance functions (second line of control) as well as Group Internal Audit (third line of control). Members of the Executive Committee are required to certify the effectiveness of the internal control system for their area of responsibility on a quarterly basis.

Operational risk is inherent within Swiss Re's business processes. As the company does not receive an explicit financial return for such risks, the approach to managing operational risk differs from the approach applied to other risk categories. The purpose of operational risk management is not to eliminate risks but rather to identify and cost-effectively mitigate operational risks that approach or exceed Swiss Re's tolerance.

Risk Management is responsible for monitoring and controlling operational risks based on a centrally coordinated methodology. This includes a pre-defined taxonomy that is used for identifying, classifying and reporting operational risks, as well as a matrix in which risks are assessed according to their estimated probability and impact. Risks are assessed for their residual economic, financial reporting, reputational and compliance impact, taking into account existing mitigation and controls.

The matrix is also used to assess residual exposures against Swiss Re's internal tolerance limits for operational risk. This limit represents the level of operational risk that the Board of Directors and executive management teams are willing to accept. Material risks that exceed or are approaching risk tolerance are reported to executive management and boards at the Group and legal entity level. In addition, executive management is required to implement mitigation strategies for all risks that are outside of operational risk limits in order to bring them back within internal tolerance limits.

Cyber risk and information security are a key focus of Swiss Re's operational risk controls. The Group performs an annual cyber risk assessment to determine the current maturity of controls; this is based on internationally recognised standards. The results of the assessment are shared with senior management, and mitigation activities to improve Swiss Re's cyber security resilience are coordinated by the Chief Security Officer.

Operational events and issues are recorded and managed in a central Operational Risk Management system in order to address the identified problems and avoid the recurrence of similar events. The results are reviewed by the relevant CRO and reported to the company's management team and Board of Directors.

The pace of digital transformation has accelerated, driven by strategic initiatives that aim to scale up Swiss Re's offering of data-driven services and solutions, diversify the portfolio of products and distributors, as well as to automate and streamline financial reporting processes in preparation for IFRS 17.

These factors, alongside increasing geopolitical instability, have brought into focus risks around key people dependency, information security and third-party governance. These risks are being actively mitigated and closely monitored at executive management level.

Model risk
Swiss Re uses models throughout its business processes and operations, in particular to price insurance products, value financial assets and liabilities, assess reserves and portfolio cash flows, and estimate risk and capital requirements. Model owners have primary responsibility for model-related risks and are required to adhere to a robust tool development process, including testing, peer review, documentation and sign-off. A similar process also applies to model maintenance.

Swiss Re's model governance is based on Group-wide standards for model assurance. These standards seek to ensure that each model has a clear scope, is based on sound mathematical and scientific concepts, has been implemented correctly and produces appropriate results given the stated purpose. Furthermore, the calibration of model parameters (and the data on which the calibration relies) must be trustworthy, while expert judgments are required to be sensible, documented and evidenced.

Analytical or financial models that are used for costing, valuation and risk capital calculations are governed by Swiss Re's Group Model Risk Management Standards. Material models used for costing, valuation of reserves and assets as well as Swiss Re's internal risk model are validated by dedicated teams within Risk Management. These teams provide independent assurance that the framework has been adhered to, and also conduct independent validations. Swiss Re's internal risk model is also subject to regulatory scrutiny.

Model-related incidents are captured within Swiss Re's operational risk framework. In addition, material model developments, incidents and risks are reported in regular risk updates to executive management and the boards of directors at the Group and legal entity level.

Valuation risk
Financial valuation risk is managed by internal and external portfolio managers, who ensure that valuations remain in line with the market. In addition, Swiss Re has a function within Financial Risk Management that independently assesses valuations and valuation techniques. This team performs independent price verification for financial risk positions to confirm that valuations are reasonable and ensure there are no material misstatements of fair value in Swiss Re's financial reports. The results of the independent price verification process are reviewed by the Asset Valuation Committee. In addition, Swiss Re's external auditor conducts quarterly reviews as well as a comprehensive year-end audit of controls, methodology and results.

Reserve valuation risk is managed by Swiss Re's Actuarial Control function, with dedicated teams for property and casualty, and life and health valuation. These teams ensure that Swiss Re's reserve-setting process uses an appropriate governance framework, including defined accountabilities and decision-making processes for risk takers (as the first line of control) as well as for Actuarial Control. The framework ensures that there is independent assurance on the data, assumptions, models and processes used for valuation purposes. It also includes an independent assessment of the reserves to ensure that their level remains within a range of possible best estimates. Regular deep-dive investigations are performed into selected portfolios in order to review the appropriateness of both the reserves and the applied reserving approach. In addition, Swiss Re's external auditor conducts quarterly reviews as well as a comprehensive year-end audit of controls, methodology and results.

Regulatory risk
Regulatory developments and related risks that may affect Swiss Re and its subsidiaries or branches are identified, assessed and monitored as part of regular oversight activities. Swiss Re is actively engaged in a dialogue with relevant regulators to improve mutual understanding of the implications arising from new regulatory proposals. Periodic reports and recommendations on regulatory issues are provided to executive management and the Board of Directors at the Group and legal entity level.

The regulatory environment of the insurance industry continues to evolve on the national, regional and international level. While some regulatory changes create new business opportunities, others come with significant costs and business restrictions. Growing regulatory complexity, increased protectionism and a fragile global economy are persistent themes affecting regulation and the way Swiss Re operates worldwide.

Regulatory efforts are becoming increasingly forward-looking, aimed at a broad range of emerging risks, both actual and perceived. If new regulation is not based on clearly understood risks with a view to materiality and proportionality, and if the resulting requirements are not harmonised with international standards and best practices, this may create an excessive burden for global insurers and lead to higher costs for policyholders. It remains a key priority for Swiss Re to highlight to regulators the negative impacts of market access restrictions or impediments to global risk diversification. At the same time, such risks are mitigated by seeking solutions that reduce the negative impact on Swiss Re and its clients.

Several regulators – particularly in Europe and Asia, and more recently in the Americas – have developed specific expectations of how climate risks should be managed, and are implementing risk management guidelines and mandatory disclosure requirements. There is a risk that regulators single out climate-related and other sustainability risks, and move away from purely risk-based solvency requirements. Regulations in different jurisdictions continue to develop at various speeds and are not necessarily aligned.

Swiss Re continues to advocate for a harmonised and gradual implementation of these requirements. New regulations should be in line with international standards and with widely accepted disclosure frameworks in order to avoid regulatory fragmentation and ensure that requirements are appropriate. The new global standards by the International Sustainability Standards Board support greater alignment across jurisdictions.

Swiss Re consistently highlights the benefits of its industry's global business model. It advocates for the removal or reduction of market access barriers, so that policyholders, governments, taxpayers and national economies can fully benefit from international diversification and thus have access to reliable, sound and affordable risk cover and transfer.

Political risk
Political developments can threaten Swiss Re's operating model but also open up new business opportunities for developing the business. The Group adopts a holistic view of political risk and analyses developments in various markets and jurisdictions, as well as cross-border issues such as war, terrorism, energy-related issues and international trade controls.

Swiss Re's Political Risk Management function exercises oversight and control functions for named political risks (eg political risk insurance) by monitoring political risk exposures, and providing recommendations on particular transaction referrals and risk reporting. In addition, Political Risk Management sets political country risk ratings that cover political, war and security-related country risks, and are used to support risk control activities and inform underwriting and other decision-making processes of the Group.

Swiss Re regularly identifies and assesses the impact of political risk on its business. It builds relationships that expand the company's access to information and intelligence, and enhances its methodologies and standards. For example, Swiss Re participates in specialist events hosted by institutions such as industry and risk management associations, and maintains relationships with political risk specialists in other industries, think tanks and universities, as well as with governmental and non-governmental organisations.

Sustainability risk
Swiss Re's continued business success depends on the successful management of sustainability risks, thus helping to maintain the trust of its stakeholders. The Group has a long-standing commitment to sustainable business practices, active corporate citizenship, as well as good, transparent governance.

Potential sustainability risks are mitigated through clear corporate values, active dialogue and engagement with affected external stakeholders, and robust internal controls. These include a Group-wide framework for environmental, social/ human rights and governance risks, the ESG Risk Framework. This framework is used to identify and address sustainability risks across Swiss Re's business activities where information granularity is available and allows for a meaningful ESG risk assessment. It comprises sustainability-related policies – with pre-defined restrictions, underwriting criteria and quality standards – as well as a central due diligence process for related transactional risks.

Sustainability risks are monitored and managed by dedicated Swiss Re experts who are also responsible for maintaining the ESG Risk Framework. In addition, this unit supports Swiss Re's management and business strategy through tailored risk assessments and risk portfolio reviews. It fosters risk awareness through internal training and facilitates development of innovative solutions to address sustainability issues. Finally, it represents and advocates Swiss Re's position on selected sustainability risk topics to external stakeholders.

For more information on the ESG Framework and Swiss Re's sustainability practices in general, see the 2023 Sustainability Report.

Strategic risk
Overall responsibility for managing strategic risk lies with the Group Board, which establishes Swiss Re's overall strategy. The Boards of legal entities are responsible for the strategic risk inherent in their specific strategy development and execution. Strategic risks are addressed by examining multi-year scenarios, considering the related risks, as well as monitoring the implementation of the chosen strategy year by year in terms of the annual business plan.

As part of their independent oversight role, Risk Management, Compliance and Group Internal Audit are responsible for controlling the risk-taking arising from the implementation of the strategy.

Emerging risk
Anticipating possible developments in the risk landscape is a central element of Enterprise Risk Management. Swiss Re promotes pre-emptive thinking on risk in all areas of the business in order to reduce uncertainty and diminish the volatility of the Group's results, while also identifying new business opportunities and raising awareness for emerging risks.

For this purpose, Swiss Re's risk identification processes are supported by a systematic framework that identifies, assesses and monitors emerging risks and opportunities across all areas of Swiss Re's risk landscape. This framework combines a bottom-up approach driven by employee input with regional and product-specific expertise on emerging risk. The resulting information is complemented with insights from external organisations such as think tanks, academic networks and international organisations, as well as from interaction with clients.

Findings, including a prioritised overview of newly identified emerging risks and an estimate of their potential impact on Swiss Re's business, are reported to senior management, the respective business steering functions and other internal stakeholders.

Swiss Re also publishes an annual emerging risk report (Swiss Re SONAR) to raise awareness within the Group and across the industry, and initiate a risk dialogue with key external stakeholders. To advance risk awareness across the industry and beyond, Swiss Re maintains regular exchanges on emerging risks with its clients and continues to participate actively in strategic risk initiatives such as the CRO Forum's Emerging Risk Initiative and the International Risk Governance Council.

The following emerging risks are deemed particularly important for Swiss Re's business:

Digitalisation risks
Digitalisation continues to reshape markets. Across industries and organisations, artificial intelligence (AI) and other ground-breaking digital applications are being adopted at astonishing speed and ever-growing range. The digital transformation is revolutionising value creation and brings many new opportunities for the insurance industry and its clients. However, it also opens up new vulnerabilities and risks for them.

Potential business impact
Intangible assets, such as digital data, constitute a growing share of economic value. For companies, including for Swiss Re, digital applications open up new, fast and cost-efficient avenues in areas such as client interaction and analytics. Being innovative by nature, all these new services also come with challenges in terms of investment, skills, strategy, acceptance etc. For example, the current rise of generative AI tests insurance operations in terms of data use, intellectual property or cyber security. Emerging risks from digitalisation can also impact claims and loss trends in underwriting portfolios.

Mitigation measures
Swiss Re monitors, assesses and implements digital technology developments through dedicated R&D and risk management functions. New digital applications and data services are run through a digital governance framework, which defines processes, responsibilities and tools to evaluate and mitigate risks for technology and data-driven solutions across the organisation. Swiss Re Institute researches and publishes on digitalisation and its risks regularly. Swiss Re constantly translates its digital competence and risk insights into services and offerings for its clients.

Global supply chain risk
Markets, industrial production and trade rely on globalised supply chains. Disruptions have become more likely, with higher and longer business impacts due to increased interdependencies and economic pressure. Risk factors such as extreme weather events, critical waterway blockages, geopolitical conflicts, terrorism and pandemic lockdowns can cause huge delays and accumulate with cascading effects.

Potential business impact
Due to the interdependence of industries, economies and services, supply chain risk can have an impact on business interruption covers, but may also potentially affect – directly or indirectly – a wide range of insurance business and an insurer's operations.

Mitigation measures
Swiss Re offers clients (insurers and corporates) bespoke supply chain risk data and modelling that can show interdependencies and risk propagation, and quantify impacts for hazardous events throughout a network. Through Risk Data Services (RDS), Corporate Solutions offers corporate clients bespoke risk insights, enabling assessments, mitigation strategies and options to improve supply chain resilience.

Widening protection gaps
Globally widening protection gaps in natural catastrophe, crop, mortality or health insurance are particularly prominent in emerging markets. Their growing populations are vulnerable to the environmental impact of climate change but large parts of these populations do not have access to – or the means to pay for – traditional risk transfer solutions.

Potential business impact
Protection gaps reflect market potentials or untapped opportunities for insurers and reinsurers to provide financial resilience. It is thus a key business focus for Swiss Re to understand the reasons for these gaps and find ways to mitigate the resulting risk exposures.

Mitigation measures
Swiss Re's Public Sector Solutions team works with governments and other stakeholders to build public-private partnerships. Together, they develop innovative solutions, such as parametric insurance, to mitigate increasing natural catastrophe exposures and other threats for largely unprotected populations.

For more information about emerging risk, see the Swiss Re SONAR report.

Corporate governance

Swiss Re's corporate governance reflects its organisation and way of working.

"Our simplified governance increases accountability and allows for faster decisions."

Jacques de Vaucleroy
Vice Chairman of the Board of Directors

Overview

Highlights 2023

Streamlined governance

Following the Group's reorganisation, effective 1 April 2023, the new governance principles ensuring high quality and efficient governance have been implemented Group-wide.

Streamlined Board committee structure

As part of streamlining Swiss Re's governance, the Board of Directors decided at its constitutional meeting after the AGM 2023 to combine the Board's Finance and Risk Committee with the Investment Committee into a new Risk Committee, enabling a holistic view and steering of the most important risk exposures across the Group's assets and liabilities in line with industry best practice.

Gender diversity

The Board of Directors is convinced that a diverse Board composition is of utmost importance. Swiss Re's Board of Directors is composed of 36.4% female and 63.6% male Board members.

Modernised Articles of Association

The AGM 2023 approved the alignment of Swiss Re's Articles of Association with the revised Swiss Corporate Law, which entered into force on 1 January 2023. Approved changes include the introduction of a capital band replacing the authorised capital, AGM approval for the report on non-financial matters and the option to hold shareholders' meetings virtually.

Sustainability

Sustainability is a key corporate governance concern. Environmental, social and governance (ESG), diversity, equity and inclusion, as well as cyber security and data protection and an increasing focus on artificial intelligence (AI) governance, remain at the top of board agendas. Good governance is increasingly recognised by regulators as a crucial way to address the promotion of positive conduct and culture at firms. Please refer to the Sustainability Report 2023 for information on Swiss Re's sustainability governance.

Governance, Nomination and Sustainability Committee

To underline the importance of its sustainability-related work, the committee added Sustainability to its name in September 2023. In addition to its tasks relating to general corporate governance and succession planning, the Governance, Nomination and Sustainability Committee regularly monitors initiatives related to the Group Sustainability Strategy. It oversees the Group's approach to sustainability matters and related principles, and how they are embedded at all levels of the Group. It keeps itself abreast of the Group Sustainability Council's activities and oversees the integration of governance and operational aspects of sustainability, including initiatives and actions specifically addressing climate change.

Sustainability Report 2023

Please refer to Swiss Re's Sustainability Report for information on Swiss Re's approach to sustainability, including its governance around these matters. The Sustainability Report 2023 will be submitted to the AGM 2024 for a consultative vote.

Swiss Re's Sustainability Report
www.swissre.com/sustainabilityreport

Governance framework

Non-transferable Board duties

Under the leadership of its Chair, the Board of Directors is responsible for the overall direction, supervision and control of Swiss Re Ltd and the Group. These responsibilities are non-transferable and rest with the entire Board of Directors. The Board has established the following four Board committees that support the Board in fulfilling its duties: the Governance, Nomination and Sustainability Committee; the Audit Committee; the Compensation Committee; and the Risk Committee.

Delegation of management

The Board of Directors has delegated the management of Swiss Re Ltd and the Group to the Group EC under the leadership of the Group CEO. Such delegated management is within the responsibility of the entire Group EC. The Group EC discharges its responsibilities as a joint body, except for responsibilities delegated on the basis of applicable governance documents, including the Bylaws, to the Group CEO or other individual Group EC members, any subcommittee or sub-group.

Adherence to regulation

Swiss Re's corporate governance adheres to:

- Swiss Code of Best Practice for Corporate Governance (Swiss Code) issued in July 2002 and revised in 2007, 2014 and 2023
- Provisions on corporate governance, risk management and internal control system applicable to insurers as set out in the Swiss insurance regulation as well as FINMA guidance
- Applicable local rules and regulations in all jurisdictions where Swiss Re conducts business
- SIX Swiss Exchange's Directive on Information Relating to Corporate Governance (including its annex), dated 29 June 2022 and entered into force on 1 January 2023

Governance documents

Swiss Re's corporate governance is governed by the following key documents:

Group Code of Conduct
www.swissre.com/codeofconduct

Articles of Association
www.swissre.com/articles

Bylaws
www.swissre.com/bylaws

Changes in 2023/2024

Board of Directors

In line with the 12-year tenure limit, Renato Fassbind did not stand for re-election at the AGM 2023. After nine years of service, Susan L. Wagner did not stand for re-election either. The AGM re-elected all other Board members. Vanessa Lau and Pia Tischhauser were elected as new Board members. Sergio P. Ermotti resigned as Chairman and a member of the Board of Directors, effective 30 April 2023. Jacques de Vaucleroy was appointed Vice Chairman effective after the AGM 2023, following his re-election as a Board member. Since 1 May 2023, he has been leading the Board of Directors in his capacity as Vice Chairman. Joerg Reinhardt was appointed Lead Independent Director in July 2023. There were no further changes to the Board composition in 2023.

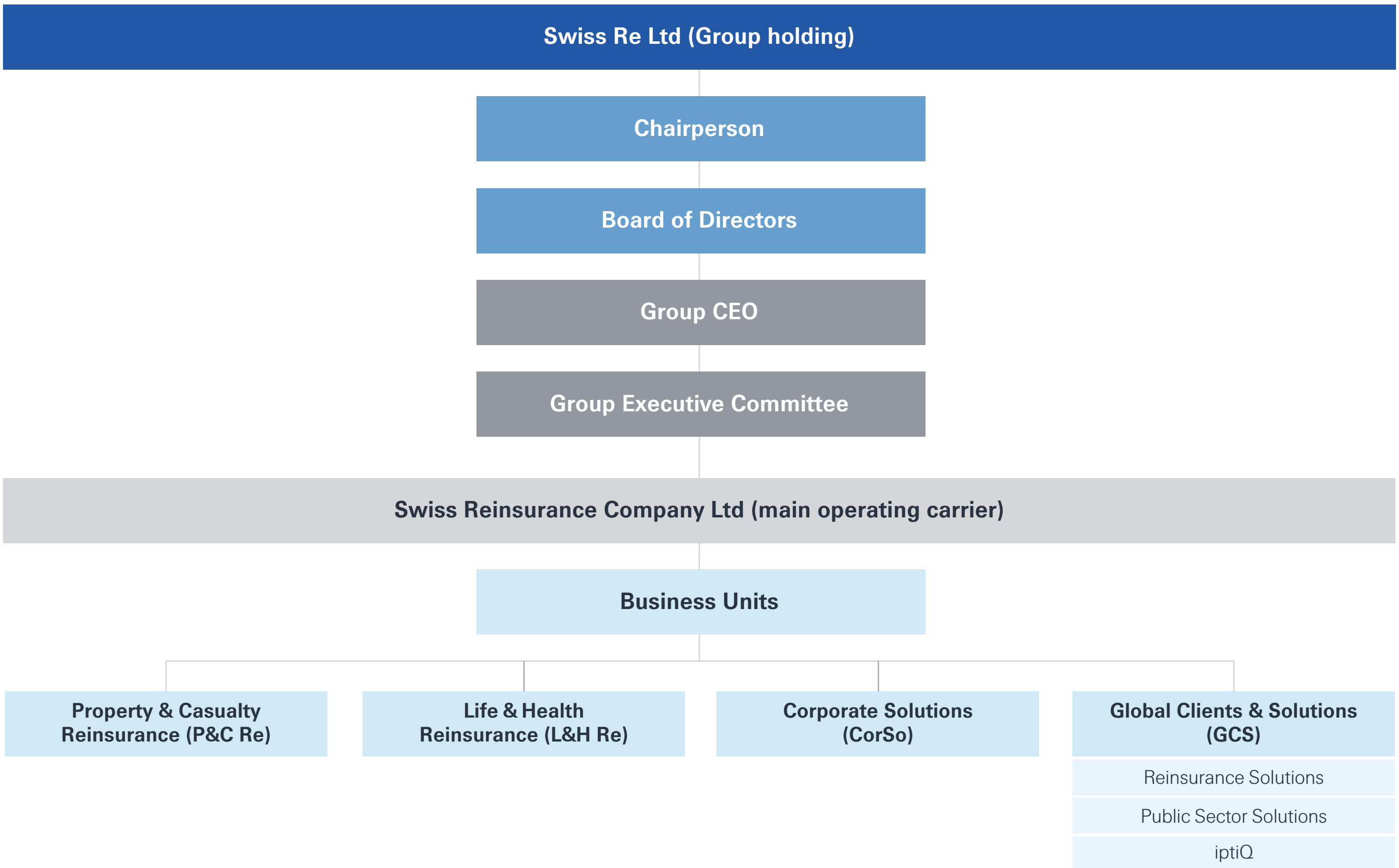
The Board of Directors proposes the re-election of Jacques de Vaucleroy as Board member and his election as the new Chairman of the Board of Directors at the AGM 2024. Furthermore, the Board of Directors proposes all other Board members for re-election. The Board of Directors proposes the election of Geraldine Matchett as a new member of the Board of Directors. Please refer to page 85 for more information on the candidate.

Group Executive Committee (Group EC)

Thierry Léger, Group Chief Underwriting Officer, stepped down from his role and as a Group EC member, effective 26 January 2023. Velina Peneva was appointed Group CIO and a member of the Group EC, effective 1 April 2023. She succeeded Guido Fürer, who retired effective 31 March 2023. Jonathan Isherwood, CEO Reinsurance Americas and Regional President Americas, stepped down from his role and as a Group EC member, effective 30 September 2023.

Group structure and shareholders

Operational Group structure*



* On 2 February 2023, Swiss Re announced its plans to streamline its organisation to simplify structures and improve efficiency and client experience. The Business Unit Reinsurance was split into two separate Business Units: Property & Casualty Reinsurance and Life & Health Reinsurance. Furthermore, a new Business Unit was formed comprising Swiss Re's global reinsurance clients (Globals), Public Sector Solutions, iptiQ and Reinsurance Solutions. Corporate Solutions continues to operate as a stand-alone Business Unit. The changes took effect on 3 April 2023.

Legal structure
Swiss Re Ltd, the Group's holding company, is a joint stock company, listed in accordance with the International Reporting Standard on SIX Swiss Exchange and organised under the laws of Switzerland. Information on its market capitalisation is provided on pages 28–29 of this Financial Report. No other Group companies have shares listed. More information on the Group companies is provided in Note 20 to the Group financial statements on pages 233–235.

Swiss Re Ltd has a level I American Depositary Receipts (ADR) programme in the US. The ADRs are traded over the counter (OTC) (ISIN US8708861088, OTC symbol SSREY). One Swiss Re Ltd share equals four ADRs. Neither the ADRs nor the underlying Swiss Re Ltd shares are listed on a securities exchange in the US. Shares represented by ADRs for which no specific voting instructions are received by the depositary from an ADR holder, are not voted at shareholder meetings.

Operating carrier
Swiss Reinsurance Company Ltd
Swiss Reinsurance Company Ltd is Swiss Re's main operating carrier. The boards of directors of Swiss Re Ltd and Swiss Reinsurance Company Ltd are comprised of identical members. Swiss Reinsurance Company Ltd is managed by the Group EC in its capacity as the legal entity's Executive Committee.

Swiss Re Ltd
ISIN: CH0126881561
Swiss Security Number: 12688156
Domicile: Mythenquai 50/60,
8022 Zurich, Switzerland

More information on shares
Please refer to pages 28–29 of this Financial Report for more information on the Swiss Re Ltd shares, such as the price performance and trading volume in 2023, Swiss Re's dividend policy and dividends, as well as an overview of the key share statistics since 2017.

Significant shareholders

The following table provides a summary of the disclosure notifications of major shareholders who as of 31 December 2023 held more than 3% of voting rights:

Shareholder	Number of shares	% of voting rights and share capital	Creation of the obligation to notify
UBS Fund Management (Switzerland) AG	9 534 424	3.003	5 July 2022
BlackRock, Inc.	16 477 986	5.19	10 November 2021

For the detailed disclosure notifications made during 2023 and in prior years, please visit: www.swissre.com/disclosureofshareholdings or https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html

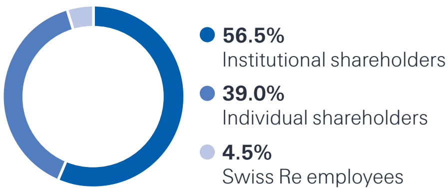
Shareholder structure

Registered, unregistered[1] shares

As of 31 December 2023	Shares	in %
Shares registered in the share register (registered shares)[2]	147 527 287	46.5
Shares not registered in the share register (unregistered shares)[2]	142 878 083	45.0
Shares held by Swiss Re	27 091 936	8.5
Share buy-back programme	0	0.0
Total shares issued	**317 497 306**	**100.0**

[1] "Unregistered" shares refers to shares for which no application has been received by the owner to enter the shares in the share register.
[2] Without Swiss Re's holdings.

Registered shareholdings by type
As of 31 December 2023



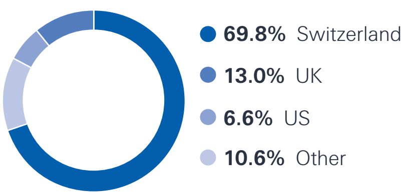
Registered shares with voting rights by shareholder type

As of 31 December 2023	Shareholders	in %	Shares	in %
Individual shareholders	94 481	90.0	57 580 382	39.0
Swiss Re employees	6 786	6.5	6 640 525	4.5
Total individual shareholders	**101 267**	**96.5**	**64 220 907**	**43.5**
Institutional shareholders	**3 661**	**3.5**	**83 306 380**	**56.5**
Total	**104 928**	**100.0**	**147 527 287**	**100.0**

Registered shares with voting rights by size of holding

As of 31 December 2023	Shareholders	in %	Shares	
Holdings of 1–2 000 shares	98 605	93.9	34 453 491	23.4
Holdings of 2 001–200 000 shares	6 259	6.0	56 525 400	38.3
Holdings of > 200 000 shares	64	0.1	56 548 396	38.3
Total	**104 928**	**100.0**	**147 527 287**	**100.0**

Registered shareholdings by country
As of 31 December 2023



Registered shares with voting rights by country

As of 31 December 2023	Shareholders	in %	Shares	in %
Switzerland	90 874	86.6	102 972 802	69.8
UK	806	0.8	19 194 638	13.0
US	1 273	1.2	9 693 009	6.6
Other	11 975	11.4	15 666 838	10.6
Total	**104 928**	**100.0**	**147 527 287**	**100.0**

Cross-shareholdings

Swiss Re Ltd has no cross-shareholdings in excess of 5% of capital or voting rights with any other company.

Capital structure

The share capital remained unchanged during 2022 and 2023.

Capital

On 31 December 2023, Swiss Re Ltd had fully paid-in share capital of CHF 31 749 730.60. It was divided into 317 497 306 registered shares, each with a par value of CHF 0.10. The share capital remained unchanged during 2022 and 2023.

For information on changes to the share capital for earlier years, please refer to the Corporate Governance chapter of the financial reports of those years.

All reports and further documents
www.swissre.com/financialinformation

Authorised and conditional capital in particular

At the AGM on 16 April 2021, shareholders approved the renewal of the authorised capital for another two years. There was no share capital increase out of authorised capital and no shares were issued out of conditional capital in 2022 and 2023.

For further information on the renewal of and changes to the former authorised capital and to the conditional capital, approved by the shareholders at the AGM 2021, please refer to the AGM 2021 invitation (agenda item 7).

AGM invitation
www.swissre.com/agm2021

Authorised capital replaced with capital band at AGM 2023

Swiss Re's authorised capital expired on 16 April 2023. It was no longer possible to authorise new authorised capital under the revised Swiss Corporate Law, which entered into force on 1 January 2023. At the AGM on 12 April 2023, shareholders approved the replacement of the authorised capital by a 2-year capital band (up to 12 April 2025).

For further information on the introduction of the capital band approved by the shareholders at the AGM 2023, please refer to the AGM 2023 invitation (agenda item 7).

AGM invitation
www.swissre.com/agm2023

For more information on the capital band, the conditional capital and the former authorised capital, please refer to the below table and to the Articles of Association (for the capital band: Articles 3b,3c; for the conditional capital: Articles 3a,3c) and to the Corporate governance chapter of the financial Reports 2021 and 2022 (for the former authorised capital).

Articles of Association
www.swissre.com/articles

Financial Report 2021
www.swissre.com/financialreport2021

Financial Report 2022
www.swissre.com/financialreport2022

Shares

All Swiss Re Ltd shares are fully paid-in registered shares *(Namenaktien)*, each share with a par value of CHF 0.10. One share carries one vote. All shares have equal entitlements for dividend payments or liquidation proceeds. Swiss Re Ltd does not have any category of shares with preferential rights. No other securities represent a part of Swiss Re Ltd's share capital. Swiss Re Ltd cannot exercise the voting rights of treasury shares. As of 31 December 2023, shareholders had registered 147 527 287 shares with the share register to be able to exercise their voting rights, out of a total of 317 497 306 shares issued.

Profit-sharing and participation certificates

Swiss Re Ltd has not issued any profit-sharing certificates *(Genussscheine)* or participation certificates *(Partizipationsscheine)*.

Conditional capital, authorised capital and capital band

	31 December 2022			**31 December 2023**		
	Capital in CHF	In % of the share capital	Shares	**Capital in CHF**	In % of the share capital	**Shares**
Share capital	31 749 730.60	100%	317 497 306	31 749 730.60	100%	317 497 306
Conditional capital						
for Equity-Linked Financing Instruments	5 000 000.00	15.74%	50 000 000	5 000 000.00	15.74%	50 000 000
Authorised capital	8 500 000.00	26.77%	85 000 000	replaced by capital band at AGM 2023		
				Range in CHF	In % of the share capital	**Shares**
Capital band, upper limit				40 249 730.60	126.77%	402 497 306
Capital increase by					26.77%	85 000 000
Capital band, lower limit				28 579 730.60	90%	285 797 306
Capital reduction by					10%	31 700 000

Transferability and nominee registrations
Swiss Re Ltd does not restrict or limit the transferability of its shares. Upon request, shareholders are recorded in the share register with the right to vote, if they provide evidence of the acquisition of the shares as well as a declaration that they have acquired the shares in their name and for their own account and are compliant with shareholding disclosure obligations. Any shareholder entered in the share register with the right to vote can exercise voting rights without any limitation.

Swiss Re Ltd applies special provisions for the registration of nominees. Nominees are entered in the share register with voting rights up to a maximum of 2% of the issued Swiss Re Ltd shares, without any further inquiry. For holdings above that threshold, nominees are only registered with voting rights if they disclose the names, addresses and shareholdings of any persons for whom the nominees are holding 0.5% or more of the issued Swiss Re Ltd shares. A group clause applies with respect to the nominee rules. The Articles of Association do not provide for exceptions, and no exceptions were granted in 2023. The Board of Directors can strike a shareholder with voting rights off the share register retroactively, if the entry was obtained under false pretences, or in the case of breach of disclosure rules (as more fully set out in Article 4 of the Articles of Association). The restrictions on nominee registrations could be abolished by way of a shareholders' resolution requiring the absolute majority of the votes validly cast at a shareholders' meeting.

For more information on the share register and the transfer of shares, please refer to the Articles of Association (Article 4).

Articles of Association
www.swissre.com/articles

Convertible bonds and options
Convertible bonds
As of 31 December 2023, except as provided below, neither Swiss Re Ltd nor any of its subsidiaries has any bonds outstanding that are convertible into equity securities of Swiss Re Ltd.

On 6 June 2018, Swiss Re Ltd placed USD 500 000 000 of six-year exchangeable notes in the market via a repackaging vehicle, which give noteholders an exchange right into shares of Swiss Re Ltd and may also be stock-settled at the option of Swiss Re Ltd. For details please see Note 11 to the Group financial statements on page 214 of this Financial Report and Swiss Re Ltd's disclosure notification of 18 April 2023. Please refer to the below for the disclosure notification. Assuming all of the notes were exchanged at the request of noteholders, 5 310 054 registered shares of Swiss Re Ltd would have to be delivered (corresponding to 1.67% of the existing share capital).

Disclosure notification 18 April 2023
www.swissre.com/disclosureofshareholdings

Share awards
Share awards to Swiss Re employees are physically settled (with treasury shares). The number of issued shares is not affected. For details on share awards granted to Swiss Re employees and for more information on the quantitative impact of vested share awards, please see Note 16 to the Group financial statements on page 228 of this Financial Report. Assuming maximum vesting of all share awards granted as of 31 December 2023, 3 738 325 registered shares of Swiss Re Ltd would have to be delivered (corresponding to 1.18% of the existing share capital).

Board of Directors

The Board of Directors defines Swiss Re's strategy.

Members of the Board of Directors

The Board of Directors consisted of the following 11 members as of 31 December 2023:

Name	Nationality	Age	Initial election
Jacques de Vaucleroy, Vice Chairman (since 2023)	Belgian	62	2017
Joerg Reinhardt, Lead Independent Director (since 2023)	German	67	2017
Karen Gavan	Canadian	62	2018
Vanessa Lau	British	51	2023
Joachim Oechslin	Swiss	53	2020
Deanna Ong	Singaporean	52	2020
Jay Ralph	American, Swiss	64	2017
Philip K. Ryan	American	67	2015
Pia Tischhauser	Swiss	50	2023
Sir Paul Tucker	British	65	2016
Larry Zimpleman	American	72	2018

The following members of the Board of Directors did not stand for re-election at the AGM on 12 April 2023:

Name	Nationality	Age	Initial election
Renato Fassbind, Vice Chairman (since 2012), Lead Independent Director (since 2014)	Swiss	68	2011
Susan L. Wagner	American	62	2014

The following member of the Board of Directors stepped down on 30 April 2023:

Name	Nationality	Age	Initial election
Sergio P. Ermotti, Chairman (since 2021)	Swiss	63	2020

Biographies of former Board members
www.swissre.com/formerboardmembers

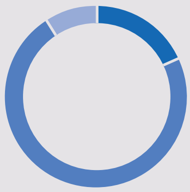
Board responsibilities

The Board of Directors is responsible for the overall direction, supervision and control of Swiss Re Ltd and the Group and the Group EC, as well as for supervising compliance with applicable laws, rules and regulations. Such responsibilities are non-transferable and rest with the entire Board of Directors. For detailed information on the Board's responsibilities, please refer to:

Bylaws (Article 5)
www.swissre.com/bylaws

Board responsibilities
www.swissre.com/boardresponsibilities

Length of tenure*



- **2** Between 1 and 3 years
- **8** Between 4 and 8 Years
- **1** Between 9 and 12 Years

* The term of office of a Board member is calculated from the AGM when he or she was first elected up to the AGM 2024.

Board of Directors key focus areas 2023

- Reviewed Swiss Re's strategic positioning and strategy implementation status
- Ensured proper implementation of Swiss Re's announced Group-wide reorganisation
- Ran an independent review of Swiss Re's Cyber security and data protection arrangements
- Drove ESG topics (eg progressing towards net-zero transition and advancing gender diversity agenda across the entire organisation)
- Drove and further increased the performance culture across Swiss Re Group
- Monitored Group IFRS transition

Jacques de Vaucleroy

Vice Chairman | non-executive and independent

Board committee membership
- Governance, Nomination and Sustainability Committee, chair

Professional experience
Jacques de Vaucleroy was a member of the Management Committee of AXA Group from 2010 to 2016, serving as Chief Executive Officer for North, Central and Eastern Europe and Chief Executive Officer of Global Life & Savings. He also held a number of positions in boards of directors and supervisory boards of AXA companies. Before that, he spent 24 years at ING, where he held senior roles in banking, asset management and insurance. He was a member of the Executive Board of ING Group from 2006 to 2009, in charge of insurance and asset management in Europe.

Educational background
- Master's degree in Law, Université Catholique de Louvain, Belgium
- Master's degree in Business Law, Vrije Universiteit Brussel, Belgium

Key skills, expertise and experience most relevant for Swiss Re
- Reinsurance/Insurance
- Financial Services/Asset Management
- Sustainability/Corporate Governance
- Chair/CEO experience

External mandates
- Board member of Everex SA
- Board member of the Simõn I. Patiño Foundation and the TADA non-profit organisation
- Board member of the Institute of International Finance**

Joerg Reinhardt

Lead Independent Director | non-executive and independent

Board committee memberships
- Governance, Nomination and Sustainability Committee, member
- Compensation Committee, member

Professional experience
Joerg Reinhardt has been Chairman of the Board of Directors of Novartis since 2013 and is also Chairman of the Board of Trustees of the Novartis Foundation. He was Chairman of the Board of Management and the Executive Committee of Bayer HealthCare AG from 2010 to 2013 and, prior to that, held various executive positions at Novartis. He was Chief Operating Officer from 2008 to 2010, headed the Vaccines and Diagnostics Division from 2006 to 2008 and held a number of other senior roles, primarily in research and development, in the preceding years. Joerg Reinhardt started his career at Sandoz Pharma Ltd, a predecessor company of Novartis, in 1982.

Educational background
- PhD in Pharmaceutical Sciences, Saarland University, Germany

Key skills, expertise and experience most relevant for Swiss Re
- Risk Management/Finance/Audit
- Human Resources/Compensation
- Sustainability/Corporate Governance
- Chair/CEO experience

External mandates
- Chairman of the Board of Directors of Novartis AG*
- Chairman of the Board of Trustees of the Novartis Foundation

* Listed company
** As of 15 January 2024

Karen Gavan

Board member | non-executive and independent

Board committee memberships
- Audit Committee, chair
- Governance, Nomination and Sustainability Committee, member
- Compensation Committee, member

Group internal Board mandate
- Swiss Re America Holding Corporation, member

Professional experience
Karen Gavan started her career in finance roles at Prudential Insurance, Imperial Life and Canada Life. She joined Transamerica Life in 1992 as Chief Financial Officer and added responsibilities over her tenure, becoming Executive Vice President and Chief Financial Officer from 2000 to 2002 of Transamerica Life Canada/AEGON Canada, and from 2003 to 2005 the company's Chief Operating Officer. From 2005, Karen Gavan assumed a number of non-executive board mandates. She joined the Board of Economical Insurance in 2008 and, until her retirement in November 2016, also served for five years as President and Chief Executive Officer at Economical Insurance, preparing the company for its initial public offering. During her leadership, the company also launched Sonnet, Canada's first fully digital insurer.

Educational background
- Honours Bachelor of Commerce, Lakehead University, Canada
- Fellow of the Institute of Chartered Accountants of Ontario, Canada

Key skills, expertise and experience most relevant for Swiss Re
- Reinsurance/Insurance
- Financial Services/Asset Management
- Risk Management/Finance/Audit
- Chair/CEO experience

External mandates
- Board member of Mackenzie Financial Corporation
- Board member of HSBC Bank Canada

Vanessa Lau

Board member | non-executive and independent

Board committee membership
- Audit Committee, member

Professional experience
Vanessa Lau is the Group Chief Financial Officer and since March 2024 she is also Co-Chief Operating Officer at the Hong Kong Exchanges and Clearing Limited (HKEX). Since joining HKEX in 2015, her positions included Deputy Chief Financial Officer from 2015 to 2017, and Chief Financial Officer Hong Kong from 2017 to 2020. She was recognised as a key contributor in the strategy development activities at HKEX over the past few years. Before joining HKEX in 2015, she worked as Vice President & Senior Research Analyst at Sanford C. Bernstein starting in 2011. Prior to that, she was the Group Chief Financial Officer of Alcoa Inc's Global Rolled Products Group in New York from 2007 to 2011. She held various positions at McKinsey & Company, London and Hong Kong, from 2001 to 2007, including Associate Principal from 2005 to 2007. Vanessa Lau started her professional career in 1994 at PricewaterhouseCoopers UK and in the period up to 2000, held various positions including Senior Tax Manager, Mergers and Acquisitions Tax Group.

Educational background
- Master of Arts, University of Oxford, United Kingdom
- Bachelor of Arts in Mathematics and Computation, University of Oxford, United Kingdom

Key skills, expertise and experience most relevant for Swiss Re
- Financial Services/Asset Management
- Risk Management/Finance/Audit
- Sustainability/Corporate Governance
- Regional experience

External mandates
- None

Joachim Oechslin

Board member | non-executive and independent

Board committee memberships
- Risk Committee, chair
- Governance, Nomination and Sustainability Committee, member

Professional experience
Joachim Oechslin started his professional career in 1998 as a consultant at McKinsey & Company, specialising in the financial services sector. In 2001, he joined Winterthur Insurance, Switzerland, where he was Chief Risk Officer of Winterthur Life & Pensions until 2003 and Group Chief Risk Officer of Winterthur Group from 2003 to 2006. Joachim Oechslin became a member of the Executive Committee of Winterthur Group in 2006. Following the acquisition of Winterthur Group by AXA in 2006, he assumed the position of Deputy Group Chief Risk Officer of AXA Group. In 2007, he joined Munich Re Group as Group Chief Risk Officer and a member of the Group Committee. In 2013, he moved to Credit Suisse Group, where he was Group Chief Risk Officer and a member of the Group Executive Board from January 2014 to February 2019. He then became a Senior Advisor at Credit Suisse Group. From April 2021 to December 2021, Joachim Oechslin served as Chief Risk Officer ad interim and as a member of the Executive Boards of Credit Suisse Group AG and Credit Suisse AG on an ad-interim basis. As of January 2022, he continued to serve Credit Suisse AG as a Senior Advisor.

Educational background
- Degree in Electrical Engineering, Higher Technical Institute (HTL), Winterthur, Switzerland
- Master of Science in Mathematics, Swiss Federal Institute of Technology (ETH), Zurich, Switzerland

Key skills, expertise and experience most relevant for Swiss Re
- Reinsurance/Insurance
- Financial Services/Asset Management
- Risk Management/Finance/Audit
- Sustainability/Corporate Governance

External mandates
- Chairman of the Board of Trustees of the Credit Suisse Pension Funds (Switzerland)

Deanna Ong

Board member | non-executive and independent

Board committee memberships
- Audit Committee, member
- Compensation Committee, member

Group internal Board mandate
- Swiss Re Asia Pte. Ltd, chair

Professional experience
Deanna Ong has been Chief People Officer and a member of the Group Executive Committee at GIC, a sovereign wealth fund established by the Government of Singapore, since 2017, and Managing Director since 2008. Deanna Ong joined GIC in 1994 and held various finance roles covering public and private market assets until 2009. From 2009 to 2014, she was Director Finance, responsible for financial management across GIC's portfolio. In 2012, she also took on responsibility for Human Resources & Organisation and Corporate Governance. Prior to joining GIC, she was a tax accountant with Arthur Andersen & Co.

Educational background
- Bachelor of Accountancy, Nanyang Technological University, Singapore
- Stanford Executive Program, Stanford University, USA

Key skills, expertise and experience most relevant for Swiss Re
- Risk Management/Finance/Audit
- Human Resources/Compensation
- Sustainability/Corporate Governance
- Regional experience

External mandates
- Board member of Wealth Management Institute International Pte. Ltd
- Board member of the Institute for Human Resource Professionals
- Board member of National University Health System

Jay Ralph

Board member | non-executive and independent

Board committee memberships
- Compensation Committee, chair
- Risk Committee, member

Professional experience
Jay Ralph was, with the responsibility for Asset Management and US Life Insurance, a member of the Board of Management of Allianz SE from 2010 to 2016, where he also served on a number of boards of directors of Allianz SE subsidiaries. He was Chief Executive Officer of Allianz Re from 2007 to 2009, and President and Chief Executive Officer of Allianz Risk Transfer from 1997 to 2006. Before joining Allianz, he was an auditor at Arthur Andersen & Co., Investment Officer at Northwestern Mutual Life Insurance Company, President at Centre Re Bermuda Ltd and a member of the Executive Board of Zurich Re.

Educational background
- MBA in Finance and Economics, University of Chicago, USA
- BBA in Finance and Accounting, University of Wisconsin, USA
- Certified Public Accountant (CPA), Chartered Financial Analyst (CFA) and Fellow of the Life Management Institute (FLMI)

Key skills, expertise and experience most relevant for Swiss Re
- Reinsurance/Insurance
- Financial Services/Asset Management
- Risk Management/Finance/Audit
- Human Resources/Compensation

External mandates
- Advisory Board Member of the Siemens Group Pension Fund
- Member of the Board of Trustees of the Georgia O'Keeffe Museum
- Board Member of the Georgia O'Keeffe Museum Innovations

Philip K. Ryan

Board member | non-executive and independent

Board committee memberships
- Audit Committee, member
- Risk Committee, member

Group internal Board mandate
- Swiss Re America Holding Corporation, chair

Professional experience
Philip K. Ryan held various positions with Credit Suisse from 1985 to 2008, including Chairman of the Financial Institutions Group, Chief Financial Officer of Credit Suisse Group Ltd, Chief Financial Officer of Credit Suisse Asset Management and Managing Director of CSFB Financial Institutions Group. He was Chief Financial Officer of the Power Corporation of Canada from 2008 to 2012. In that capacity, he was a director of IGM Financial Inc., Great-West Lifeco Inc. and several of their subsidiaries, including Putnam Investments.

Educational background
- MBA, Kelley School of Business, Indiana University, USA
- Bachelor's degree in Industrial and System Engineering, University of Illinois, USA

Key skills, expertise and experience most relevant for Swiss Re
- Reinsurance/Insurance
- Risk Management/Finance/Audit
- Sustainability/Corporate Governance
- Regional experience

External mandates
- Operating Partner at MKB Growth Equity
- Member of the Board of Visitors at Grainger College of Engineering, University of Illinois
- Member of the Advisory Board at the Smithsonian Tropical Research Institute

Pia Tischhauser

Board member | non-executive

Board committee membership
- Risk Committee, member

Group internal Board mandates
- Swiss Re Europe S.A., chair
- Swiss Re International SE, chair

Professional experience

Pia Tischhauser was a member of the global Executive Committee of Boston Consulting Group (BCG) from 2016 to 2021. She was also the global leader of BCG's insurance practice from 2015 to 2021, and from 2007 to 2015 led its global commercial insurance and reinsurance business. Prior to this, she was responsible for the development and buildout of BCG's insurance practice across Switzerland and the UK. In 2013, she became part of the European management team holding the function of People Chair in the region. Over the years, she also chaired the officer promotion committee as well as the partner remuneration and evaluation committees. Since joining BCG in 1998, she served clients across Europe, the US and Asia out of BCG's Zurich, Chicago and London offices. Currently, she serves on BCG's global Liquid Asset Investment Committee, is a Managing Director & Senior Partner and since 2023 also the Chief Alumni Officer of BCG globally. Before joining BCG, she worked as a programme assistant for the Rochester-Bern Executive MBA Program and in the Finance department of the University of Berne.

Educational background
- Graduate MBA scholar, Kellogg School of Management, USA
- Master's degree in Economics, University of Berne, Switzerland

Key skills, expertise and experience most relevant for Swiss Re
- Reinsurance/Insurance
- Financial Services/Asset Management
- Human Resources/Compensation
- Sustainability/Corporate Governance

External mandates
- Advisory Board member to the CAS Board of Director certification programme of the Universities of Rochester, USA, and Berne, Switzerland
- Executive Board member of the Institute of Management and Strategy at the University of St. Gallen, Switzerland
- Member of the Board of Trustees of Zurich Zoo, Switzerland

Sir Paul Tucker

Board member | non-executive and independent

Board committee membership
- Risk Committee, member

Professional experience

Sir Paul Tucker was the Deputy Governor of the Bank of England from 2009 to 2013. From 2016 to 2021, he was the chair of the Systemic Risk Council, the independent body of former top central bankers, government officials and financial experts dedicated to a stable financial system. Sir Paul Tucker held various senior roles at the Bank of England from 1980 onwards, including as a member of the Monetary Policy Committee, Financial Policy Committee, Prudential Regulatory Authority Board and Court of Directors. He also served as a member of the Steering Committee of the G20 Financial Stability Board and as a member of the Board of the Bank for International Settlements. In 2014, he was granted a knighthood for his services to central banking. Sir Paul Tucker is the author of Unelected Power: The Quest for Legitimacy in Central Banking and the Regulatory State (Princeton University Press, 2018) and Global Discord: Values and Power in a Fractured World Order (Princeton University Press, 2022).

Educational background
- BA in Mathematics and Philosophy, Trinity College, Cambridge, United Kingdom

Key skills, expertise and experience most relevant for Swiss Re
- Financial Services/Asset Management
- Risk Management/Finance/Audit
- Sustainability/Corporate Governance
- Regional experience

External mandates
- Research Fellow at the Harvard Kennedy School of Government
- Board member of the Financial Services Volunteers Corps
- Senior Fellow at the Harvard Center for European Studies
- Governor of the Ditchley Foundation
- President of the UK's National Institute of Economic and Social Research

Larry Zimpleman

Board member | non-executive and independent

Board committee memberships
- Audit Committee, member
- Risk Committee, member

Group internal Board mandate
- Swiss Re America Holding Corporation, member

Professional experience
Larry Zimpleman started his career in 1971 as actuarial intern at The Principal Financial Group, an investment management company that offers insurance solutions, asset management and retirement services to individual and institutional clients. From 1976 to 2006, he held various senior management and leadership positions at The Principal Financial Group. He became President and Chief Executive Officer in 2008 and Chairman in 2009. In August 2015, Larry Zimpleman retired as President and CEO. His membership in the Board of Directors ended in May 2016.

Educational background
- Bachelor of Science, Drake University, USA
- MBA, Drake University, USA
- Fellow of the Society of Actuaries, USA

Key skills, expertise and experience most relevant for Swiss Re
- Reinsurance/Insurance
- Financial Services/Asset Management
- Risk Management/Finance/Audit
- Chair/CEO experience

External mandates
- Member of the Board of Trustees of Drake University
- Member of the American Academy of Actuaries
- Member of the Society of Actuaries

Felix Horber

Group Company Secretary

Felix Horber, attorney-at-law, has been Group Company Secretary and Managing Director at Swiss Re since February 2007. He started his professional career at UBS where he was Head of Policy & Corporate Governance from 2005.

Felix Horber studied law at the University of Zurich, holds a PhD in Law and an Executive Master in European and International Business Law (E.M.B.L.-HSG). He is qualified as a Certified Director for Board Effectiveness (VR-CAS HSG), is a Lecturer in Law at the University of St. Gallen (HSG), Switzerland and is the Chair of the Board Secretary Chapter of the Swiss Institute of Directors. Since 1998, he has been serving as an additional judge at the Superior Court of the Canton of Zug.

Felix Horber was a member of the Admission Board of the SWX Swiss Exchange (now SIX Swiss Exchange) and currently represents Swiss Re at economiesuisse in the group of experts for corporate governance and corporate law. From 1986 to 1998, he was a member of the local parliament of Zug, presiding in 1997 and 1998.

External mandates
All Board members comply with Swiss Re's requirements related to external mandates.
For further details please refer to:

Articles of Association (Article 26)
www.swissre.com/articles

Bylaws (Article 21.4)
www.swissre.com/bylaws

Allocation of tasks within the Board of Directors

Chair of the Board of Directors

The Chair leads the Board of Directors, convenes the Board and committee meetings, establishes the agendas and presides over Board meetings. The Chair coordinates the work of the Board committees together with the respective chairs and ensures that the Board is informed about the committees' activities and findings. The Chair establishes and maintains close and constructive working relationships between the Board and the Group CEO and the other Group EC members. He or she does not participate in any form in Group EC meetings, discussions and/or the decision-making processes. Further, he or she presides over shareholders' meetings and represents the Swiss Re Group, besides the Group CEO, Group EC members and further key executives, towards its shareholders, in industry associations and in the interaction with other stakeholders such as the media and political and regulatory authorities, government officials and the public. At Swiss Re, the Chair role is not a full-time mandate, however, it requires a high level of availability, engagement and commitment. In accordance with the applicable legal requirements, the Chair is non-executive, he or she may not be a member of the Group Executive Committee.

Vice Chair of the Board of Directors

The Vice Chair deputises for the Chair if the Chair is prevented from performing his or her duties or in a conflict of interest situation. The Vice Chair may prepare and execute Board resolutions at the request of the Board and liaises between the Board and the Group EC in matters not reserved to the Chair.

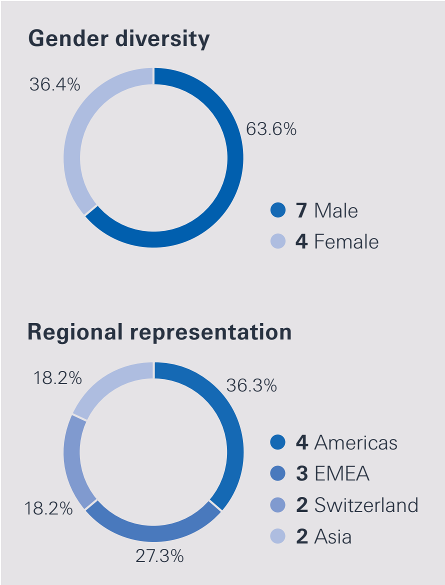
Lead Independent Director

The Vice Chair or another independent member of the Board of Directors assumes the role of the Lead Independent Director. He or she acts as an intermediary between the Swiss Re Group and its shareholders and stakeholders in the absence of the Chair or, in particular, if a senior independent member of the Board of Directors is required. He or she may convene and chair sessions of the Board where the Chair is not present. He or she communicates the outcome of these sessions to the Chair.

Board composition

Diversity

Diversity is a priority for the Board of Directors. A diverse composition is indispensable for the successful and efficient fulfilment of the Board's responsibilities. Diversity considerations with regards to, among others, gender, age, nationality, race, ethnicity and regional representation are a priority for the Board composition.



Independence

The Bylaws require that at least three-quarters of the Board members are independent. Swiss Re defines independence in line with legal requirements and best practice corporate governance standards. On that basis, the Board of Directors assesses its members' independence on an annual basis. The Vice Chairman (proposed for election as Chairman) and all other Board members, with the exception of Pia Tischhauser, meet Swiss Re's independence criteria. For further details please refer to the Bylaws (Article 3.2, available under the following link: www.swissre.com/bylaws). No Board member has ever held a management position within the Group or has or represents a company or organisation which has any significant business connections with Swiss Re, other than as disclosed in Note 18 to the Group financial statements on page 231 of this Financial Report.

The members of the Board of Directors are also subject to procedures to avoid any action, position or interest that conflicts with an interest of Swiss Re or gives the appearance of a conflict. For details on the procedures, please refer to the Bylaws (Article 21.2).

Election and term of office

The members of the Board of Directors, the Chair and the members of the Compensation Committee are elected annually and individually by the AGM for a term of office until completion of the next AGM. Swiss Re has a 12-year tenure limit in place for the Board mandate.

Nominations for AGM 2024

Chair of the Board of Directors

The Board of Directors proposes Jacques de Vaucleroy for election as non-executive and independent Chairman at the AGM 2024. Jacques de Vaucleroy has been a member of the Board of Directors since 2017. He chairs the Governance, Nomination and Sustainability Committee. Jacques de Vaucleroy was appointed Vice Chairman effective after the AGM 2023. He has been leading the Board in his capacity as Vice Chairman since the resignation of the previous Chairman, Sergio P. Ermotti, on 30 April 2023. Since then, Jacques de Vaucleroy has stepped down from most of his external mandates to be able to dedicate the time and commitment required for this role. He also stepped down from his internal mandates as Chairman of the Board of Directors of Swiss Re Europe S.A. and Swiss Re International SE. For Jacques de Vaucleroy's biography, please refer to page 79 of this report. Please also see Swiss Re's announcement of 12 July 2023 (https://www.swissre.com/media/press-release/pr-20230712-chairman-vaucleroy-press-release.html).

Board of Directors

The Board of Directors proposes all current Board members for re-election at the AGM 2024. Furthermore, the Board of Directors proposes the election of Geraldine Matchett as a new Board member. Geraldine Matchett was Co-Chief Executive Officer and Chief Financial Officer (CFO) at DSM-Firmenich Ltd (formerly Royal DSM N.V.) from 2020 to 2023, where she served as CFO from 2014 to 2020. Prior to that she was Global Chief Financial Officer and member of the Operations Council of the SGS Group in Switzerland. Geraldine Matchett is a Swiss, British and French citizen born in 1972. She holds a Master's degree in Sustainable Development from the University of Cambridge, United Kingdom, and a Bachelor's degree in Physical and Human Geography from the University of Reading, United Kingdom.

Compensation Committee

The Board of Directors proposes the re-election of all Compensation Committee members.

Board committees and their compositions up to AGM 2024

Governance, Nomination and Sustainability Committee	Audit Committee	Compensation Committee	Risk Committee
Jacques de Vaucleroy, chair	Karen Gavan, chair	Jay Ralph, chair	Joachim Oechslin, chair
Karen Gavan	Vanessa Lau	Karen Gavan	Jay Ralph
Joachim Oechslin	Deanna Ong	Deanna Ong	Philip K. Ryan
Joerg Reinhardt	Philip K. Ryan	Joerg Reinhardt	Pia Tischhauser
	Larry Zimpleman		Sir Paul Tucker
			Larry Zimpleman

Organisational principles
The Board of Directors constitutes itself after the AGM. It elects a Vice Chair and a Lead Independent Director among its independent members. Both roles can be filled by the same independent member. The Board of Directors also elects the chairpersons and members of the Board committees (other than the members of the Compensation Committee, who are elected by the AGM). It is the Governance, Nomination and Sustainability Committee which prepares these proposals. The Board of Directors appoints its secretary, who is also the secretary to the Board committees with the exception of the Compensation Committee. The Global Head Reward is the secretary of the Compensation Committee. In line with the Bylaws, the Board of Directors meets at the invitation of the Chair, as often as business requires but not fewer than six times a year. The tables on the next page provide an overview of the meetings of the Board of Directors and Board committees in 2023 and show the overall and individual meeting attendance of the Board members.

Board committees
The Board of Directors has delegated certain responsibilities to four Board committees. Depending on the responsibility, the Board committees have decision-making powers or act in an advisory capacity. The committees work on the basis of a charter, which forms part of the Bylaws. Each committee provides a report on its activities, proposals and recommendations following a committee meeting at the next meeting of the Board of Directors. If any significant topic emerges, the committees contact the Board of Directors immediately. It is the responsibility of each committee to keep the Board of Directors informed in a timely manner. Please refer to pages 88–89 for an overview of the Board committees' responsibilities, members and key focus areas in 2023.

Please refer to the Bylaws and the committee charters in the Bylaws for further information on the working methods of the Board and its committees, in particular with regards to convening meetings, invitations, resolutions and quorum as well as the allocation of responsibilities.

Allocation of tasks within the Board of Directors
www.swissre.com/boardlead

Board committees
www.swissre.com/boardcommittees

Bylaws
www.swissre.com/bylaws

Board of Directors compensation
Please refer to the Compensation Report beginning on page 104 of this Financial Report for information on compensation of and shareholding programmes for the members of the Board of Directors (including authorities and procedures for determining the same, pages 111–112) as well as for loans granted to them (page 117) and for provisions of the Articles of Association relating to these matters (page 111).

Board of Directors and Board committees meetings in 2023, overall meeting attendance

Meetings	Number of meetings	Average duration	Attendance	Invitees in advisory capacity[1], in addition to Board members
Board of Directors	14[2]	3½ hours	99.3%	Group EC members[3], Group Company Secretary
Governance, Nomination and Sustainability Committee	13[4]	1¼ hours	100%	Group CEO, Group CHRO & Head Corporate Services, Group Company Secretary
Audit Committee	12	2½ hours	100%	Group CEO, Group CFO, Group CLO, Group CRO, Group Chief Compliance Officer, Group Finance Director, Head Group Internal Audit, Chief Accounting Officer, lead auditors of external auditor, Group Company Secretary
Compensation Committee	6[5]	2½ hours	100%	Group CEO, Group CHRO & Head Corporate Services, Global Head Reward, advisors[6]
Risk Committee	4	5¾ hours	100%	Group CEO, Group CFO, Group CRO, Group CIO, CEO P&C Re, CEO L&H Re, CEO CorSo, CEO GCS, Group CLO, Group CDTO, Group Treasurer, CUO P&C Re, CUO L&H Re, CUO CorSo, CFO AM, Head Solvency & Financial Risk Management, Group Company Secretary
Finance and Risk Committee[7]	3	2¾ hours	100%	Group CEO, Group CFO, Group CRO, Group CIO, CEO P&C Re, CEO L&H Re, CEO CorSo, CEO GCS, Group CLO, Group CDTO, Group Treasurer, CUO P&C Re, CUO L&H Re, CUO CorSo, Group Company Secretary
Investment Committee[7]	2	3 hours	100%	Group CEO, Group CFO, Group CRO, Group CIO, Group Treasurer, CFO AM, Head Solvency & Financial Risk Management, Group Company Secretary

[1] Invitees are requested to attend selected meetings.
[2] In addition, five decisions by circular resolution.
[3] The Group EC members attend Board meetings, or parts thereof, as deemed appropriate by the Chair and the other Board members. The presence of the entire Group EC was required for four Board meetings in 2023, and selected Group EC members were invited to nine further Board meetings. The attendance rate of the Group EC members at Board and Board committees meetings was 97% in 2023 (the attendance rate represents the total actual attendance time of all members at all meetings, where their presence was required, in the year under review, 2023, in relation to the corresponding target attendance time).
[4] In addition, three decisions by circular resolution.
[5] In addition, five decisions by circular resolution.
[6] The firms Mercer and PricewaterhouseCoopers Ltd (PwC) and the law firm Niederer Kraft Frey Ltd (NKF) provided support and advice for compensation issues during the reporting year. A representative of PwC participated in all six committee meetings and a representative of Mercer in two committee meetings in 2023. NKF did not participate in the committee meetings. NKF, Mercer and PwC may have further mandates with Swiss Re.
[7] Prior to consolidation into Risk Committee.

Overall Board attendance 2023

99.6%

Individual Board and Board committees meeting attendance

Board member	Meeting attendance 2023*	
Jacques de Vaucleroy**	33/33	100%
Joerg Reinhardt	33/33	100%
Karen Gavan	41/41	100%
Vanessa Lau	18/18	100%
Joachim Oechslin	32/32	100%
Deanna Ong	32/32	100%
Jay Ralph	26/26	100%
Philip K. Ryan	33/33	100%
Pia Tischhauser	15/15	100%
Sir Paul Tucker	22/23	99.4%
Larry Zimpleman	32/33	97.8%
Sergio P. Ermotti***	9/10	93.8%
Renato Fassbind****	15/15	100%
Susan L. Wagner****	10/10	100%

* The attendance rate represents the total actual attendance time of an individual Board member at all Board meetings and at all Board committees meetings where he or she is a member, in the year under review, 2023, in relation to the corresponding target attendance time.
** In addition to participating at the meetings of the Board of Directors as well as of the Governance, Nomination and Sustainability Committee, Jacques de Vaucleroy attends the meetings of the Audit Committee, the Compensation Committee and the Risk Committee as a permanent guest.
*** Chairman and Board member up to 30 April 2023.
**** Board member up to AGM 2023.

Board committees

Governance, Nomination and Sustainability Committee

Members in 2023	Meeting attendance	
Jacques de Vaucleroy, chair*	13/13	100%
Sergio P. Ermotti**	4/4	100%
Renato Fassbind***	4/4	100%
Karen Gavan****	9/9	100%
Joachim Oechslin****	9/9	100%
Joerg Reinhardt	13/13	100%
Susan L. Wagner***	4/4	100%

* Jacques de Vaucleroy took over as chair from Sergio P. Ermotti after AGM 2023.
** Stepped down from the Board of Directors on 30 April 2023.
*** Board member up to AGM 2023.
**** Joined Governance, Nomination and Sustainability Committee after AGM 2023.

The Governance, Nomination and Sustainability Committee addresses corporate governance and sustainability matters affecting Swiss Re. It regularly monitors initiatives related to the Group Sustainability Strategy, oversees the Group's approach to sustainability topics and related principles and how they are embedded at all levels of the Group. The Governance, Nomination and Sustainability Committee assists the Board of Directors with the succession planning at both Board and Group EC level. It supports the Board of Directors in its overall responsibility to propose Board and Compensation Committee members for election or re-election by the shareholders at the AGM and to appoint both the Group CEO and Group EC members. Furthermore, the Governance, Nomination and Sustainability Committee oversees Swiss Re's talent management and corresponding initiatives as they relate to senior management.

Key focus areas 2023

- Prepared the nomination of a new Chair of the Board of Directors for election by the AGM 2024
- Reviewed Group EC succession planning and determined necessary steps
- Monitored the current business environment with regard to sustainability, was updated on the development of a Climate Transition Plan and on Sustainability Risk Management
- Established a definition of the sustainability expertise relevant for Swiss Re's Board and mapped its members accordingly
- Reviewed the allocation of sustainability-related responsibilities at the Board, Board committee, Group EC and lower management levels; added "Sustainability" to its committee name in September 2023 to underline the importance of its sustainability-related work

Audit Committee

Members in 2023	Meeting attendance	
Karen Gavan, chair*	12/12	100%
Renato Fassbind**	4/4	100%
Vanessa Lau***	8/8	100%
Deanna Ong	12/12	100%
Philip K. Ryan	12/12	100%
Larry Zimpleman	12/12	100%

* Karen Gavan took over as chair from Renato Fassbind after AGM 2023.
** Board member up to AGM 2023.
*** Joined Audit Committee after AGM 2023.

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities related to the integrity of Swiss Re's financial statements, sustainability reporting, compliance with legal and regulatory requirements, the external auditor's qualifications, independence and performance, as well as the performance of Group Internal Audit. The Audit Committee independently and objectively monitors Swiss Re's financial reporting process and system of internal control, and it facilitates ongoing communication between the external auditor, the Group EC, Group Internal Audit and the Board with regard to Swiss Re's financial situation.

Qualifications of Audit Committee members

All members of the Audit Committee are non-executive and independent. The following additional qualification requirements apply to Audit Committee members pursuant to internal regulations: each member has to be financially literate; at least one member must qualify as an Audit Committee financial expert, as determined by the Board of Directors; members of the Audit Committee are not allowed to serve on audit committees of more than four listed companies outside of Swiss Re; they must advise the Chair of the Board of Directors before accepting any further invitation to serve on an audit committee of another listed company outside Swiss Re and observe the limitations set in the Articles of Association in relation to external mandates.

Key focus areas 2023

- Change in reporting basis: oversaw status and progress as well as key deliverables of the IFRS transition project to ensure Swiss Re is ready to adopt IFRS as of 1 January 2024
- New regulations on non-financial reporting in Switzerland: oversaw the implementation of changes planned for the Sustainability Report to meet legal requirements becoming effective for 2023 annual reporting in Switzerland (Articles 964a-c of the Swiss Code of Obligations), including the envisaged approach for external assurance
- Joint Board committee sessions: conducted two joint sessions with the Risk Committee – one on the topic of reputational risk and the other on organisational risk

Compensation Committee

Members in 2023	Meeting attendance	
Jay Ralph, chair*	3/3	100%
Jacques de Vaucleroy**	4/4	100%
Renato Fassbind***	3/3	100%
Karen Gavan	6/6	100%
Deanna Ong	6/6	100%
Joerg Reinhardt	6/6	100%

* Joined Compensation Committee after AGM 2023 and took over as chair from Jacques de Vaucleroy on 12 July 2023.
** Former chair; stepped down from Compensation Committee on 12 July 2023.
*** Board member up to AGM 2023.

The Compensation Committee supports the Board of Directors in establishing and reviewing Swiss Re's compensation framework and guidelines and performance criteria as well as in preparing the proposals to the AGM regarding the compensation of the Board of Directors and of the Group EC. It proposes compensation principles for the Swiss Re Group in line with legal and regulatory requirements and the Articles of Association to the Board of Directors for approval. It determines within those approved principles, the establishment of new (and amendments to existing) compensation plans, and determines, or proposes, as appropriate, individual compensation as outlined in its charter. The Compensation Committee ensures that compensation plans do not encourage inappropriate risk-taking within the Swiss Re Group and that all aspects of compensation are fully compliant with applicable laws, rules and regulations.

Key focus areas 2023

- Compensation framework and compensation plan design:
  - Monitored the effectiveness of the Compensation Framework and its alignment with both shareholders' interests and long-term business strategy addressing i) gender pay equity; ii) performance differentiation; and iii) application of pay for performance principles at the business and individual level
  - Reviewed, assessed and agreed changes to the Key Performance Indicators (KPIs) and targets for running and new plan cycles due to the transition from US GAAP to IFRS with the intention to measure performance on a consistent basis, as validated by two external consultancy firms
  - Reinforced business and individual performance differentiation through API to closer align with Swiss Re's pay for performance culture
  - Monitored and assessed the impact of inflation on salary levels, considering the compensation review cycle and the design of compensation systems
- Compensation Report: implemented changes to reflect requirements under the revised Swiss corporate law in force since 1 January 2023
- Legal and regulatory developments: monitored legal and regulatory developments, including continued compliance with the Swiss corporate law and preparing for new regulatory requirements on pay transparency

Risk Committee

Members in 2023	Meeting attendance	
Joachim Oechslin, chair	4/4	100%
Jay Ralph	4/4	100%
Philip K. Ryan	4/4	100%
Pia Tischhauser	4/4	100%
Sir Paul Tucker	4/4	100%
Larry Zimpleman	4/4	100%

The Risk Committee (RC) assists the Board in ensuring the Group's risk management and control framework, risk appetite and risk-taking principles are adequate, aligned with the business strategy and properly applied. In this role, it reviews risk aspects related to underwriting activities, new products and strategic initiatives, and is responsible for overseeing the Group's capital allocation and funding activities. The RC also oversees asset management activities and as such endorses the Strategic Asset Allocation (SAA), reviews tactical asset allocation decisions and reviews the performance of all financial assets of the Group.

Key focus areas 2023

- Continued to closely monitor inflation risk across assets and liabilities
- Was regularly updated on the cyber threat landscape including rapidly advancing artificial intelligence (AI) technologies, and was kept informed of Swiss Re's cyber security and operational resilience activities
- Monitored macro-economic and financial market developments and oversaw the strategic asset allocation positioning, risk usage and investment performance
- Reviewed funding, capital and liquidity risks and related stress scenarios across the Group, and the impact of actual and possible financial or regulatory changes on existing frameworks and processes
- Monitored the impact of the reorganisation on the underwriting organisation and governance, and was updated on ongoing underwriting improvement initiatives (UW excellence)

Effective 28 June 2023, the Finance & Risk Committee and the Investment Committee were combined into one Risk Committee

Finance and Risk Committee

Members in 2023	Meeting attendance	
Joachim Oechslin, chair	3/3	100%
Jay Ralph	3/3	100%
Philip K. Ryan	3/3	100%
Pia Tischhauser*	1/1	100%
Sir Paul Tucker	3/3	100%
Larry Zimpleman	3/3	100%

*Joined Finance and Risk Committee after AGM 2023.

Investment Committee

Members in 2023	Meeting attendance	
Susan L. Wagner, chair	2/2	100%
Joachim Oechslin	2/2	100%
Jay Ralph	2/2	100%
Sir Paul Tucker	2/2	100%
Jacques de Vaucleroy	2/2	100%

Board member qualifications
The Board of Directors ensures that the necessary qualifications and skills are represented among its members to fulfil its oversight responsibility and enable sound and independent decision-making in line with the needs of the business. The Board aims to assemble a balance of managerial expertise and knowledge from different fields such as insurance and reinsurance, finance, accounting, capital markets, risk management, sustainability, digitalisation, legal, tax and regulatory as well as leadership and decision-making experience in a large, complex financial institution. Please refer to the table below for an overview on the representation of these skills in the Board. Board membership also demands significant commitment and availability. The selection of new Board members must additionally be guided by the principles of diversity, inclusion, transparency and the avoidance of conflicts of interest.

Succession planning
The Governance, Nomination and Sustainability Committee supports the Board of Directors with succession planning at both Board and Group EC level. It regularly reviews the qualifications and skills represented in the Board and aligns them with best practice developments, stakeholder demands and changing business needs. It submits recommendations to the Board of Directors, which decides on the selection criteria used to assess potential candidates for Board membership. The Governance,Nomination and Sustainability Committee initiates the evaluation of potential new Board members in a timely manner with the continued aim to ensure the Board members have the desired expertise and experience. Gender diversity is a top priority for the Board's succession planning. The Governance, Nomination and Sustainability Committee submits recommendations to the Board of Directors for new Board members and chairs. It is the Board which nominates candidates for chairing the Board and for Board membership for election and re-election by the AGM. The Board aims to ensure that it retains an adequate size and well-balanced composition.

Self-assessment
An open, transparent and critical board room culture forms the basis for the Board of Directors' annual review of its own performance and effectiveness. The Board of Directors annually evaluates its work and the performance of the Chair. The self-assessment includes a critical review of the Board's composition, organisation and processes, as well as the Board's responsibilities and duties. In addition, they evaluate if the goals for the year were achieved. The Board discusses these topics and defines take-aways which are incorporated into the goals for the following year, considered for the Board governance as well as for succession planning. Each Board committee also conducts an annual review of their work against their pre-set goals for the year.

Board members' training
The Board of Directors' key focus during this continuously challenging geopolitical and economic environment is keeping up with recent developments relevant for Swiss Re's businesses and managing the firm through significant challenges. Moreover, continued education remains an important priority for the BoD members. Educational sessions and topical deep dives form an integral part of the Board's agenda each year. In 2023, the Board members focused on learning more about the latest trends in technology, digitalisation, data and artificial intelligence; concluded a deep-dive on the transition to net-zero emissions; took part in a workshop with local management focusing on the businesses in the Asia-Pacific region and attended an IFRS 17 accounting framework session. In addition, the Risk Committee members were educated on the new investment process, focusing on the Long-term Strategic Asset Allocation & Reference Portfolio. Board members can also request individual educational sessions with key executives and experts on specific topics of interest and value at any time.

Board member onboarding
In 2023, the two newly appointed Board members underwent the established onboarding programme, which includes a set of training sessions and documents aimed at ensuring that incoming Board members have a comprehensive overview of the Group's organisation, businesses and environment.

Board skills, expertise and experience most relevant for Swiss Re
(number of Board members per skill)

Board of Directors and Group EC: separate responsibilities

The Board of Directors has non-delegable duties which rest with the entire Board. It decides, among other topics, on the strategy of Swiss Re and supervises compliance with applicable laws, rules and regulations. The Group EC is responsible for the management of Swiss Re Ltd and the Group as delegated by the Board of Directors. The Board of Directors supervises the Group EC. The Bylaws allocate specific responsibilities to each of the Board of Directors, the Board committees, the Group EC, the Group CEO and individual Group EC members.

For an overview of the key responsibilities of the Board of Directors and the Group EC, please refer to the Bylaws or the Swiss Re website.

Board responsibilities
www.swissre.com/boardresponsibilities

Management responsibilities
www.swissre.com/ecresponsibilities

Bylaws (Swiss Re Ltd)
www.swissre.com/bylaws

Information and control instruments towards the Group EC

The Board of Directors supervises the Group EC and monitors its performance through various reporting and controlling instruments. It keeps itself informed about the Group EC's activities in various ways.

The Group CEO, other members of the Group EC and additional executives provide regular reports to the Board of Directors and to the Board committees. Reported topics include business developments and transactions, claims, reserving, reserve movements, corporate developments, key projects, financial highlights from an accounting as well as from an economic perspective, liquidity, treasury activities, the Swiss Solvency Test (SST), the Own Risk and Solvency Assessment (ORSA), performance of Swiss Re and segments against pre-defined financial targets, analyses of the impact of management actions, challenges, risk, legal, compliance, internal audit, tax, regulatory developments, and outlooks for the insurance, reinsurance and financial markets.

The Group CEO attends Board and Board committee meetings as a management participant. Other Group EC members attend meetings upon invitation by the Chair. Additionally, the Chair of the Board of Directors meets regularly with the Group CEO and with other Group EC members and executives. The chairpersons of the Board committees meet regularly with Group EC members and additional executives regarding the responsibilities of the respective Board committee.

Please refer to page 87 for more information on Group EC and further executives' participation in Board and Board committee meetings.

The Group CEO and other Group EC members update the Chair and the Board of Directors about any extraordinary business development or event in a timely manner.

Risk Management

The Board of Directors keeps itself abreast of key risk themes and receives the following annual reports from Group Risk Management: the Swiss Solvency Test Report, the Swiss Re Liquidity Report, the SONAR Report on emerging risks, the Sustainability Report as well as the Own Risk and Solvency Assessment Report.

In addition, Group Risk Management provides the Risk Committee with regular risk updates from the Group CRO, semi-annual reports on derivative use, as well as annual reports on global regulatory risk. The Risk Committee also receives regular reports on financial risk management. These reports cover compliance with the Group's risk tolerance criteria, major changes in risk and capital adequacy measures and a description of the Group's main risk issues, including related risk management actions.

The Chair of the Risk Committee regularly reports on the above-mentioned topics to the entire Board of Directors.

For further information on Swiss Re's Risk Management, please see the Risk and capital management chapter on pages 44–69 of this Financial Report 2023 (for more information on risk management, see pages 53–58).

Group Internal Audit (GIA)

GIA strengthens the organisation's ability to create, protect and sustain value by providing the Board and management with independent, risk-based and objective assurance, advice, insight, and foresight. GIA performs audit activities designed to assess the adequacy and effectiveness of the Group's governance, risk management and control processes, and to add value by improving the Group's operations. GIA has a dedicated quality assurance team that performs quality reviews of all activities. GIA is regularly (at least every five years) reviewed by an external, independent party that provides its report directly to the chair of the Audit Committee.

GIA's audit products are tailored to the nature of the assurance goal and deliver timely and impactful messages to Management and the Audit Committee. GIA allocates their audit resources and develops their audit plan based on a comprehensive risk assessment which takes into account internal and external risk factors. GIA demonstrates independent and critical thinking and an agile mindset in delivering its work and continuously invests in its people, to build and maintain the skill level required to be impactful and forward-looking. Analytics play a critical role, be it in risk assessment, audit delivery or the management of the function.

The Head of GIA submits the GIA's risk-based Audit Plan for the upcoming quarter to the Audit Committee and relevant legal entity audit committees for approval on a quarterly basis. Significant deviations from the formally approved Audit Plan are communicated to the Audit Committee and relevant legal entity audit committees. The Head of GIA provides all written audit reports, identifying issues, root causes and management actions to the Audit Committee, relevant legal entity audit committees, senior management and Swiss Re's external auditor on a regular basis. GIA monitors and verifies that management actions have been effectively implemented and reports the outcome to the Audit Committee and relevant legal entity audit committees.

Executive Management

The Board of Directors has delegated the management of Swiss Re Ltd and the Swiss Re Group to the Group Executive Committee.

Members of the Group Executive Committee

The Group Executive Committee (Group EC) consisted of the following 11 members as of 31 December 2023:

Name	Nationality	Age	Function	Appointed to current role	Member of the Group EC since (if different from appointment to current role)
Christian Mumenthaler	Swiss	54	Group Chief Executive Officer	July 2016	January 2011
Urs Baertschi	Swiss, German	48	CEO P&C Reinsurance	April 2023	September 2019
Andreas Berger	German	57	CEO Corporate Solutions	March 2019	
John R. Dacey	American	63	Group Chief Financial Officer	April 2018	November 2012
Cathy Desquesses	French	51	Group Chief Human Resources Officer & Head Corporate Services	July 2021	
Hermann Geiger	German, Swiss	60	Group Chief Legal Officer	January 2009	July 2019
Pravina Ladva	British	53	Group Chief Digital & Technology Officer	January 2022	
Paul Murray	British	53	CEO L&H Reinsurance	April 2023	April 2022
Moses Ojeisekhoba	Nigerian, British	57	CEO Global Clients & Solutions	April 2023	March 2012
Velina Peneva	Bulgarian	46	Group Chief Investment Officer	April 2023	
Patrick Raaflaub	Swiss, Italian	58	Group Chief Risk Officer	September 2014	

The following Group EC members stepped down during 2023:

Name	Nationality	Age	Function	Appointed to latest role	Stepped down
Guido Fürer	Swiss	60	Group Chief Investment Officer	November 2012	31 March 2023
Jonathan Isherwood	British	57	CEO Reinsurance Americas/ Regional President Americas	April 2020*	30 September 2023
Thierry Léger	Swiss, French	57	Group Chief Underwriting Officer	September 2020	26 January 2023

* Appointment as Regional President Americas effective August 2020.

Biographies of former Group EC members
www.swissre.com/formergroupecmembers

Group EC responsibilities

The Board of Directors has delegated the management of Swiss Re Ltd and the Group to the Group EC under the leadership of the Group CEO. Such delegated management is within the responsibility of the entire Group EC. The Group EC discharges its responsibilities as a joint body, except for responsibilities delegated on the basis of applicable governance documents, including the Bylaws, to the Group CEO, other individual Group EC members, and any sub-committee or sub-group. The Group EC may further delegate responsibilities. For further details please refer to:

Bylaws (Articles 15, 16)
www.swissre.com/bylaws

Management responsibilities
www.swissre.com/ecresponsibilities

Group EC key focus areas 2023

- Reorganisation: Successful reorganisation completed without disruption in 2023, leading to significant reductions in managing director positions, a reduction in committee time at the executive level and cost savings.
- Underwriting quality: Continued focus on strong underwriting quality in the aftermath of hurricane Ian and continued challenges related to social inflation in US liability.
- Financial reporting: Ongoing preparations to adopt IFRS as reporting framework as of 1 January 2024, with key decisions for transition and future steering assessed and decided throughout the year.
- Geopolitical and macroeconomic challenges: Navigated the Group through an uncertain environment with continued political tensions as well as macroeconomic volatility.

Christian Mumenthaler

Group Chief Executive Officer

Professional experience
Christian Mumenthaler started his career in 1997 as an associate at Boston Consulting Group. He joined Swiss Re in 1999 and was responsible for key company projects. In 2002, he established and headed the Group Retro and Syndication unit. Christian Mumenthaler served as Group Chief Risk Officer between 2005 and 2007, and was Head of Life & Health between 2007 and 2010. In January 2011, he was appointed Chief Marketing Officer Reinsurance and member of the Group Executive Committee, and became Chief Executive Officer Reinsurance in October 2011. In July 2016, Christian Mumenthaler was appointed Group Chief Executive Officer. Effective 1 January 2023, he additionally assumed the role of Chairman of the Swiss Re Strategic Council.

Educational background
- PhD in Physics, Swiss Federal Institute of Technology (ETH), Zurich, Switzerland

External mandates
- Chairman of the Geneva Association
- Co-Chair of WEF Alliance of CEO Climate Leaders
- Board member of economiesuisse
- Member of the Pan-European Insurance Forum, the Global Reinsurance Forum, the Steering Committee of the Insurance Development Forum, Insurance Europe's Reinsurance Advisory Board, the Board of Trustees of the St. Gallen Foundation for International Studies and Avenir Suisse

Urs Baertschi

Chief Executive Officer P&C Reinsurance

Professional experience
Urs Baertschi began his career at Swiss Re Capital Partners and Securitas Capital in a variety of private equity and corporate development roles. In 2001, he joined Cutlass Capital, a private equity firm focused on the health care industry, where he was appointed a Principal in 2006. In 2008, Urs Baertschi rejoined Swiss Re as the Head of US Direct Private Equity and was appointed Head of Principal Investments and Acquisitions Americas in 2010. In this role, he was responsible for the financial and strategic direct investments as well as corporate development transactions in the Americas. In 2016, Urs Baertschi became the President of Reinsurance, Latin America, with overall responsibility for the business in the region. In September 2019, he assumed the role of Chief Executive Officer Reinsurance EMEA and Regional President EMEA, and became a member of the Group Executive Committee. Effective 1 January 2023, he additionally assumed the role of Swiss Re Country President Switzerland. Effective 3 April 2023, Urs Baertschi was appointed Chief Executive Officer P&C Reinsurance.

Educational background
- Bachelor's degree in Economics, University of Pennsylvania, USA
- Bachelor's degree in International Relations, University of Pennsylvania, USA

Andreas Berger

Chief Executive Officer Corporate Solutions

Professional experience

Andreas Berger started his insurance career in 1995 as a leadership trainee at Gerling Group, followed by various leadership positions at Boston Consulting Group. He returned to Gerling in 2004 as Head of Commercial Business and International Programs and Affinity Business. When Allianz Global Corporate & Specialty SE (AGCS) was created in 2006, Andreas Berger became its Global Head of Market Management & Communication, where he established an overall market management function for the corporate client segment and served as AGCS spokesperson. In 2009, he was appointed AGCS Chief Executive Officer, Regional Unit London, with responsibility for the UK, Ireland, South Africa, the Middle East and Benelux. In 2011, Andreas Berger joined the AGCS Board of Management as Chief Regions & Market Officer (Central & Eastern Europe, Mediterranean, Africa and Asia). In addition, he assumed responsibility for the Global Broker Channel Distribution for the Allianz Group. Andreas Berger joined Swiss Re in March 2019 as Chief Executive Officer Corporate Solutions and member of the Group Executive Committee.

Educational background

- Master's degree in Law, Justus Liebig University Giessen, Germany
- Master's degree in Business Administration, Université de Paris-Dauphine (IX), France/ Justus Liebig University Giessen, Germany

External mandates

- Chairman of the Executive Council of the International Insurance Society
- Board member of the Latin American Chamber of Commerce in Switzerland
- Board member of Advance, Gender Equality in Business

John R. Dacey

Group Chief Financial Officer

Professional experience

John R. Dacey started his career in 1986 at the Federal Reserve Bank of New York. From 1990 to 1998, he was a consultant and subsequently Partner at McKinsey & Company. He joined Winterthur Insurance in 1998 and was its Chief Financial Officer from 2000 to 2004, as well as a member of its Group Executive Board until 2007. From 2005 to 2007, he was Chief Strategy Officer and a member of its risk and investment committees. He joined AXA in 2007 as Group Regional Chief Executive Officer and Group Vice Chairman for Asia-Pacific, as well as a member of their Group Executive Committee. John R. Dacey joined Swiss Re in October 2012 and was appointed Group Chief Strategy Officer and member of the Group Executive Committee in November 2012. He also served as Chairman Admin Re® from November 2012 to May 2015. He was appointed Group Chief Financial Officer effective April 2018.

Educational background

- Bachelor's degree in Economics, Washington University, St. Louis, USA
- Master's degree in Public Policy, Harvard University, Cambridge, USA

External mandates

- Member of the Board of Directors China Pacific Insurance (Group) Co., Ltd.*
- Member of the Board of Directors FWD Group Holdings Ltd
- Member of the Board of Directors FWD Group Ltd
- Member of the Board of Directors FWD Ltd

* Listed company

Cathy Desquesses

Group Chief Human Resources Officer & Head Corporate Services

Professional experience

Cathy Desquesses started her career at General Electric in 1998, where she held various management roles across different business lines and countries. In 2010, she became the Global HR Leader for GE's Oil and Gas Industry unit in Florence, Italy. She then served from 2012 to 2014 as HR Operations Leader Europe at GE Corporate, also in Florence, Italy, from 2014 to 2016 as Global HR Leader for GE's Oil and Gas business sector in Boston MA, USA, and finally from 2016 to 2018 as Global HR Leader for GE Power in Baden, Switzerland. In 2018, she joined Sodexo in Paris, France, as Chief People Officer. Cathy Desquesses joined Swiss Re in June 2021, and was appointed Group Chief Human Resources Officer and member of the Group Executive Committee effective July 2021. Effective 1 January 2022, she also assumed responsibility for Corporate Services (comprising Group Communications and Corporate Real Estate & Services).

Educational background

- DESS Labour and Employment Law, Pantheon-Assas University, Paris, France
- Master's degree in Labour and Employment Law, Law School of Rennes, Rennes, France

External mandates

- Board member of the Swiss-American Chamber of Commerce

Hermann Geiger

Group Chief Legal Officer

Professional experience

Hermann Geiger started his professional career in 1990 as a law clerk and qualified attorney at law, working with various major law firms, specialising in financial services transactions and regulation, capital markets, corporate and litigation. In 1995, he joined GE Insurance Solutions where he served as General Counsel Europe & Asia in the insurance business of General Electric. Following the acquisition of GE Insurance Solutions by Swiss Re in 2006, Hermann Geiger joined Swiss Re as Regional General Counsel Europe. In 2009, he assumed the global position as Head Legal & Compliance and Group Chief Legal Officer. As of July 2019, Hermann Geiger was appointed member of the Group Executive Committee.

Educational background

- PhD in Law, University of Constance, Germany
- PhD in Economics and Political Sciences, University of the German Federal Armed Forces Munich, Germany
- LL.M. (Master of Laws), University of Birmingham, United Kingdom

External mandates

- Board member of the European General Counsel Association
- Advisory Board member of ARIAS Europe
- Member of the Swiss-American Chamber of Commerce's legal committee

Pravina Ladva

Group Chief Digital & Technology Officer

Professional experience
Pravina Ladva started her career at Abbey National/Santander, gaining experience in the financial technology sector, with responsibility for various areas from strategy to delivery and financial results. She joined Barclaycard in 2008 and held various roles including COO Digital Marketplace and CIO Barclaycard Business Solutions. During this time, she led B2B and B2B2C technology and change teams, as well as the build and launch of a digital marketplace platform in the UK. Pravina Ladva joined Swiss Re in 2017 as Chief Technology and Operations Officer for iptiQ, Swiss Re's digital white-label provider of property & casualty and life & health insurance, and in July 2020 assumed the role of Swiss Re Group Digital Transformation Officer. Pravina Ladva was appointed Group Chief Digital & Technology Officer and member of the Group Executive Committee as of January 2022.

Educational background
- Bachelor's Degree in History, Saint David's University College, Wales

External mandates
- Member of the Council of Essex University

Paul Murray

Chief Executive Officer L&H Reinsurance

Professional experience
Paul Murray began his career in 1994, progressing through various insurance industry roles in Scotland, South Africa and eventually London, where he worked for an actuarial consultancy. He joined Swiss Re in 2003 as a Marketing Actuary, and was appointed as Managing Director, Head of Life & Health Products, UK, Ireland & Africa in 2006. From 2010 to 2014, he held the position of Managing Director, Head of Life & Health Products, Asia, while based in Hong Kong. In 2014, he returned to London where he was Chief Pricing Officer and Head of the Life & Health Products Centre. Since 2018, he has been Global Head of Life & Health Products, responsible for supporting the transformation of insurance markets globally, and additionally leading the Swiss Re Sustainability initiative for Life & Health. Paul Murray was appointed Chief Executive Officer Reinsurance Asia and Regional President Asia, and member of the Group Executive Committee, as of April 2022. Effective 3 April 2023, he assumed the role of Chief Executive Officer L&H Reinsurance.

Educational background
- Master's degree with honours in Mathematics, Glasgow University, United Kingdom
- Post-graduate Diploma in Actuarial Science, Heriot Watt University, United Kingdom
- Fellow of the Faculty of Actuaries (FFA)

Moses Ojeisekhoba

Chief Executive Officer Global Clients & Solutions

Professional experience

Moses Ojeisekhoba started his career in insurance as a registered representative and agent of The Prudential Insurance Company of America in 1990. From 1992 to 1996, he was a Risk and Underwriting Manager at Unico American Corporation. He then joined the Chubb Group of Insurance Companies as regional Underwriting Manager and, in 1999, became Corporate Product Development Manager in New Jersey and thereafter moved to London as Strategic Marketing Manager for Chubb Europe. In 2002, he was appointed International Field Operations Officer for Chubb Personal Insurance before becoming Head Asia-Pacific in 2009, a position he remained in until he joined Swiss Re. Moses Ojeisekhoba joined Swiss Re in February 2012 and was appointed Chief Executive Officer Reinsurance Asia, Regional President Asia and member of the Group Executive Committee in March 2012. In July 2016, he was appointed Chief Executive Officer Reinsurance. Moses Ojeisekhoba assumed the role of Chief Executive Officer Global Clients & Solutions effective 3 April 2023.

Educational background

- Master's degree in Management, London Business School, United Kingdom
- Bachelor of Science in Statistics, University of Ibadan, Nigeria

External mandates

- Member of the Board of Directors of Jones Lang LaSalle Incorporated*

Velina Peneva

Group Chief Investment Officer

Professional experience

Velina Peneva commenced her career at Bain & Company in 1998 where she became Partner in 2011. During her tenure with Bain & Company, she worked with General Partners (fund managers) and Limited Partners (investors) supporting investment due diligence, supporting M&A processes, and advising on investment strategy and asset allocation topics. She was a leader in the private equity practice in Zurich, and in 2015 became a member of Bain & Company's global investment committee, which evaluates investment opportunities with leading private equity firms for Bain & Company's co-investment funds. Velina Peneva joined Swiss Re's Group Asset Management as Head Private Equity in June 2017 and developed and executed the investment strategy for the Private Equity portfolio. She subsequently became Co-Head Client Solutions & Analytics in 2019 and was responsible for implementing Asset Management's investment portfolio strategy across Business Units and legal entities, supporting the asset liability management and strategic asset allocation processes, and led and supported multiple strategic topics. Velina Peneva was appointed Group Chief Investment Officer and member of the Group Executive Committee in April 2023.

Educational background

- Bachelor's degree (magna cum laude) in Economics & Computer Science with a minor in Mathematics, Wellesley College, Wellesley, USA
- Master's degree in Business Administration, Harvard Business School, Boston, USA

External mandates

- Member of the Board of Directors of Familie Ernst Basler AG

* Listed company

Patrick Raaflaub

Group Chief Risk Officer

Professional experience
Patrick Raaflaub began his career as an economist at Credit Suisse. He then became a founding member of a consulting start-up and research fellow at the University of St. Gallen. He joined Swiss Re in 1994 and was appointed Chief Financial Officer of Swiss Re Italia SpA in 1997, and then became Divisional Controller Americas Division from 2000. He worked as Head of Finance Zurich from 2003, then Regional Chief Financial Officer Europe and Asia from 2005. From 2006, he was Head of Group Capital Management, where he was responsible for capital management at Group level and global regulatory affairs. In 2008, he joined the Swiss Financial Market Supervisory Authority FINMA as Chief Executive Officer. Patrick Raaflaub returned to Swiss Re as Group Chief Risk Officer and member of the Group Executive Committee in September 2014.

Educational background
- PhD in Political Science, University of St. Gallen, Switzerland

External mandates
- Member of the Management Board of CSS Verein
- Member of the Board of Directors CSS Holding AG (and subsidiaries)
- Vice Chair of the Managing Board Swiss Insurance Association (SIA)
- Member of the Chief Risk Officer Forum

Group EC compensation
Please refer to the Compensation Report beginning on page 104 of this Financial Report for information on compensation of and shareholding programmes for the members of the Group EC (including authorities and procedures for determining the same, pages 111–112) as well as for loans granted to them (page 125) and for provisions of the Articles of Association relating to these matters (page 111).

Management contracts
Swiss Re Ltd has not entered into any management contracts with any third parties.

External mandates
All Group EC members comply with Swiss Re's requirements related to external mandates. For further information please refer to:

Articles of Association (Article 26)
www.swissre.com/articles

Bylaws (Article 21.4)
www.swissre.com/bylaws

Shareholders' participation rights

Swiss Re will hold its 160th Annual General Meeting in Zurich on 12 April 2024.

Voting rights, restrictions
Swiss Re Ltd does not have any voting rights restrictions in place. There are limitations with regards to nominee registrations as set out on page 77.
One share entitles shareholders to one vote. However, shareholders are entitled to exercise their voting rights only for shares which have been registered in the share register no later than four working days before the shareholders' meeting.

Registration in the share register
To be registered, a shareholder generally must declare that he or she acquired the Swiss Re Ltd shares in his or her own name and for his or her own account (see page 77 for further details). Swiss Re Ltd's share register is an internal, non-public register which is subject to confidentiality and data privacy regulations.

Representation
Each shareholder registered with voting rights is allowed to participate at shareholders' meetings. If the shareholder does not wish to attend personally, he or she may have the shares represented at the shareholders' meetings by another person authorised in writing or by the Independent Proxy. The Independent Proxy is elected by the AGM for a term of office until completion of the following AGM. For the purpose of representation, the shareholder can issue voting instructions for each of the agenda items. The shareholder also has the option to give instructions electronically via the Nimbus ShApp platform. Such votes are also represented by the Independent Proxy.

Shareholders' meetings
Invitation
The Board of Directors convenes the shareholders' meetings through a notice published in the Swiss Official Gazette of Commerce at least 20 days before the date of the meeting. The notice states the day, time, mode and place of the shareholders' meetings, along with the agenda and proposals of the Board of Directors to be submitted to the shareholders' meeting as well as the name and address of the Independent Proxy. The ordinary shareholders' meeting (AGM) must take place within six months after the close of the financial year on 31 December. The Board of Directors convenes extraordinary shareholders' meetings, if necessary or if required by a shareholders' meeting resolution or by one or more shareholders with voting rights holding at least 5% of the share capital. Such request must be in writing, stating the agenda items and the proposals to be submitted to the extraordinary shareholders' meeting.

Participation by electronic means
The Board of Directors may provide that shareholders' meetings are held simultaneously at different locations, provided that the contributions of the participants are transmitted directly in video and audio to all venues and that shareholders who are not present at the venue or the venues of the shareholders' meeting may exercise their rights by electronic means. Alternatively, the Board of Directors may also provide that the shareholders' meeting will be held by electronic means without a venue.

Request to place an item on the agenda
Shareholders with voting rights holding at least 0.3% of the share capital may, no later than 45 days before the date of the shareholders' meeting, request in writing that a particular agenda item, together with the relevant proposals, is included in the agenda. The same modalities apply for shareholders to request that proposals on agenda items are included.

Statutory quorum
The shareholders' meetings can pass resolutions regardless of the number of shareholders present or shares represented by proxies. The resolutions require an absolute majority of the votes validly cast, excluding blank and invalid ballots, except where the law requires a higher threshold.

For further information on shareholders' participation rights, please refer to the Articles of Association (in particular Articles 8, 9a, 10 and 11).

Articles of Association
www.swissre.com/articles

Annual General Meeting 2024
The Annual General Meeting (AGM) 2024 will take place in the Hallenstadion, Zurich. Shareholders may attend in person. Please refer to the link below to view the AGM 2024 invitation as well as for further information.

AGM invitation
www.swissre.com/agm2024

Changes of control and defence measures

Swiss Re has no opting up or opting out provision in place.

Duty to make an offer
According to the Swiss Financial Market Infrastructure Act (FMIA), anyone who, directly or indirectly or acting in concert with third parties, acquires Swiss Re Ltd shares, which, added to the shares already owned, exceed the threshold of 33⅓% of the voting rights, whether exercisable or not, must make an offer to acquire all Swiss Re Ltd shares. A company may, in its articles of association, raise this threshold to up to 49% of the voting rights (opting up) or, under specific circumstances, disapply the duty to make an offer (opting out). Swiss Re Ltd has not introduced such provisions, so that the statutory threshold of 33⅓% applies.

Clauses on changes of control
The mandates and employment contracts of the members of the Board of Directors, the Group EC and further executive management members do not contain any provisions such as severance payments, notice periods of more than 12 months or additional pension fund contributions that would benefit them in a change of control situation.

Unvested deferred compensation may vest and employee participation plan rules may be amended upon a change of control. In such an event, the rights of members of the Board of Directors and the Group EC, as well as of further executive management members, are identical to those of all other employees. Further information on clauses on changes of control are provided in the Compensation Report on page 120.

External auditors

KPMG was re-elected at the AGM 2023.

Duration of the mandate and term of the lead auditors
Based on Swiss Re Ltd's Articles of Association, the shareholders annually elect the external auditor. At the AGM on 12 April 2023, the shareholders re-elected KPMG AG, Zurich, as the external auditor for Swiss Re Ltd and the Swiss Re Group, for a one-year term of office, for the financial year 2024. KPMG had initially been elected as Swiss Re's external auditor for the financial year 2021. KPMG fully meets the strict requirements of Swiss Re. The Audit Committee has received confirmation from KPMG that it complies with the relevant independence requirements to exercise the mandate as Swiss Re's external auditor.

Frank Pfaffenzeller and Eric Elman have served as KPMG's lead auditors since KPMG took office in 2021. In line with the Swiss Code of Obligations and to foster external auditor independence, each of the two lead auditors rotates out of his or her role after seven years.

Unlike in the European Union, there is no law in Switzerland that provides for a mandatory rotation of the external auditor after a certain number of years. The Audit Committee monitors the performance of KPMG on an annual basis as described on the next page.

Supervision of the external audit process
The external auditor is accountable to the Audit Committee, the Board of Directors and ultimately to the shareholders. The Board of Directors reviews the external auditor's professional qualifications. The Audit Committee assists the Board of Directors in its oversight. The Audit Committee liaises closely with the external auditor. The lead auditors participate as advisors at all Audit Committee meetings (for more information, see page 87). The Audit Committee reviews and approves all planned audit services and any non-audit services provided by the external auditor.

It discusses the results of annual audits with the external auditor, including reports on the financial statements, necessary changes to the audit plans and critical accounting policies. The external auditor shares with the Audit Committee its findings on the adequacy of the financial reporting process and the efficacy of the internal controls. It informs the Audit Committee about any differences of opinion between the external auditor and management encountered during the audits or in connection with the preparation of the financial statements.

Fees paid to the auditor

The fees (excluding value added tax) for professional services provided by KPMG in 2023 were as follows:

USD millions	2022	2023*
Audit fees	**27.5**	37.4
Non-audit fees	**6.4**	6.6
Audit-related assurance services	5.5	6.1
Services relating to corporate finance transactions	0.3	0.3
Tax-related services	0.1	0.0
Other non-audit services	0.5	0.2
Total fees	**33.9**	44.0

* In 2023, audit fees also included local IFRS audit activities. Audit-related assurance services primarily consisted of pre-audit work related to the Group IFRS implementation, activities in the context of Swiss Re's sustainability reporting programme and mandates required by its regulators. Services relating to corporate finance transactions contained arrangement and comfort letters for Swiss Re's debt issuance programme and other non-audit services comprised a variety of smaller-sized services across the Group.

Evaluation of the external auditor
In line with good corporate governance, the Audit Committee thoroughly evaluates the credentials of the external auditor annually based on the following key criteria: investment in the client relationship, quality of delivery, quality of the people and services, and focus on client value. The Audit Committee presents the findings of the evaluation to the Board of Directors. The Audit Committee's assessment of the external auditor is furthermore based on the external auditor's qualifications, independence and performance. The Audit Committee also evaluates the performance of the lead auditors annually.

If a new external auditor is to be proposed for election by the shareholders, it is the Audit Committee, which steers the selection process and recommends a firm to the Board to be nominated for election by the shareholders.

Quality control
The external auditor submits, at least once a year, a report to the Audit Committee describing its own quality control, including any material issues raised by its most recent internal reviews or inquiries or investigations by governmental or professional authorities within the preceding five years, as well as any steps taken to deal with any such issues.

Independence
At least once a year, the external auditor provides a formal written statement delineating all relationships with Swiss Re that might affect its independence. Any disclosed relationships or services that might interfere with the external auditor's objectivity and independence are reviewed by the Audit Committee, which then recommends appropriate action to be taken by the Board of Directors.

Performance
The performance assessment measures the external auditor's performance against a number of criteria, including understanding of Swiss Re's business; technical knowledge and expertise; comprehensiveness of the audit plans; quality of the working relationship with management and clarity of communication. It is compiled based on the input of key people involved in the financial reporting process and the observations of the Audit Committee members.

KPMG provided reports on selected topics at each of the Audit Committee meetings during the reporting year 2023. Please see the table below for further details.

Reporting of the external auditor to the Audit Committee in 2023

Date	KPMG reports	Topics covered
26 January	2022 Audit Update	Audit update including actuarial and other matters (including investments, tax and internal controls), IFRS update, 2022 Fee Reporting and updates to the 2022 Audit Plan
16 February	Preliminary 2022 Audit Results	Report on preliminary results of interim procedures, including actuarial and other matters and draft 2022 Swiss Re Ltd (SRL) and Swiss Reinsurance Company Ltd (SRZ) Group US GAAP and Swiss statutory Audit Reports
15 March	2022 Audit Results	2022 audit results, including actuarial and other matters, Swiss statutory audit results and IFRS update
11 April	Audit Update	Update on Audit Innovation and ESG
3 May	Q1 2023 Audit Report	Report on preliminary results of interim procedures, including actuarial and other matters, IFRS update and Q1 2023 Fee Reporting
3 August	Q2 2023 Audit Report KPMG audit plan and audit fees (2023)	Report on preliminary results of interim procedures, including actuarial and other matters, Q2 2023 Fee Reporting
27 September	Update on mandatory reporting on non-financial matters in Switzerland	KPMG's role in Swiss Re's Sustainability Reporting Program
2 November	Q3 2023 Audit Report	Report on preliminary results of interim procedures, including actuarial and other matters, IFRS update and Q3 2023 Fee Reporting
5 December	IFRS Update	KPMG's view on Group and local IFRS submissions

Information policy

Swiss Re provides regular, open and transparent information to its shareholders and further stakeholders.

Communications
Swiss Re maintains regular, open and consistent communication with its shareholders, the financial community and other stakeholders on financial and business performance, strategy and business activities through analyst and media conferences and calls, road shows, news releases and corporate reports. The Annual Report, Half-Year Report, and first-quarter and nine-month results are available on Swiss Re's website. Furthermore, Swiss Re's Sustainability Report, Financial Condition Report and the solvency reports for the regulated entities are available online. An annual letter to shareholders by the Chair of the Board of Directors and the Group Chief Executive Officer outlines Swiss Re's activities and highlights of its financial performance.

Anyone interested has the possibility to subscribe to the Media Relations mailing list to receive ad hoc disclosures and relevant corporate news via email or via the Swiss Re website. Contact details are provided on page 284. Swiss Re provides news and research, publications, videos and podcasts as well as discussion and analysis related to Swiss Re and the re/insurance industry.

The Swiss Official Gazette of Commerce *(Schweizerisches Handelsamtsblatt)* is the official medium for publications of Swiss Re Ltd prescribed by company law.

Investor Relations
Throughout the year, the Investor Relations team, often joined by executive management, holds meetings with institutional investors and analysts, including roadshows, conferences and calls. In 2023, many of these interactions were in-person meetings, while hybrid and virtual meetings continued to play an important role, providing extra flexibility and opportunities for engagement.

On 1 December 2023, Swiss Re held its Investors' Day. Group CEO, Christian Mumenthaler, provided an update on the Group Strategy and announced new financial targets for 2024. Group CFO, John R. Dacey, gave an update on the transition to IFRS in 2024, and Group CIO, Velina Peneva, presented an overview of Investments. P&C Reinsurance CEO Urs Baertschi, L&H CEO Paul Murray and Corporate Solutions CEO Andreas Berger gave a strategic update on their businesses. The event was attended by a wide range of external participants including portfolio managers and buy-side and sell-side analysts.

The Chair of the Board of Directors conducts an annual roadshow to visit and engage in an ongoing dialogue with Swiss Re's largest shareholders.

Close periods
Swiss Re strictly observes close periods in the context of the publication of the Group's financial results. Close periods commence 30 trading days before publication in the case of the quarterly key financial data and the half-year results. The close period in respect of the full year results commences on 1 January of each year. All close periods end on the trading day following the publication. During such close periods, the members of the Board of Directors and all Swiss Re employees are not allowed to trade Swiss Re shares or financial instruments related to such shares. No exceptions are made from these close periods.

2024 close periods

Annual results 2023
1 January – 19 February (9:00 CET)

First quarter 2024 results
2 April – 17 May (9:00 CET)

Half-year results 2024
26 June – 9 August (9:00 CET)

Nine months 2024 results
26 September – 8 November (9:00 CET)

Important dates in 2024

16	February	Annual results 2023
13	March	Publication of: Annual Report 2023 and 2023 EVM results, Sustainability Report 2023 as well as AGM 2024 invitation
12	April	160th Annual General Meeting
16	May	First quarter 2024 results
22	August	Half-year 2024 results
14	November	Nine months 2024 results

Swiss Re Group website
www.swissre.com

All reports and further documents
www.swissre.com/financialinformation

News releases
www.swissre.com/newsreleases

Ad hoc announcements
www.swissre.com/adhocannouncements

Media Relations mailing list
www.swissre.com/media/contacts

Presentations and conference call recordings
www.swissre.com/investors/presentations

Compensation Report

Swiss Re's compensation framework is designed to attract, motivate and retain top talent, promote sustainable performance and align stakeholder interests.

"We have a solid compensation framework that links pay to performance and is aligned with shareholder interest."

Jay Ralph
Chair Compensation Committee

Report from the Compensation Committee

Dear shareholders,
I am pleased to present the 2023 Compensation Report, which outlines key compensation outcomes and decisions taken by the Compensation Committee. During 2023, the Compensation Committee met six times and passed five decisions by circular resolution. In this letter, I will provide a summary of the key activities engaged in by the Compensation Committee.

Compensation framework
In recent years, the Compensation Committee has implemented various changes to the compensation framework to ensure pay for performance and alignment of interests. As the revised framework has proven fit for purpose, 2023 was a year of stability with no major changes.

Due to the transition from US GAAP to IFRS as of 1 January 2024, Key Performance Indicators (KPIs) and targets for in-flight and new plan cycles were reviewed, assessed and agreed. KPIs and targets that required replacement are expected to measure performance on a consistent basis. Please refer to page 129 for further details.

Board of Directors
Competitiveness of the Board of Directors' compensation was reviewed, resulting in a lower aggregate compensation for the members of the Board of Directors proposed for shareholders' approval at the Annual General Meeting (AGM) 2023 as well as at the AGM 2024. Please refer to page 116 for further details.

Group Executive Committee (Group EC)
During 2023, the number of Group EC roles decreased from 13 to 11 following the reorganisation of the Group. The responsibilities of the Group Chief Underwriting Officer and the tasks of the Regional Presidents were reallocated as these roles no longer exist in the new organisational structure. The fixed compensation and variable long-term compensation for 2023 granted to the new and existing members of the Group EC was within the budget approved by the shareholders at the AGM 2022. Please refer to page 123 for further details.

Compensation outcomes
Compensation decisions were made considering Swiss Re's overall performance in the reported year in which the Group met all compensation-related financial targets. This led to an increased Annual Performance Incentive (API) pool for the Group and the Group EC, including the Group CEO. The total API amount (including Deferred Share Plan/DSP) for 2023 for the Group EC (including the Group CEO) is proposed for shareholders' approval at the AGM 2024. The Compensation Committee considers this outcome as appropriately rewarding the contributions of the Group EC in leading Swiss Re through its recent reorganisation and achieving all compensation-related financial targets for the Group. The Group CEO's total compensation for 2023 increased solely as a result of a higher API amount (ie base salary and LSP grant remained at the same level compared with 2022), reflecting the Group's overall positive performance outcomes. Please refer to pages 120 and 127 for further details.

Further Compensation Committee activities
- Implement changes in this Compensation Report to reflect requirements under the revised Swiss corporate law applicable per 1 January 2023.
- Review the appropriateness and effectiveness of the compensation framework for all employee groups.
- Monitor and assess the impact of inflation on salary and total compensation levels.
- Focus on business and individual performance differentiation through the API to closer align with Swiss Re's pay-for-performance culture.
- Monitor pay equity together with market practices to ensure employees are treated fairly and review new regulatory requirements on pay transparency.

2023 Group business results and pay for performance

The compensation framework aims to promote sustainable performance and long-term shareholder value creation through key performance measures and equity-based compensation. For 2023, Swiss Re's commitment to pay for performance translated into the following outcomes:

- Overall performance: Compensation decisions were made considering Swiss Re's overall performance for the reporting year in which Swiss Re reported a US GAAP net income of USD 3.2 billion, above its target of USD 3.0 billion, a Return on Equity (ROE) of 22.3% and an Economic Net Worth (ENW) per share growth of 10.8% in line with the target of 10%. The Group's US GAAP and economic performance increased compared with 2022. The result was supported by improved underwriting margins, while higher interest rates drove an increase in investment income. Property & Casualty Reinsurance (P&C Re) reported a net income of USD 1.9 billion, primarily driven by a resilient underwriting performance and disciplined renewals. Strong margins and positive reserve developments in property and speciality lines helped offset reserve strengthening in the casualty business. In addition, the result was supported by a solid investment performance. Large natural catastrophe claims remained below the full-year budget. The reported P&C Re combined ratio was 94.8% for the full year, meeting the target of less than 95%. Life & Health Reinsurance (L&H Re) reported a net income of USD 976 million, above the targeted net income of USD 900 million. The underlying result benefitted from active in-force portfolio management and a strong investment result which offset elevated mortality claims in the US. The economic performance of L&H Re reflected additional unfavourable assumption updates and adverse experience. Corporate Solutions reported a net income of USD 678 million, reflecting a steadily improved portfolio resilience driven by disciplined underwriting and portfolio steering. With a combined ratio of 91.7% for the full year, Corporate Solutions outperformed its target of less than 94.0% for 2023.
- Annual bonus: Overall, 2023 was a successful year for Swiss Re, as the Group met all of its five KPIs relevant for the Group API pool. The Compensation Committee and the Board of Directors did not exercise any upward or downward discretion. The Group Business Performance Factor increased from 0.68 in 2022 to 1.10 for financial year 2023, which led to a corresponding increase of the Group API pool.
- Deferred compensation: The Value Alignment Incentive (VAI) 2020 (awarded 2021) performance factor for the Swiss Re Group was 93.8% based on the average 2021–2023 previous years' business performance. The main drivers of the previous years' business losses were COVID-19-related losses, natural catastrophe and man-made losses, as well as reserve increases relating to economic inflation, adverse assumption and experience updates in L&H Re. The previous years' business performance in 2022 additionally included updates to the internal pandemic risk model and inflation scenarios.
- Long-term incentive: Outcomes for the Leadership Share Plan (LSP) 2021 (vesting in March 2024) were below target for the three-year performance period, with a combined performance factor of 64.9%.

Shareholder engagement and Annual General Meeting (AGM)

The compensation framework and decisions received strong support from shareholders. At the AGM on 12 April 2023, shareholders approved all binding compensation-related motions and the 2022 Compensation Report was approved in a consultative vote.

Swiss Re engaged directly with shareholders and proxy advisors, such as during the annual Chairman's Roadshow. Swiss Re's compensation framework (including potential changes to the framework), compensation-related decisions and the compensation disclosure approach were discussed. Further details on shareholder engagement are provided in the Corporate Governance Report on page 103.

During recent engagements with proxy advisors, the revision of the KPIs and associated targets under the Group's incentive plans (as a result of changing the accounting standard effective 1 January 2024) was discussed and the details are presented in this Compensation Report.

The Compensation Committee is grateful for the insightful engagement and continues to proactively consider shareholders' and proxy advisors' expectations.

Consistent with last year and in line with Swiss Re Ltd's Articles of Association, shareholders will be asked to vote on the following motions at the AGM 2024:

- Maximum aggregate amount of compensation for the members of the Board of Directors for the term of office from the AGM 2024 to the AGM 2025.
- Maximum aggregate amount of fixed compensation and variable long-term compensation for the members of the Group EC for the financial year 2025.
- Aggregate amount of variable short-term compensation for the members of the Group EC for the financial year 2023.

Furthermore, the Compensation Report will be submitted to the shareholders for a consultative vote.

This Compensation Report complies with applicable laws, rules and regulations, including Articles 734a to 734f of the Swiss Code of Obligations.

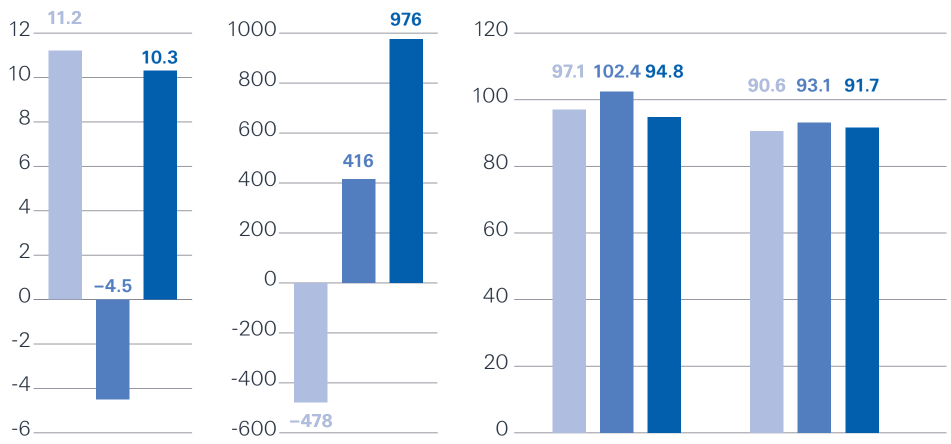
13 March 2024

Jay Ralph
Chair Compensation Committee

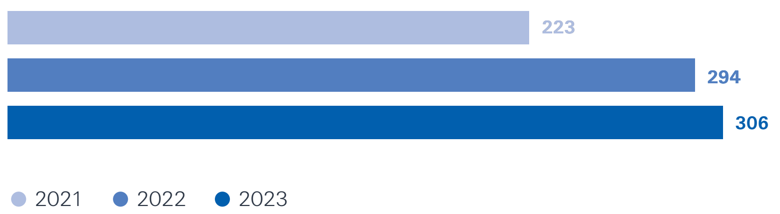
Financial performance highlights

2023 key financial drivers for variable compensation outcomes

Contribution to ENW (%) | **L&H net income (USD million)** | **Reported combined ratio P&C Reinsurance (%)** | **Reported combined ratio Corporate Solutions (%)**



Group SST ratio (%)



Attribution of group income to key stakeholders

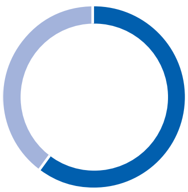
USD millions (unless otherwise stated)	2021	%	2022	%	**2023**	%
Income before tax and variable compensation	2 249	100.0%	962	100.0%	4 956	100.0%
Variable compensation	418	18.6%	319	33.2%	532	10.7%
Income tax expense	394	17.5%	171	17.8%	1210	24.4%
US GAAP net income attributable to shareholders	1437		472		3214	
of which paid out as dividend[1]	1 825	81.1%	1 850	192.3%	1 975	39.9%
of which added to retained earnings within shareholders' equity	−388	–	−1 378	–	1 239	25.0%

[1] The dividend is subject to the AGM approval and the amount depends on the final number of dividend eligible shares upon dividend payout.

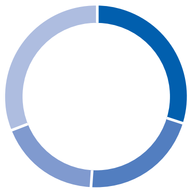
Board and executive compensation snapshot

Core compensation design elements for the Board of Directors and the Group EC

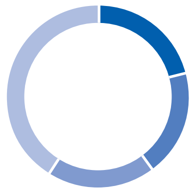
Board of Directors
Pay mix 2023



Group EC (excluding Group CEO)
Pay mix 2023



Group CEO
Pay mix 2023



Compensation design

- No variable or performance-related compensation.
- Compensation awarded 60% in cash and 40% in shares.
- Shares subject to a four-year blocking period.

Compensation design

- Strong pay for performance alignment.
- Balanced mix between short-, mid- and long-term incentives.
- Meaningful deferral levels for key executives: 50% of the short-term incentive is deferred for the Group CEO and 45% for other Group EC members.
- Forfeiture and clawback provisions incorporated in incentive plans.
- Stock ownership guidelines apply.
- Open-ended employment contracts; 12-month notice period.
- No severance clauses/"golden parachutes".
- Same pension arrangements as for other employees.

Group EC ratio of fixed to variable compensation

- The total variable compensation for individual members of the Group EC (including the Group CEO) who were active on the Group EC for the full year 2023 ranged from 135–329% of total fixed compensation. For 2022, the ratio ranged from 54–252%.

Say on pay and sustainability highlights

Say on pay votes at the AGM 2024

Maximum aggregate amount of compensation for the members of the Board of Directors for the term of office from the AGM 2024 to the AGM 2025.	**CHF 9.0 million** (AGM 2023: CHF 9.2 million) (AGM 2022: CHF 9.9 million)	The proposed maximum aggregate amount reflects the changes in the fee structure and composition of the Board of Directors and its committees.
Maximum aggregate amount of fixed compensation and variable long-term compensation for the members of the Group EC for the financial year 2025.	**CHF 29.0 million** (AGM 2023: CHF 33.0 million) (AGM 2022: CHF 36.5 million)	The decrease in the maximum aggregate amount reflects the changes in the composition of the Group EC with 11 expected members in 2025.
Aggregate amount of variable short-term compensation for the members of the Group EC for the financial year 2023.	**CHF 15.0 million** (AGM 2023: CHF 9.2 million) (AGM 2022: CHF 16.0 million)	The increase in the aggregate amount is primarily driven by better financial results for the Group for 2023 compared with 2022.

Spotlight: diversity, equity and inclusion is key to our compensation offering
Swiss Re is committed to ensuring equal pay for equal work regardless of gender, race, ethnicity, sexual orientation or other personal characteristics. Swiss Re has a non-discriminatory approach to determining compensation and benefits at all levels. Key pillars of the approach are:


Sound governance around compensation decision-making and approvals to ensure appropriate checks and balances.


Compensation ranges defined by job family or specialisation in the local market, which ensure that compensation for employees in the same country/location is set based on consistent benchmarks.


Annual review of individual salaries and target incentives to maintain internal pay equity and pay for performance.


Regular statistical analysis using best practice methodologies to identify and address potential risks of bias.

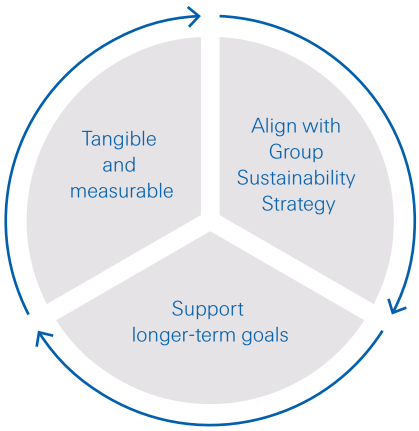
An inclusive and diverse workforce is critical to the success of the business. Pay equity reviews are conducted regularly to address any potential pay disparities when comparing pay for people in similar roles, in the same country, at the same hierarchical level and with similar years of experience. These reviews did not reveal systemic bias. During the most recent review conducted and communicated to employees in June 2023, the global adjusted pay gap between men and women stood at 1.4% on average (a reduction of 0.3% compared with the prior year).

Additionally, line managers have self-service dashboards available to analyse pay equity and compensation levels for their teams. These provide real-time insights at each stage of the employee lifecycle (hiring, promotion, change in role, etc) to address potential risks of bias in compensation setting.

More details on Swiss Re's initiatives fostering a diverse and inclusive culture are provided in the Sustainability Report available at www.swissre.com/sustainability.

Spotlight: strong link between compensation and performance criteria in the area of sustainability/environmental, social and governance (ESG)
Sustainability/ESG is one of the drivers for compensation outcomes as Swiss Re considers defined sustainability criteria for all Business Units/Group Functions within the annual bonus allocation. Unlike long-term variable compensation that applies only to selected participants, sustainability-related performance impacts compensation for all employees, including the Group EC, through the annual bonus. Additionally, some employees have sustainability/ESG criteria set at an individual level where this aligns to their role and responsibilities. Key considerations for defining the sustainability criteria are shown in the figure below.

Sustainability criteria in compensation



Compensation philosophy and governance

Guiding principles of Swiss Re's compensation framework
Swiss Re's compensation framework is designed to reflect the nature of its business by:
- Reinforcing a culture of sustainable performance with a focus on risk-adjusted financial results.
- Ensuring alignment of compensation to long-term business results and individual contribution, and recognising both what was achieved and how it was achieved.
- Attracting, motivating and retaining the talent the Group needs to succeed globally.
- Supporting Swiss Re's commitment to ensure equal pay for equal work regardless of gender, race, ethnicity, sexual orientation or other personal characteristics.
- Aligning the interests of employees with those of Swiss Re's shareholders and society at large.
- Fostering compliance, supporting appropriate and controlled risk-taking in line with Swiss Re's business and risk strategy, and avoiding conflicts of interest.

Swiss Re's total compensation is well balanced in terms of fixed versus variable compensation, and short-term versus long-term incentives. This encourages sustainable long-term performance and supports shareholder alignment. Complemented by pension plans and benefits, the total reward package is competitive in local labour markets.

Compensation Policy
Building on the overarching compensation principles included in Swiss Re Ltd's Articles of Association, the compensation framework is captured in the Swiss Re Group Compensation Policy (Compensation Policy). The Compensation Policy is implemented globally to the extent possible. Variations may apply at the regional, entity and Business Unit level to accommodate specific requirements, such as compliance with local regulations and talent management. The Compensation Policy governs the compensation structure and processes. It is reviewed at least every other year or upon material changes against FINMA requirements and further relevant regulations as appropriate.

Approval authorities
Authority for decisions related to compensation at the Board of Directors and Group EC level is governed by Swiss Re Ltd's Articles of Association, which include rules on:
- The annual and binding approval by the AGM of the maximum aggregate amounts of compensation of members of the Board of Directors and of the Group EC (Article 22).
- The supplementary amount for changes in the Group EC if the maximum aggregate amount of compensation approved by the AGM is not sufficient to also cover compensation of a new Group EC member (Article 23).
- The compensation principles for both the members of the Board of Directors and of the Group EC covering short-term and long-term elements, performance-related pay, payment in shares, financial instruments or units, compensation in kind or other types of benefits (Article 24).
- The agreements with members of the Board of Directors and the Group EC, external mandates and credits and loans (Articles 25 to 27).

Swiss Re Ltd's Articles of Association are complemented by stringent governance on compensation matters set out in the Bylaws of Swiss Re Ltd and in the Bylaws of Swiss Reinsurance Company Ltd, including the Charter of the Compensation Committee. Authority levels are summarised in the table overleaf.

The Board of Directors has approved an authority matrix that defines the limits to which each level of management can authorise compensation payments. The Group CEO, the Compensation Committee or the Board of Directors, as applicable, each approve compensation that exceeds the pre-set limits. The Group CEO is not involved in decision-making concerning his own compensation. The Board of Directors also establishes and periodically reviews Swiss Re's compensation framework (including guidelines and performance criteria) and prepares the compensation-related proposals to the AGM.

Further details can be found in the Corporate Governance Report on pages 87–89 and on Swiss Re's webpage at www.swissre.com/articles and www.swissre.com/bylaws.

Approval processes for key compensation decisions

	Group CEO	CC	BoD Chairman	BoD	AGM
Board compensation					
Maximum aggregate amount of compensation for the next term of office		P	P	A, P[1]	A
Compensation for the BoD Chairman		P		A[2]	
Individual compensation for the members of the BoD (excl. BoD Chairman)		P	E	A[2]	
Group EC compensation					
Maximum aggregate amount of fixed compensation and variable long-term compensation	P	E	E	A, P[1]	A
Aggregate amount of variable short-term compensation	P	E	E	A, P[1]	A
Compensation for the Group CEO		E	P	A[2]	
Individual compensation for the members of the Group EC (excl. Group CEO)	P	E		A[2]	
Variable short-term and long-term compensation pools for the Group	P	E		A	
Compensation and benefits principles for the Group and for the BoD		P		A	

P = Proposal; **E** = Endorsement; **A** = Approval
CC = Compensation Committee; BoD = Board of Directors; AGM = Annual General Meeting
[1] The AGM approves the maximum aggregate amount.
[2] Within the maximum aggregate amount of compensation approved by the AGM and, for Group EC members, within the additional amount available for changes in the Group EC after the AGM as per the Articles of Association (if applicable).

Compensation Committee

The Compensation Committee is governed by a charter approved by the Board of Directors, which defines its purpose, composition and procedural rules, including its responsibilities and authorities for making proposals and decisions related to compensation of the members of the Board of Directors and the Group EC. It operates as the Group's compensation committee and oversees the compensation framework applied at all entities of the Swiss Re Group. Until 12 July 2023, the Compensation Committee consisted of five independent members of the Board of Directors. Thereafter, the Compensation Committee comprised four independent members, as Jacques de Vaucleroy stepped down as chair and member of the Compensation Committee, following the proposal for his election as the new Chairman at the upcoming AGM in April 2024.

The Compensation Committee has an annual agenda to ensure that important reviews take place at the right times throughout the year, including the oversight of each stage of the compensation cycle. The Compensation Committee also commits time to executive sessions and conducts a periodic self-evaluation to preserve its high level of effectiveness. During 2023, the Compensation Committee held six meetings and provided updates to the Board of Directors on topics discussed, decisions made and items for approval after each of these meetings. In addition, the Compensation Committee passed five decisions by circular resolution.

The Chairman of the Board of Directors, the Group CEO and the Group Chief Human Resources Officer & Head Corporate Services participate in the Compensation Committee meetings. Other members of senior management may attend as deemed appropriate and upon invitation by the chair of the Compensation Committee. Management members do not attend when their own compensation is discussed. The Global Head Reward serves as the Secretary to the Compensation Committee and attends its meetings (excluding the executive sessions).

Further details on the Compensation Committee can be found in the Corporate Governance Report on pages 87–89 and on Swiss Re's webpage at www.swissre.com/bylaws, including the Charter of the Compensation Committee.

Overview of the main topics addressed during the reporting year

	Jan	Feb	Apr	Jun	Sep	Dec
Board compensation						
Board of Directors fees			●			
Benchmarking and compensation policy			●		●	
Group EC compensation						
Performance assessment and compensation proposals		●				
Benchmarking						●
Past performance cycle						
Performance assessment process, performance factors and variable compensation pool	●	●				
Review of decisions of prior compensation cycle			●	●		
Upcoming performance cycle						
Leadership Share Plan pool for upcoming year	●	●				
Performance targets for upcoming year	●	●			●	
Upcoming performance cycle discussion	●	●				●
Compensation framework and other topics						
Compensation framework and policies		●		●	●	●
AGM, investor and proxy advisor feedback				●		●
ESG-related discussions	●	●				●
Governance, compliance and regulatory matters (including Compensation Report and self-evaluation)	●	●	●	●	●	●

External advisors
The Compensation Committee works with PricewaterhouseCoopers Ltd (PwC) as an independent advisor to provide an external perspective. PwC advised on topics including remuneration trends, (executive) compensation, market intelligence and best practices, while also participating in the Compensation Committee meetings. In addition, Mercer delivered compensation benchmarking data and Niederer Kraft Frey Ltd gave legal advice, mainly about specific aspects of executive compensation and labour law, regulatory compliance, plan rules and disclosure matters. The advisors may also have other mandates with Swiss Re. The Compensation Committee reviews the external advisors' role and mandate on a regular basis.

Additional safeguards in governing compensation: Control Functions and key risk takers
Swiss Re bears risks in the course of its business activities, including market, credit and liquidity, underwriting, operational (including legal and compliance) and reputational risk. Group Risk Management, Compliance and Group Internal Audit annually perform an independent assessment of risk- and control-related behaviours of the Group and each of the Business Units/Group Functions, and of Swiss Re's Key Risk Takers individually. These reports are delivered to key executives including the Group Chief Risk Officer and the Group Chief Human Resources Officer & Head Corporate Services. The risk- and control-related behaviour assessment of Group and Business Units/Group Functions provides additional input to determine the Group Annual Performance Incentive (API) pool and its allocation to each Business Unit/ Group Function. The assessment results of each Key Risk Taker serve as additional input when considering individual performance and compensation outcomes.

To ensure meaningful assessments and the continued independence of Control Functions (defined as Group Risk Management, Compliance, Group Internal Audit and Appointed Actuaries), the aggregate API pool for each Control Function and individual compensation for the Head of the respective Control Function are approved at Board level.

Prohibition of personal hedging strategies
Any use of personal hedging strategies or remuneration and liability-related insurance that could undermine the risk alignment effects and economic exposure embedded in compensation arrangements is prohibited.

Non-applicability/ negative disclosure
It is expressly noted that any remuneration that is prohibited according to Article 735c of the Swiss Code of Obligations and that is not contained or not mentioned in this Compensation Report, is either non-applicable or its omission is to be considered as declaration that such remuneration is not provided to current and former members of the Board of Directors and the Group EC.

External mandates
In line with Article 734e of the Swiss Code of Obligations as applicable for the reporting year 2023, the external mandates per 31 December 2023 held in comparable functions at other entities with an economic purpose are disclosed for Board of Directors and Group EC members in office on 31 December 2023 (further information such as Curricula Vitae of the Board of Directors and Group EC members is provided in the Corporate Governance Report on pages 79–84 and 93–98, respectively).

Audited

Members of the Board of Directors	External mandates
Jacques de Vaucleroy, Vice Chairman, chair Governance, Nomination and Sustainability Committee	• Board member at Everex SA, Brussels/Belgium • General Manager at Achievience SRL, Brussels/Belgium and Board member at Achievience UK Limited, London/United Kingdom[1] • General Manager at Coserva SARL, Valenciennes/France • Advisory Board member at CVC Advisers (Benelux) SA/NV, Brussels/Belgium • Advisory Board member at Easyfairs International SA, Woluwe-Saint-Lambert/Belgium
Joerg Reinhardt, member, Lead Independent Director	• Chairman of the Board of Directors at Novartis AG, Basel/Switzerland ●; Novartis International AG, Basel/Switzerland; Novartis Finance Corporation, East Hanover, New Jersey/USA; Novartis Institutes for BioMedical Research, Inc., Cambridge, Massachusetts/USA; Novartis Pharma AG, Basel/Switzerland[1] • Chairman of the Board of Directors at Abadia Retuerta AG, Sardòn de Duero, Valladolid/Spain • Member of the European Advisory Panel at Temasek Holdings (Private) Ltd, Singapore/Singapore
Karen Gavan, member, chair Audit Committee	• Board member at Mackenzie Financial Corporation, Toronto/Canada • Board member, member of the Audit, Risk & Conduct Review Committee at HSBC Bank Canada, Vancouver/Canada
Vanessa Lau, member	• Group Chief Financial Officer[2] at Hong Kong Exchanges and Clearing Limited (HKEX) ● and Board member at HKEX (China) Limited; HKEX Hosting Services Limited; HKEX Information Services Limited; HKEX Information Services (China) Limited; HKEX International Limited; HKEX Investment (China) Limited; HKEX Investment (Hong Kong) Limited; HKEX Post Trade Services Limited; HKEX Property Limited; HKFE Clearing Corporation Limited; Hong Kong Futures Exchange Limited; Hong Kong Securities Clearing Company Limited; The SEHK Options Clearing House Limited; The Stock Exchange of Hong Kong Limited, Hong Kong/Special Administrative Region of the People's Republic of China; and at Gangsheng Technology Services (Shenzhen) Limited; HKEX (Shenzhen) Holding Company Limited, Shenzhen/China; and at HKEX Investment (UK) Limited, London/United Kingdom[1] • Chairwoman of the Supervisory Committee at BayConnect Technology Company Limited, Shenzhen/China • Member of the Supervisory Committee at Qianhai Mercantile Exchange Co., Ltd., Shenzhen/China
Joachim Oechslin, member, chair Risk Committee	• Senior Advisor at Credit Suisse AG[2], Chairman of the Board of Trustees of the Credit Suisse Pension Funds (Switzerland), Zurich/Switzerland
Deanna Ong, member	• Chief People Officer[2] at GIC Private Limited and Board member at GIC Asset Management Private Limited; GIC Real Estate Private Limited; GIC Special Investments Private Limited; GINVEST Private Limited; GIC (International) Private Limited; GIC (London) Private Limited; GIC Private Markets Pte. Ltd, Singapore/Singapore; and at GIC (New York) Inc., New York/USA[1]
Jay Ralph, member, chair Compensation Committee	• n/a
Philip K. Ryan, member	• Board member, member of the Audit Committee at Bird Global, Inc., Miami/USA • Advisor, chair of the Investment Committee at MacKinnon, Bennett & Company, Inc., Montreal/Canada • Advisory Board member at FTV Capital, San Francisco/USA • Advisory Board member at New York Green Bank, New York/USA
Pia Tischhauser, member	• Managing Director and Senior Partner, Chief Alumni Officer[2] at Boston Consulting Group AG (Switzerland), Zurich/Switzerland
Sir Paul Tucker, member	• n/a
Larry Zimpleman, member	• Member Board of Trustees at LKZ LLC, Cumming, Iowa/USA

● Listed company
[1] In line with Swiss Re Ltd's Articles of Association (Article 26 para 4), mandates in different legal entities that are under joint control are deemed one mandate.
[2] Main employment

Audited

Members of the Group EC	External mandates
Christian Mumenthaler, Group Chief Executive Officer	• n/a
Urs Baertschi, CEO Property & Casualty Reinsurance	• Managing Member at Ripcord Partners LLC, New Canaan, Connecticut/USA
Andreas Berger, CEO Corporate Solutions	• n/a
John R. Dacey, Group Chief Financial Officer	• Board member, member of the Nomination and Remuneration Committee at China Pacific Insurance (Group) Co., Ltd. (CPIC), Shanghai/China ● • Board member, chair of the Risk Committee and member of the Compensation Committee at FWD Group Holdings Ltd; FWD Group Ltd; FWD Ltd, George Town/Cayman Islands[1]
Cathy Desquesses, Group Chief Human Resources Officer & Head Corporate Services	• n/a
Hermann Geiger, Group Chief Legal Officer	• n/a
Pravina Ladva, Group Chief Digital & Technology Officer	• n/a
Paul Murray, CEO Life & Health Reinsurance	• n/a
Moses Ojeisekhoba, CEO Global Clients & Solutions	• Board member at Jones Lang LaSalle Incorporated, Chicago/USA ●
Velina Peneva, Group Chief Investment Officer	• Board member at Familie Ernst Basler AG, Zurich/Switzerland
Patrick Raaflaub, Group Chief Risk Officer	• Member of the Management Board at CSS Verein and Board member, chair of the Audit and Risk Committee at CSS Holding AG; CSS Kranken-Versicherung AG; CSS Versicherung AG, and Board member at SwissHealth Ventures AG, Lucerne/Switzerland[1]

● Listed company

[1] In line with Swiss Re Ltd's Articles of Association (Article 26 para 4), mandates in different legal entities that are under joint control are deemed one mandate.

Board compensation

Compensation framework for the Board of Directors
The objective of compensating members of the Board of Directors is to attract and retain experienced individuals who are highly motivated to perform a critical role in the strategic oversight of Swiss Re and to contribute their individual business experience and expertise.

The fee structure for the members of the Board of Directors takes into account their long-term contribution to Swiss Re's success and achieves strong alignment with shareholder interests:

Board members receive no variable or performance-based compensation.

Fees are delivered 60% in cash (three instalments) and 40% in shares (two instalments).

Shares are subject to a four-year blocking period.

Fee levels vary to reflect roles, responsibilities and time commitment, for instance due to committee memberships that differ in meeting frequency or duration. The fee level for each member of the Board of Directors is reviewed annually and benchmarked regularly by an external provider. Benchmarking is conducted against the same peer group used for the Group EC benchmarking (for further information on the peer group, please refer to page 120 of this Compensation Report) and against Swiss Market Index companies.

A minimum Swiss pension fund solution is provided to members of the Board of Directors who are not exempted from mandatory occupational benefit plans in Switzerland. This is offered by an established external provider and applies only to a limited number of individuals depending on their personal situation due to which local law imposes such a pension solution. Pension contributions are split equally between Swiss Re and the respective individual. Contributions made by Swiss Re are included in the maximum aggregate compensation of the Board of Directors proposed to the AGM for approval.

Changes to Board fees
As of the AGM 2023 held on 12 April 2023, the following fees were revised:
- the Chairman's fee was decreased from CHF 3.8 million to CHF 3.6 million;
- the Lead Independent Director's/Vice Chairman's fee was decreased from CHF 125 000 to CHF 50 000 for the period between the AGM 2023 and 30 April 2023;
- the Lead Independent Director's fee was set at CHF 50 000 for the period following 12 July 2023;
- the Audit Committee chair's fee was decreased from CHF 425 000 to CHF 300 000;
- the Investment Committee and the Finance and Risk Committee were dissolved and merged into the new Risk Committee, which covers the key activities of both previous committees. The resulting Risk Committee member's fee was set at CHF 75 000 (previously CHF 50 000 each for the Finance and Risk Committee and the Investment Committee member's fee).

Fees information relevant for AGM 2023–AGM 2024 term of office
Due to the changes in the composition of the Board of Directors during the term of office between AGM 2023–AGM 2024, the fees for some members of the Board of Directors were pro-rated or adjusted accordingly. All changes are summarised below and are contained in the disclosure tables on the following pages:
- Sergio P. Ermotti stepped down from the Board of Directors as of 30 April 2023 and his fee was pro-rated for the period between the AGM 2023 and 30 April 2023 on the basis of a 25% work degree.
- Jacques de Vaucleroy held mandates as Vice Chairman, Lead Independent Director, chair of the Compensation Committee and member of the Governance and Nomination Committee between the AGM 2023 and 11 July 2023. The underlying fees including the base fee were pro-rated for the period between the AGM 2023 and 30 April 2023. Effective 1 May 2023, Jacques de Vaucleroy led the Board of Directors in his capacity as Vice Chairman and his fees were replaced with an ad-interim monthly fee of CHF 250 000 to account for the increased responsibility and time commitment.

Board of Directors
Term of office: AGM 2023–AGM 2024

CHF millions

9.2
Maximum aggregate amount approved

7.5
Amount paid/granted

- Joerg Reinhardt became the Lead Independent Director effective 12 July 2023 with the underlying fee pro-rated for the period between 12 July 2023 and the AGM 2024.
- Jay Ralph became the chair of the Compensation Committee effective 12 July 2023 and his Compensation Committee member and chair fee were pro-rated for the respective periods.
- Pia Tischhauser waived all fees for the term of office between AGM 2023–AGM 2024 in line with the agreement between her and her current employer.

Subsidiary boards
The majority of the board members at subsidiary level are Swiss Re executives who do not receive any additional compensation for their services in these roles. When a member of the Board of Directors also serves on the board of a subsidiary, the maximum aggregate compensation of the Board of Directors proposed to the AGM for approval also includes such subsidiary board fees.

Say on pay
At the AGM 2023, shareholders approved a maximum aggregate amount of compensation of CHF 9.2 million for the members of the Board of Directors for the term of office from the AGM 2023 to the AGM 2024. The compensation paid to the 12 members of the Board of Directors, out of which 11 served a full term of office, from the AGM 2023 to the AGM 2024 was CHF 7.5 million and therefore within the approved amount.

Further details on the compensation for members of the Board of Directors are provided in the tables on the following page. Currency conversions are calculated using December 2023 year-to-date FX rates for 2023 and 2024 figures, and December 2022 year-to-date FX rates for 2022 figures, where relevant.

(1) Individual Board compensation for the term of office between AGM 2023 and AGM 2024 (in CHF thousands, approved by AGM)

Audited

Members of the Board of Directors	Base fees[1]	GNSC[2]	AC	CC	RC	LID	Subsidiary boards[3]	**Total[4]**
Sergio P. Ermotti, former Chairman, chair Governance and Nomination Committee[5,6]	44							44
Jacques de Vaucleroy, Vice Chairman, chair Governance, Nomination and Sustainability Committee[6]	2861	1		10		2	145	3020
Joerg Reinhardt, member, Lead Independent Director[6]	225	30		50		38		343
Karen Gavan, member, chair Audit Committee	225	30	300	50			126	731
Vanessa Lau, member	225		75					300
Joachim Oechslin, member, chair Risk Committee	225	30			300			555
Deanna Ong, member	225		75	50			197	547
Jay Ralph, member, chair Compensation Committee[6]	225			163	75			463
Philip K. Ryan, member	225		75		75		270	645
Pia Tischhauser, member[6]	0				0		0	0
Sir Paul Tucker, member	225				75			300
Larry Zimpleman, member	225		75		75		126	501
Total compensation for the term of office from AGM 2023 to AGM 2024[7]								**7464**

GNSC = Governance, Nomination and Sustainability Committee; AC = Audit Committee; CC = Compensation Committee; RC = Risk Committee; LID = Lead Independent Director

[1] Including Chairman fee, base fees for other Board members and ad-interim monthly fee as per footnote 6.
[2] Governance and Nomination Committee became Governance, Nomination and Sustainability Committee as of 1 October 2023. No separate fee is set for GNSC chair.
[3] Including subsidiary boards fees (converted at 2023 average exchange rates where applicable).
[4] Excluding company contributions to social security systems paid by Swiss Re in line with applicable laws. Total figures might contain rounding differences.
[5] Stepped down from the Board of Directors as of 30 April 2023.
[6] Refer to section "Fees information relevant for AGM 2023–AGM 2024 term of office" on page 116 for further information.
[7] Including an amount of approximately CHF 6 000 for minimal benefits and CHF 9 000 for employer pension contributions as mandatory under Swiss law.

(2) Individual Board compensation for the reported financial years 2022 and 2023 (in CHF thousands)

Audited

Members of the Board of Directors	Total 2022	Fees and allowances in cash	Fees in blocked shares	**Total 2023**
Sergio P. Ermotti, former Chairman, chair Governance and Nomination Committee[1,2]	3810	789	524	1313
Jacques de Vaucleroy, Vice Chairman, chair Governance, Nomination and Sustainability Committee[2,3]	706	1446	834	2280
Joerg Reinhardt, member, Lead Independent Director[2]	306	199	132	331
Renato Fassbind, former Vice Chairman, Lead Independent Director, chair Audit Committee[4]	846	171	114	285
Karen Gavan, member, chair Audit Committee[5]	484	438	208	646
Vanessa Lau, member[6]	n/a	121	80	201
Joachim Oechslin, member, chair Risk Committee	493	338	225	563
Deanna Ong, member[7]	459	388	140	528
Jay Ralph, member, chair Compensation Committee[2]	335	260	167	427
Philip K. Ryan, member[5]	720	490	147	637
Pia Tischhauser, member[2,6,8]	n/a	0	0	0
Sir Paul Tucker, member	325	185	123	308
Susan L. Wagner, former member, chair Investment Committee[4]	572	111	74	185
Larry Zimpleman, member[5]	484	346	147	493
Total compensation for the reported financial years[9]	9540	**5282**	**2915**	**8197**

[1] Stepped down from the Board of Directors as of 30 April 2023.
[2] Refer to section "Fees information relevant for AGM 2023–AGM 2024 term of office" on page 116 for further information.
[3] Includes fees received for duties on the Board of Luxembourg Group companies from 1 January 2023 until 30 December 2023 paid in arrears on a quarterly basis.
[4] Did not stand for re-election at the AGM of 12 April 2023.
[5] Includes fees received for duties on the Board of US Group companies.
[6] Elected to Swiss Re's Board of Directors at the AGM of 12 April 2023.
[7] Includes fees received for duties on the Board of Singapore Group companies.
[8] Includes fees received for duties on the Board of Luxembourg Group companies for 31 December 2023 that were waived by Pia Tischhauser in line with footnote 2.
[9] Total figures might contain rounding differences. Compensation for the members of the Board of Directors includes fixed fees (cash and shares), minimal allowances and benefits. Also included are employer pension contributions as mandatory under Swiss law (CHF 11 611 in 2023 compared with CHF 18 019 in 2022). No sign-on or severance payments have been made. Amounts are gross and include social security contributions of the Board member. Additionally and not included are company contributions to social security systems paid by Swiss Re in line with applicable laws (CHF 286 121 in 2023 compared with CHF 433 574 in 2022). For Board members domiciled outside of Switzerland, company social security contributions are refunded if bilateral social security agreements between Switzerland and the country of domicile apply and provide for such a refund.

No loans or credits were granted to current or former members of the Board of Directors or their related parties in 2023 and no loans or credits were outstanding as of 31 December 2023. During 2023, no compensation related to any individual's former activity as a member of the Board of Directors was paid to such individual who resigned from the Board of Directors prior to the reporting year 2023. Any payments to former members of the Board of Directors during 2022 were disclosed in the 2022 Compensation Report. Disclosure on compensation in 2023 covers members of the Board of Directors and includes related parties to the extent applicable (spouses, partners, children and other dependents or closely linked persons). In 2023, no compensation was paid to any related party.

Share-based compensation of the members of the Board of Directors

Audited

Members of the Board of Directors	2022 Fees in blocked shares[1] (CHF thousands)	2022 Number of shares[2]	**2023 Fees in blocked shares[1] (CHF thousands)**	**2023 Number of shares[2]**
Sergio P. Ermotti, former Chairman, chair Governance and Nomination Committee[3,4]	1 520	18 197	524	6 377
Jacques de Vaucleroy, Vice Chairman, chair Governance, Nomination and Sustainability Committee[4]	202	2 419	834	9 569
Joerg Reinhardt, member, Lead Independent Director[4]	122	1 461	132	1 539
Renato Fassbind, former Vice Chairman, Lead Independent Director, chair Audit Committee[5]	338	4 048	114	1 389
Karen Gavan, member, chair Audit Committee	140	1 676	208	2 411
Vanessa Lau, member[6]	n/a	n/a	80	914
Joachim Oechslin, member, chair Risk Committee	197	2 369	225	2 624
Deanna Ong, member	133	1 599	140	1 635
Jay Ralph, member, chair Compensation Committee[4]	130	1 557	167	1 938
Philip K. Ryan, member	173	2 061	147	1 711
Pia Tischhauser, member[4,6]	n/a	n/a	0	0
Sir Paul Tucker, member	130	1 557	123	1 442
Susan L. Wagner, former member, chair Investment Committee[5]	229	2 735	74	902
Larry Zimpleman, member	140	1 676	147	1 711
Total[7]	3 454	41 355	**2 915**	**34 162**

[1] Represents the portion (40%) of the total fees for the members of the Board of Directors that is delivered in Swiss Re Ltd shares, with a four-year blocking period.
[2] The number of shares is calculated by dividing the portion (40%) of the total fees with the average closing price of the shares on the SIX Swiss Exchange during the ten trading days preceding the AGM less the amount of any dividend resolved by such AGM.
[3] Stepped down from the Board of Directors as of 30 April 2023.
[4] Refer to section "Fees information relevant for AGM 2023–AGM 2024 term of office" on page 116 for further information.
[5] Did not stand for re-election at the AGM of 12 April 2023.
[6] Elected to Swiss Re's Board of Directors at the AGM of 12 April 2023.
[7] Total figures might contain rounding differences.

Vested options

For the years ended 31 December 2022 and 2023, the members of the Board of Directors did not hold any vested options granted or allocated by Swiss Re.

Shares held by members of the Board of Directors

The following table reflects Swiss Re share ownership by members of the Board of Directors as of 31 December:

Audited

Members of the Board of Directors	**2022**	**2023**
Sergio P. Ermotti, former Chairman, chair Governance and Nomination Committee[1,2]	31 203	n/a
Jacques de Vaucleroy, Vice Chairman, chair Governance, Nomination and Sustainability Committee[2]	12 465	22 034
Joerg Reinhardt, member, Lead Independent Director[2]	30 292	31 831
Renato Fassbind, former Vice Chairman, Lead Independent Director, chair Audit Committee[3]	43 703	n/a
Karen Gavan, member, chair Audit Committee[4]	8 020	10 431
Vanessa Lau, member[5]	n/a	914
Joachim Oechslin, member, chair Risk Committee	5 264	7 888
Deanna Ong, member	4 271	5 906
Jay Ralph, member, chair Compensation Committee[2]	8 139	10 077
Philip K. Ryan, member	23 944	25 655
Pia Tischhauser, member[2,5]	n/a	0
Sir Paul Tucker, member	10 314	11 756
Susan L. Wagner, former member, chair Investment Committee[3]	22 897	n/a
Larry Zimpleman, member	7 178	8 889
Total	207 690	**135 381**

[1] Stepped down from the Board of Directors as of 30 April 2023 and held at that time 37 580 shares (including the shares allocated by Swiss Re to him for the period 1 January 2023 until 30 April 2023).
[2] Refer to section "Fees information relevant for AGM 2023–AGM 2024 term of office" on page 116 for further information.
[3] Did not stand for re-election at the AGM of 12 April 2023.
[4] Shareholdings include 2 500 American Depository Receipts, equivalent to 625 shares.
[5] Elected to Swiss Re's Board of Directors at the AGM of 12 April 2023.

Group EC compensation

Compensation framework for the Group EC

The objective of compensating members of the Group EC is to attract, motivate and retain individuals who are highly capable of driving Swiss Re's success and shareholder value creation. Their compensation follows the same philosophy as the Swiss Re compensation framework for all employees, enabling success by:

Ensuring pay for performance by aligning compensation to risk-adjusted long-term business results.

Having well-balanced fixed, short-term variable and long-term variable compensation elements.

Stock ownership guidelines exposing part of Group EC members' personal wealth to similar risks as borne by shareholders.

The key compensation elements are outlined in the table below.

	Annual base salary and benefits	Annual Performance Incentive (API)	Deferred Share Plan (DSP)	Leadership Share Plan (LSP)
Purpose	Attract and retain	Incentivise annual business and individual performance	Encourage sustainable performance	Align with shareholders, incentivise long-term value creation
Mechanism	Cash salary and market-practice benefits	Cash payment	Deferral of a portion of API settled in share units	Annual award[1] of Performance Share Units (PSUs), settled in shares after vesting period
Performance measures	Role, responsibilities, individual experience and skill set	Business and individual targets	No performance conditions	Return on (adjusted) Equity and relative Total Shareholder Return
Threshold and maximum opportunity	Fixed	0–200% of target, capped at three times annual base salary	100% of share units granted	0–150% of PSUs
Performance period	1 year	1 year	3 years	5 years (3-year vesting period and 2-year holding period)

[1] The individual grant level for each Group EC member is based on the scope and market value of the role. The amount is capped at two times annual base salary for the Group CEO and 1.5 times annual base salary for other Group EC members.

Group EC members' performance drives the allocation of the above-mentioned variable compensation elements as set out on page 121 for the Group CEO and on page 124 for the Group EC. The ratio of fixed to variable compensation is provided on page 109. Further details on the globally implemented compensation framework are provided in the section Group compensation framework, 2023 outcomes and 2024 changes.

Stock ownership guidelines

To ensure long-term alignment with shareholder interests, key executives are required to hold Swiss Re stock. The stock ownership guidelines define the following target ownership levels by role:

- Group CEO: five times annual base salary.
- Other Group EC members: two times annual base salary.
- Other key senior executives: one time annual base salary.

The target has to be achieved within five years. All vested shares that are owned directly or indirectly by the relevant individual and related parties as well as share units not subject to performance conditions granted to the relevant individual count towards the requirements under the stock ownership guidelines. Compliance is reviewed on an annual basis and the findings are reported to the Compensation Committee, which decides on appropriate actions as needed. During the 2023 assessment, all Group EC members fulfilled the applicable stock ownership guidelines.

As Swiss Re believes that a meaningful stock ownership position is essential for alignment with the interests of shareholders, restrictions on cash payouts may apply in case of non-compliance.

Benchmarking
An annual review of the compensation of the Group EC relative to a group of reference companies (ie peer group) is conducted to ensure that market competitiveness is maintained. This peer group is regularly reviewed by the Compensation Committee to ensure its relevance. The 2023 peer group consists of the following globally active primary insurance and reinsurance firms: Allianz SE, American International Group Inc, Aviva PLC, AXA SA, Chubb Limited, Everest Re Group, Hannover Rueck SE, Manulife Financial Corporation, Muenchener Rueckversicherungs-Gesellschaft AG, Reinsurance Group of America Inc, Renaissance Re Holding Ltd, SCOR SE and Zurich Insurance Group Ltd.

Employment conditions and clauses on changes of control
The Group EC members, including the Group CEO, have open-ended employment agreements with notice periods of 12 months for termination by either the company or the individual. Their employment agreements comply with the Swiss Code of Obligations. They do not contain severance clauses, any special provisions on the cancellation of contractual arrangements, agreements concerning special notice periods, waivers of lock-up periods for options, shorter vesting periods, additional contributions to pension funds or any other provisions protecting against changes of control ("golden parachutes").

Group EC members are covered by the Group's standard defined contribution pension plans. Information on the mandates of the Board of Directors and the employment contracts of the executive management is provided in the Corporate Governance Report on page 100.

In the event of a change of control, the rights of members of the Group EC are identical to those of all other employees as governed by VAI, DSP and LSP plan rules. Specifically, the Board of Directors may decide at its discretion on the continuation, acceleration, amendment or removal of any vesting, blocking or exercise conditions for the payment or grant of deferred compensation. It may also decide to replace any DSP or LSP award with shares of the entity assuming control. In addition, it may apply any other measure which it considers equitable and reasonable, provided this does not constitute impermissible compensation pursuant to the Swiss Code of Obligations. Should the Board of Directors decide to accelerate vesting, performance factors will generally be based on the latest performance estimates available. Information on the quantitative impact of vested shares is provided in the Corporate Governance Report on page 77.

Compensation for the highest-paid member of the Group EC
The table below shows the compensation paid to Christian Mumenthaler, Group CEO. Further details on the Group CEO's performance assessment and compensation outcomes are provided in the Group CEO scorecard on the next page.

Audited

CHF thousands	2022	**2023**
Base salary	1 500	1 500
Allowances[1]	34	34
Funding of pension benefits[2]	223	228
Total fixed compensation	1 757	**1 762**
Cash Annual Performance Incentive[3]	713	1 400
Deferred Share Plan[3]	713	1 400
Leadership Share Plan[4]	3 000	3 000
Total variable compensation	4 426	**5 800**
Total compensation[5]	6 183	**7 562**

[1] Benefits or allowances paid in cash. Includes healthcare and accident insurance benefits, lump sum expenses, transportation, and child and similar allowances.
[2] Swiss Re's Pension Fund amended its regulations with effect from 1 January 2019, including some adjustments to the benefits provided to insureds in Switzerland. In consideration of those amendments (which apply to the Group CEO and Group EC members insured in Switzerland as well as all other employees insured in Switzerland), the figures disclosed for 2022 and 2023 include higher employer pension contributions and contributions to mitigate the effects of lower conversion rates.
[3] For 2023, subject to shareholder approval at the AGM 2024. For 2022, as part of the aggregate amount of short-term variable compensation approved by the shareholders at the AGM 2023.
[4] Disclosure reflects all awards for a reporting year, ie the 2023 value reflects the allocation value of LSP awards granted in April 2023 and the 2022 value reflects the allocation value of LSP awards granted in April 2022. Any awards granted during the respective year and then forfeited at a later point in that same year are not included.
[5] Amounts are gross before deduction of employee social security contributions. Additionally and not included are company contributions to social security systems paid by Swiss Re in line with applicable laws, which amounted to CHF 230 744 in 2023 and CHF 265 886 in 2022.

Group CEO performance assessment and compensation

Performance assessment process

The Board of Directors sets the Group CEO's discretionary API against financial and qualitative KPIs, which are set at the beginning of the financial year. KPIs are designed to support the long-term business strategy and drive sustainable performance across the Swiss Re Group. The Group CEO's API is capped at two times Target API and additionally at three times annual base salary.

Financial performance (weighted 70%)

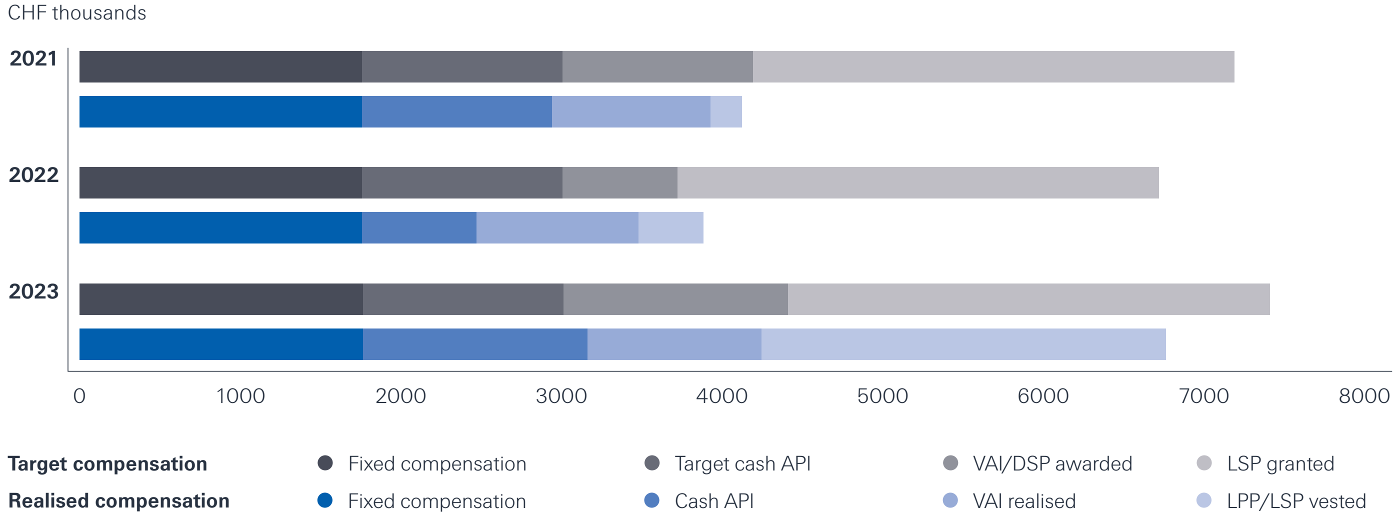
2023 KPIs	Target/ guidance	Threshold	Maximum	Achieved	Weight	Achievement in %
Net income	3.0bn	1.0	5.0	**3.2bn**	35%	111%
ENW growth per share	10%	0.0%	20.0%	**10.8%**	20%	108%
Net income L&H Reinsurance	900m	600m	1 350m	**976m**	15%	100%
Reported combined ratio P&C Reinsurance	<95%	100.0%	90.0%	**94.8%**	15%	104%
Reported combined ratio Corporate Solutions	<94%	99.0%	89.0%	**91.7%**	15%	146%
Financial performance achievement	**112.8%** (minimum 0%, maximum 200%)					

Qualitative performance (weighted 30%)

2023 KPIs	Assessment and key highlights
Strategic priorities (15% weight) **100%**	In 2023, the Group CEO was instrumental in the preparation and successful implementation of the new organisational structure, which came into effect in April and was completed without disruptions to client relationships or operations. These changes resulted in a significant simplification and delayering of the organisation, bringing us closer to clients to serve them better. This was also supported by the Group CEO's unabated client centricity, which was again reflected in the very strong scores received in independent client surveys. At the same time, the focus on underwriting discipline and profitable growth has been re-emphasised through the reorganisation, reflected in the P&C renewals during the year and the overall financial results. The Group CEO also oversaw the smooth transition to the new Chief Investment Officer. Furthermore, he exercised diligent cost discipline in an inflationary environment. iptiQ continued to grow its business in 2023, increasing its in-force policies to 2.7 million from 2.2 million in the previous year, but still reported a significant negative result. The expansion of the Reinsurance Solutions division and of Corporate Solutions' differentiated offering to corporate clients are progressing. All of these areas will require continued attention from the Group CEO. The foundation for the transition from US GAAP to IFRS has been established, despite various technological and data challenges. This transition, which will be beneficial to our earnings and balance sheet strength, remains a key focus area.
ESG (15% weight) **120%**	The Group CEO continued his strong personal engagement on sustainability and further enhanced Swiss Re's profile as a prominent participant in public discussions, particularly in key focus areas such as the net-zero transition and societal resilience. He oversaw progress towards Swiss Re's net-zero commitments, including carbon intensity reductions on the assets side, and the publication of new carbon targets for select single risk portfolios on the liabilities side. In 2023, the Group met the reduction target for absolute greenhouse gas (GHG) emissions from business air travel compared with the 2018 reference year, even though travel restrictions stemming from the pandemic were lifted globally. In an increasingly complex and controversial environment, the Group delivered against the 2023 targets and ambitions as defined in the Group Sustainability Report. Externally, Swiss Re is recognised as a leading re/insurer across ESG dimensions as reflected in the MSCI AAA rating and in the Sustainalytics ESG Risk Rating (7th percentile within the insurance industry). The Group CEO further advanced gender balance for senior management, and the representation of women in the Group EC increased from 15% to 27%.
Qualitative performance achievement	**110.0%** (minimum 0%, maximum 200%)

Individual scorecard factor	**1.12**	Based on 70% weighting for financial performance achievements and 30% weighting for qualitative performance achievements.
Resulting API for the Group CEO	**CHF 2 800 000**	Calculated by multiplying the Target API of CHF 2 500 000 with the individual scorecard factor, rounded up to the next five thousand.

Pay for performance: Group CEO realised compensation
The chart below shows the realised compensation for Christian Mumenthaler, Group CEO, against his target compensation.



	Target					Realised				
CHF thousands	Fixed compensation	Target cash API[1]	VAI/DSP awarded[2]	LSP granted	**Total**	Fixed compensation	Cash API[3]	VAI realised	LPP/LSP vested[4]	**Total**
2021	1 757	1 250	1 183	3 000	**7 190**	1 757	1 183	989	195	**4 124**
2022	1 757	1 250	713	3 000	**6 720**	1 757	713	1 009	406	**3 885**
2023	1 762	1 250	1 400	3 000	**7 412**	1 762	1 400	1 083	2 518	**6 763**

[1] 50% of the Group CEO's total Target API for the respective year (ie the portion that is not subject to deferral).
[2] Actual VAI/DSP awarded for the respective year (50% of realised cash API). For 2023, subject to shareholder approval at the AGM 2024.
[3] For 2023, subject to shareholder approval at the AGM 2024.
[4] For 2023, the realised value is estimated based on the closing share price at year-end 2023 (CHF 94.56) since vesting will occur after the publication of this report. Prior-year figures have been restated to reflect the actual realised value based on the share price vesting.

Say on pay
At the AGM 2022, shareholders approved a prospective maximum aggregate amount of CHF 36.5 million for fixed compensation and variable long-term compensation for the financial year 2023 for the members of the Group EC. The amount of CHF 28.8 million paid and effectively granted to the Group EC members during the financial year 2023 consists of:
- CHF 14.6 million fixed compensation;
- CHF 12.8 million variable-long term compensation; and
- CHF 1.4 million for compensation due to members leaving.

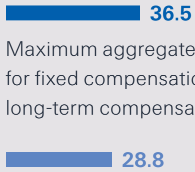
It includes compensation and associated costs in relation to the period in a Group EC position for one individual who joined the Group EC during the year. In the course of 2023, the number of Group EC roles decreased from 13 to 11 following the reorganisation of the Group. These changes were not known at the time of the AGM 2022. Details are provided in the table below.

The 2023 figures cover payments to 14 individuals who held a Group EC position at any point in 2023 (including the Group CEO), of whom ten were active on the Group EC for the full year. The 2022 figures cover payments to 14 individuals who held a Group EC position at any point in 2022 (including the Group CEO), of whom 12 were active on the Group EC for the full year.

The figures include legally or contractually required payments to individuals who stepped down from the Group EC during the respective year; no severance payments were made. For 2023, the amount of compensation due to members leaving relates primarily to company commitments for tax-related services and to allowances in connection with the international assignment of the individual stepping down from the Group EC.

Group EC compensation
Financial year 2023

CHF millions



Compensation for members of the Group EC including the Group CEO

Audited

CHF thousands[1]	14 members 2022	14 members **2023**
Base salaries	12 087	11 043
Allowances[2]	1 908	1 158
Funding of pension benefits[3]	2 632	2 426
Total fixed compensation[4]	16 627	**14 627**
Cash Annual Performance Incentive[5]	4 988	8 089
Deferred Share Plan[5]	4 211	6 873
Leadership Share Plan[6]	14 025	12 806
Total variable compensation	23 224	**27 768**
Total fixed and variable compensation	39 851	**42 395**
Compensation due to members leaving[7]	2 771	1 384
Total compensation[8]	42 622	**43 779**

[1] Foreign currency conversions calculated using December 2023 year-to-date FX rates for 2023 figures and December 2022 year-to-date FX rates for 2022 figures (where relevant).
[2] Benefits or allowances, eg housing, schooling, lump sum expenses, relocation expenses and taxes, child and similar allowances. Also included is an amount of CHF 46 256 for 524 matching shares received by Group EC members participating in Swiss Re's Global Share Participation Plan in 2023 (in 2022 CHF 31 051 for 255 matching shares).
[3] Swiss Re's Pension Fund amended its regulations with effect from 1 January 2019, including some adjustments to the benefits provided to insureds in Switzerland. In consideration of those amendments (which apply both to Group EC members insured in Switzerland and all other employees insured in Switzerland), the figures disclosed for 2022 and 2023 include higher employer pension contributions and contributions to mitigate the effects of lower conversion rates.
[4] Covers payments reflecting the time in the role as Group EC member.
[5] For 2023, subject to shareholder approval at the AGM 2024. For 2022, based on shareholders' approval at the AGM 2023 of the aggregate amount of short-term variable compensation. Disclosure includes pro-rata payments in relation to the active period on the Group EC for individuals who joined or left the Group EC.
[6] Disclosure reflects all awards for a reporting year, ie the 2023 value reflects the allocation value of LSP awards granted in April 2023 and the 2022 value reflects the allocation value of LSP awards granted in April 2022. Any awards granted during the respective year and then forfeited at a later point in that same year are not included.
[7] For individuals leaving the Group EC during the reporting period, this only covers legally or contractually required payments for the period when the individual was no longer in the Group EC position (eg base salary when on garden leave). The amount, both for 2023 and 2022 respectively, relates primarily to company commitments for tax-related services and to allowances in connection with the international assignment of the individual stepping down from the Group EC. No severance payments were made.
[8] Amounts are gross before deduction of employee social security contributions. Additionally and not included are company contributions to social security systems paid by Swiss Re in line with applicable laws, which amounted to CHF 1 794 072 in 2023 and CHF 2 063 738 in 2022.

Group EC performance assessment and compensation
The performance of each Group EC member is generally assessed by means of an individual scorecard comprising a set of quantitative and qualitative KPIs. These KPIs are typically agreed at the beginning of the performance year and are derived from the Group's strategy and the Group CEO's objectives.

As of performance year 2023, the Group EC members' performance assessment approach has been further aligned with that of the Group CEO: all five Group financial KPIs as well as the key qualitative areas Strategic initiatives and ESG overlap to underpin their shared accountability for the Group's results. More information can be found in the table below.

The individual scorecard is the starting point for the individual Group EC members' API determination, thereby directly impacting the Group EC members' total compensation. The Group CEO retains discretion to adjust any of the factors of the individual scorecard if warranted, for instance to account for the individual's contribution, behaviour or special circumstances such as individuals joining/leaving the Group EC or changing responsibilities. The API amount is capped at two times Target API with an additional cap of three times base salary for Group EC members.

The Compensation Committee subsequently reviews the effectiveness of the Group's performance management process and challenges compensation proposals for the Group EC members. The assessment with the proposed API amount for each Group EC member is approved by the Board of Directors.

Group EC scorecard structure for determining discretionary API

Factor	% of API opportunity Business Unit	 Group Function	KPIs
Group financial factor	35%	50%	Same KPIs and weightings as the Group CEO financial factor: • Net income – 35% • ENW per share growth – 20% • Net income L&H Re – 15% • Reported CR P&C Re – 15% • Reported CR CorSo – 15%
Business Unit financial factor	35%	0%	For Business Units, unit-specific financial KPIs are considered
Qualitative factor	30%	50%	Several KPIs are defined with priority on: • Strategic initiatives • ESG • Individual goal for each Group EC member

Group EC performance outcomes
A key focus for the Group EC was to drive and successfully complete the reorganisation without disruption, leading to significant reductions in managing director positions, reduction in committee time at the executive level and cost savings. Another key priority was maintaining the focus on strong underwriting quality in the aftermath of hurricane Ian and continued challenges from social inflation in US liability. The Group EC continued to drive preparations to adopt IFRS as ts reporting framework as of 1 January 2024 with key decisions for transition and future steering assessed and decided throughout the year. In terms of financial performance, 2023 was a strong year in which the Group managed to achieve all its external targets (US GAAP and EVM).

2023 aggregate amount of Group EC variable short-term compensation
For 2023, the Group EC target API pool (pro-rata amount in relation to the active period on the Group EC, including the Group CEO) amounted to CHF 14.7 million compared with CHF 15.2 million in 2022. The decrease is primarily due to one Group EC member leaving, who forfeited the API in line with the applicable termination provisions and the gradual decrease of Group EC roles from 13 to 11 in the course of 2023. For the Group CEO, the Target API was CHF 2.5 million (no change compared with 2022).

The proposed total API amount (including DSP) for 2023 for the Group EC (including the Group CEO) is CHF 15.0 million (subject to shareholder approval at the AGM 2024) and includes pro-rata payments in relation to the active period on the Group EC for individuals who joined or left the Group EC in 2023. This represents an increase of CHF 5.8 million compared with the approved total 2022 API amount (including DSP) of CHF 9.2 million for the Group EC. The increase is primarily attributable to strong financial performance in 2023 as the Group achieved all its external targets. This is also reflected in the higher Group Business Performance Factor (1.10 in 2023 compared with 0.68 in 2022).

After carefully considering the performance of the Group EC in 2023, the Compensation Committee and the Board of Directors concluded that the proposed amount is proportionate given the overall achievements of the Swiss Re Group and the business environment, and is in alignment with shareholder interests.

Additional information on Group EC compensation

Audited

Other payments	No payments (or waivers of claims) other than those set out in this section (Group EC compensation) were made to current members of the Group EC or persons closely related.
Pension schemes	Each member of the Group EC, including the Group CEO, participates in a defined contribution pension scheme. The funding of pension benefits shown in the disclosures reflects the actual employer contributions.
Related parties transactions	Disclosure on compensation in 2023 covers members of the Group EC and includes related parties to the extent applicable (spouses, partners, children and other dependents or closely linked persons). In 2023, no compensation was paid to any related party.
Loans and credits	As per Article 27 of the Articles of Association, credits and loans to members of the Group EC may be granted at employee conditions applicable for the Swiss Re Group, with a cap on the total amount of such credits and loans outstanding per member (currently CHF 3.0 million per member of the Group EC). No credits, loans or mortgages were granted to current or former members of the Group EC or their related parties in 2023.
Payments to former Group EC members	During 2023, payments in the total amount of CHF 0.21 million were made to nine former members of the Group EC who stepped down before the reporting year 2023. This amount is made up of legally or contractually required payments for the period when the individual was no longer in the Group EC position, such as company contributions payable by Swiss Re to governmental social security systems in line with applicable laws, matching shares awarded in the context of outstanding Global Share Participation Plan cycles, risk benefits and company commitments for tax-related services in line with contractual obligations.
Value of awards granted	For US GAAP and statutory reporting purposes, VAI, DSP and LSP awards are accrued over the period during which they are earned. For the purpose of the disclosure required in this Compensation Report, the value of awards granted is included as compensation in the year of performance for the years 2022 and 2023, respectively.

Shares held by members of the Group EC

The following table reflects Swiss Re share ownership by members of the Group EC as of 31 December:

Audited

Members of the Group EC	2022	**2023**
Christian Mumenthaler, Group Chief Executive Officer	95 631	99 961
Urs Baertschi, CEO Property & Casualty Reinsurance	5 391	7 091
Andreas Berger, CEO Corporate Solutions	1 072	2 524
John R. Dacey, Group Chief Financial Officer	40 386	42 921
Cathy Desquesses, Group CHRO & Head Corporate Services	3 269	7 525
Guido Fürer, former Group Chief Investment Officer[1]	66 274	n/a
Hermann Geiger, Group Chief Legal Officer	54 127	56 012
Jonathan Isherwood, former CEO Reinsurance Americas[2]	56 935	n/a
Pravina Ladva, Group Chief Digital & Technology Officer	1 210	1 382
Thierry Léger, former Group Chief Underwriting Officer[3]	66 000	n/a
Paul Murray, CEO Life & Health Reinsurance[4]	10 447	12 524
Moses Ojeisekhoba, CEO Global Clients & Solutions	48 110	50 709
Velina Peneva, Group Chief Investment Officer	n/a	1 640
Patrick Raaflaub, Group Chief Risk Officer	33 720	35 886
Total	482 572	**318 175**

[1] The number of shares held on 31 March 2023 when Guido Fürer stepped down from the Group EC was 66 274.
[2] The number of shares held on 30 September 2023 when Jonathan Isherwood stepped down from the Group EC was 58 371.
[3] The number of shares held on 26 January 2023 when Thierry Léger stepped down from the Group EC was 66 000.
[4] The figures for both 2023 and 2022 include 1 373 shares held by a related party.

Vested options

For the years ended 31 December 2022 and 2023, the members of the Group EC did not hold any vested options granted or allocated by Swiss Re.

DSP and LPP/LSP units held by members of the Group EC

The following table reflects total unvested DSP, LPP and LSP units (PSUs and SUs) held by members of the Group EC as of 31 December:

Audited

Members of the Group EC	2022	**2023**
Christian Mumenthaler, Group Chief Executive Officer	120 723	133 800
Urs Baertschi, CEO Property & Casualty Reinsurance	33 201	38 972
Andreas Berger, CEO Corporate Solutions	45 407	52 754
John R. Dacey, Group Chief Financial Officer	45 267	44 958
Cathy Desquesses, Group CHRO & Head Corporate Services	14 686	24 739
Guido Fürer, former Group Chief Investment Officer	57 405	n/a
Hermann Geiger, Group Chief Legal Officer	31 687	32 895
Jonathan Isherwood, former CEO Reinsurance Americas	35 085	n/a
Pravina Ladva, Group Chief Digital & Technology Officer	14 459	21 429
Thierry Léger, former Group Chief Underwriting Officer	52 435	n/a
Paul Murray, CEO Life & Health Reinsurance	26 889	30 762
Moses Ojeisekhoba, CEO Global Clients & Solutions	54 319	54 655
Velina Peneva, Group Chief Investment Officer	n/a	19 087
Patrick Raaflaub, Group Chief Risk Officer	45 267	45 495
Total	576 830	**499 546**

Group compensation framework, 2023 outcomes and 2024 changes

Base salary and benefits
Base salary is the fixed compensation paid to employees for carrying out their role and is established based on the following factors:
- Scope and responsibilities of the role and qualifications required.
- Market value of the role in the location in which Swiss Re competes for talent.
- Skills and expertise of the individual.

Alongside the base salary, Swiss Re aims to provide employee benefits that are designed and implemented under a global framework.

The key objectives of Swiss Re's benefits packages are to:
- Be competitive in the markets where Swiss Re competes for talent.
- Provide a degree of financial resilience for employees as it relates to pension, health matters, disability and death.
- Connect with Swiss Re values and enhance engagement.

Forfeiture provisions apply in line with local market practice in certain benefit plans (eg common forfeiture provisions in retirement savings plans).

Annual bonus: API
Purpose
The Annual Performance Incentive (API) is a discretionary, variable component of compensation. Combined with the base salary, it provides competitive total cash compensation for achievements against both business and individual performance targets and for the demonstration of desired behaviours.

Swiss Re's API pool is funded based on financial performance outcomes, which strengthens the link between pay and performance. The financial performance assessment considers five financial Key Performance Indicators (KPIs) with Contribution to ENW and Capitalisation level as Group targets complemented by three segment targets. The KPIs are reviewed on an annual basis. The resulting Group Business Performance Factor (BPF) is calculated through a financial model with the achievement being capped to avoid a disproportionate pool.

The Compensation Committee can apply discretion (eg to protect the franchise or ensure affordability) to make an upward or downward adjustment to the Group API pool recommended for approval to the Board of Directors. If discretion is applied, this is disclosed.

Based on the respective financial and qualitative performance, the Group CEO then splits the Group API pool into pools for each Business Unit/Group Function, an aggregate pool for the Group EC and one for other key executives. Such assessment considers dimensions aligned with Swiss Re's priorities, including unit-specific financial metrics, risk and control behaviours and sustainability/ESG targets.

API determination process

Group API pool funding

Financial KPI-based assessment

KPI
Contribution to ENW
Group capitalisation level
L&H Re net income
P&C Re reported combined ratio
CorSo reported combined ratio

±

Discretion (optional)
A number of factors, incl. sustainability, pay for performance linkage, affordability and proportionality of value sharing among employees and shareholders, risk and control behaviours, etc are considered in this step.

The Group API pool is determined through a financial assessment.

Potential downward or upward adjustment can be applied by the Compensation Committee if warranted and such application is disclosed to shareholders.

Business Units/Group Functions allocation

Financial dimensions
Pre-set metrics and targets may comprise unit-specific targets, such as combined ratio.

Qualitative dimensions
Defined KPIs and measurable targets, across dimensions such as: Strategic initiatives; Sustainability; People metrics; Operational excellence and franchise value (including risk and control behaviours).

Upon approval by the Board of Directors, the Group API pool is allocated to the Business Units/Group Functions.

Individual allocation

Individual performance
Individual performance is assessed against objectives achieved and demonstration of desired behaviours that are aligned to Swiss Re's purpose and business strategy.

The actual API payout is linked both to Swiss Re's business results and to individual performance.

The API for each employee is determined based on their Target API, individual performance and performance of the Business Unit/Group Function the employee belongs to. Individual performance is assessed against individual goals and Swiss Re's behaviour expectations and corporate values, all aligned to Swiss Re's business strategy. Swiss Re's "leadership from every seat" philosophy, as part of which desired behaviours are clearly articulated, is embedded in the continuous performance management and feedback discussions. This allows for forward-looking conversations that foster real-time improvement and adaptation to business needs. Herewith, Swiss Re ensures robust performance differentiation and transparent pay for performance. When the total API level for an employee equals or exceeds a pre-defined amount, a portion is deferred into the Deferred Share Plan (DSP). The non-deferred portion is settled in immediate cash (cash API).

Limitations to avoid excessive payouts

API awards to individuals are capped at two times Target API. For Group EC members an additional cap of three times annual base salary is applied. Both the Group API pool as well as an individual API can be reduced to zero. Forfeiture of unsettled awards and clawback provisions for settled awards apply in a range of events, enabling Swiss Re to seek repayment where appropriate. Examples of such events are acts which can be considered as malfeasance, fraud or misconduct.

2023 API outcomes

2023 was a successful year, characterised by improved price adequacy in the property and casualty business and the higher interest rate environment. The main performance outcomes include:

- Contribution to ENW was at 10.3%, reflecting strong new business performance from P&C Re, L&H Re and Corporate Solutions as well as a good investment result. This was partially offset by a loss from previous years' business, driven primarily by L&H Re due to assumption updates and adverse experience.
- Swiss Re's capital position remained very strong, with the Group Swiss Solvency Test (SST) ratio of 306% above the 200–250% target range performance, reflecting increased interest rates as well as good investment and underwriting results.
- L&H Re reported a net income of USD 976 million for 2023, above the targeted net income of USD 900 million. The underlying result benefitted from active in-force portfolio management and a strong investment result which offset elevated mortality claims in the US.
- P&C Re's reported combined ratio of 94.8% delivered against its target of less than 95%, primarily driven by a resilient underwriting performance and disciplined renewals. Strong margins and positive reserve developments in property and speciality lines helped offset the adverse impact of the casualty business. Large natural catastrophe claims remained below the full-year budget.
- Corporate Solutions' combined ratio was 91.7%, outperforming the external target of less than 94%, reflecting a steadily improved portfolio resilience driven by disciplined underwriting and portfolio steering.

Next to financial achievements driving the funding, the proposed Group BPF was also evaluated in the broader context, including affordability, proportionality of value sharing, risk and control behaviours, sustainability/ESG and other qualitative dimensions, as relevant. The Board of Directors applied no upward or downward discretion and approved the Group BPF of 1.10.

Deferred compensation: DSP

Purpose

The Deferred Share Plan (DSP) is a mandatory three-year deferral of a portion of the API when the total API amount for an employee equals or exceeds the threshold. The higher the API granted, the greater the amount of compensation that remains at risk through deferral into the DSP as shown in the table below.

The DSP supports Swiss Re's performance culture, as the ultimate value of the deferred variable compensation depends on Swiss Re's future performance and value creation reflected in Swiss Re's share price.

Portion of API that is deferred into the DSP

Group CEO	50% of API
Other Group EC members	45% of API
Other key executives	40% of API
All other employees	50% of the API amount exceeding USD 150 000 with a minimum deferral amount of USD 5 000 at USD 150 000 and up to a maximum of 40% of total API

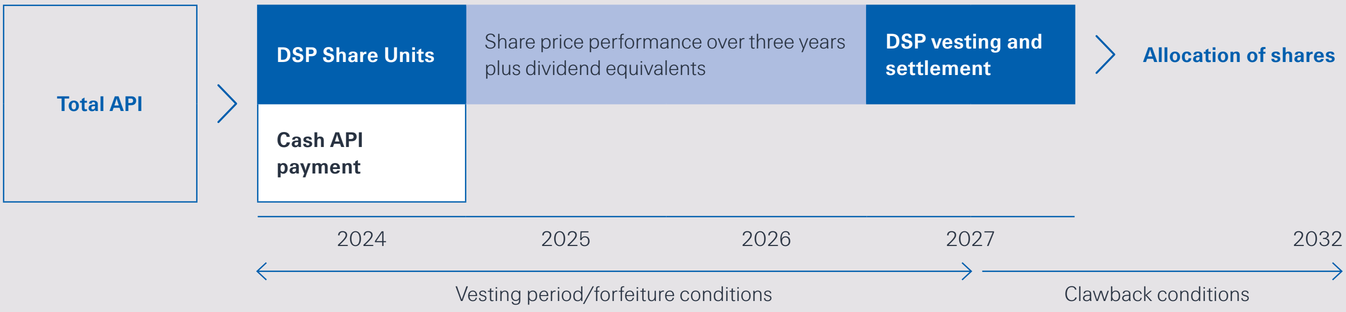
Design

At grant, the award amount is converted into share units using the average of the closing share prices of 30 trading days prior to the date of grant. The share units granted under the DSP are conditional rights to generally receive, at the end of the three-year vesting period, a number of Swiss Re shares (where legally permissible).

The share units are not subject to performance conditions, however, the value at vesting depends on the development of Swiss Re's share price, ensuring pay for performance and shareholder alignment. Each awarded share unit is entitled to a dividend equivalent accrued annually during the vesting period and without reinvestment.

For the full three-year vesting period, forfeiture conditions apply. Additionally, clawback provisions apply in a range of events as defined in the DSP plan rules. Swiss Re also allows for DSP participants to have shares sold or automatically settled on a net basis as applicable, to cover statutory tax and social security liabilities that may arise.

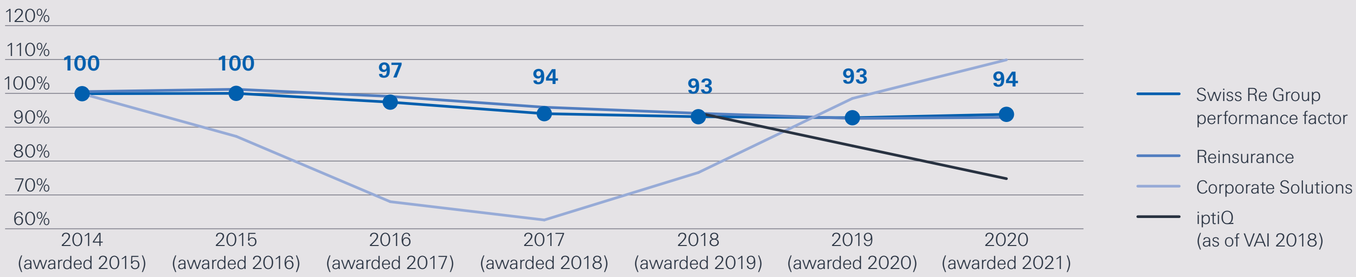
DSP design



Performance outcomes for the VAI 2020

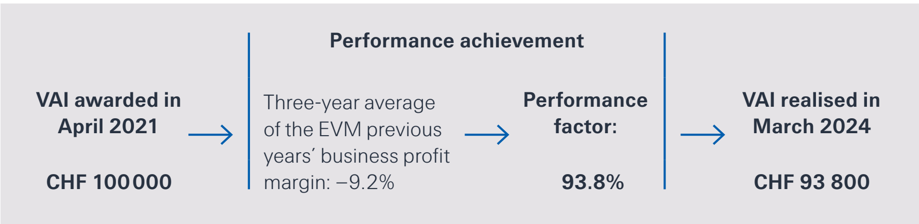
The Value Alignment Incentive/VAI (granted until performance year 2021) was the mandatory cash deferral of a portion of the API subject to the three-year average of the published Economic Value Management (EVM) previous years' business profit margin.

The VAI 2020 (awarded 2021) performance factor for the Swiss Re Group was 93.8% based on the average 2021–2023 previous years' business performance. The previous years' business losses were predominantly driven by losses and reserve increases. These included COVID-19-related losses in L&H Re mainly in the year 2021. In addition, updates to the internal pandemic risk model in L&H Re and inflation scenarios in P&C Re as well as reserve increases relating to inflation scenarios for P&C Re and Corporate Solutions impacted the results in 2022. The previous years' business performance in 2023 also showed losses, especially in L&H Re, with significant adverse assumption and experience updates. This led to performance factors ranging from 74.8% (iptiQ) to 109.9% (Corporate Solutions).



Illustrative example of realised performance for the VAI 2020 (awarded 2021)

Granted and realised VAI are shown on the right for a grant of CHF 100 000 on the VAI 2020 (awarded 2021). For illustrative purposes, this example considers only the Group performance factor.



Long-term incentive: LSP

Purpose

The purpose of the Leadership Share Plan (LSP) is to provide an incentive for Swiss Re's senior management (including the members of the Group EC) to achieve sustainable company performance over the long term. The LSP is a discretionary, forward-looking instrument awarded to incentivise decision-making that is also in the shareholders' interest. The design of the LSP aims to:

- Direct participants' energies on earnings, capital efficiency and Swiss Re's position against peers, all of which are critical to sustain shareholder value creation.
- Focus participants' attention on long-term forward-looking business growth.
- Attract and retain individuals with exceptional skills.
- Provide competitive compensation that rewards long-term performance.

Design

Grant levels are determined based on multiple factors including the role being performed and market benchmarks. The size of the LSP pool is reviewed each year in the context of sustainable business performance, affordability and market competitiveness, and funded as part of the Group's total variable compensation pool.

For Group EC members and other key executives, the award value is split into two underlying Performance Share Units (PSUs) at the grant date. For other eligible employees, the award value is either split into 50% PSUs and 50% Share Units (SUs), or granted in 100% SUs. A valuation by HCM International Ltd (HCM) is used to determine the number of PSUs to be granted. The number of SUs is determined using the average of the closing share prices of 30 trading days prior to the date of grant, as SUs are not subject to performance conditions. The SUs granted under the LSP are entitled to a dividend equivalent accrued annually during the vesting period and without reinvestment.

The vesting period, during which performance is measured, is three years. For LSP awards granted to Group EC members and other key executives, the duration of the LSP is five years, comprising a three-year vesting and performance measurement period and an additional two-year holding period.

At the end of the three-year (performance) measurement period, PSUs and SUs will be settled in shares where legally permissible. For the full three-year vesting period, forfeiture conditions apply. Additionally, clawback provisions apply in a range of events as defined in the LSP plan rules.

Swiss Re also allows for LSP participants to have shares sold or automatically settled on a net basis as applicable, to cover statutory tax and social security liabilities that may arise.

Impact of accounting standard transition on the in-flight plan cycles

As a result of the transition from US GAAP to IFRS as of 1 January 2024, and the decommissioning of Economic Value Management (EVM), Swiss Re's proprietary integrated economic valuation and steering framework, the Compensation Committee was faced with a necessary revision of the KPIs and associated targets under the in-flight Group incentive plans. As the original KPIs will no longer be reported, the Compensation Committee has sought to identify the closest available replacements. Where needed, targets were adjusted in a purely mechanical way to ensure that these remain as challenging as intended and are not affected (either positively or negatively) by the transition to IFRS; HCM and PwC (PwC as part of their ongoing advisor role to the Compensation Committee) commented on the reasonableness of the principles and methodology that were adopted without performing an in-depth financial recalculation. The changes are summarised in the table below.

Plans	KPIs adjustment and impact	Target adjustments
LSP 2022 granted in April 2022: 2024 performance tranche	• ENW growth is substituted with the IFRS substance value growth (Group net income plus change in Contractual Service Margin (CSM; post tax) divided by sum of the opening balance of Shareholder's Equity and CSM, post tax). • US GAAP Return on Equity (ROE) is substituted with IFRS ROE. • Target levels are based on the estimated impact of adopting IFRS while ensuring comparable performance stretch and achievability.	**IFRS substance value growth (vs original ENW growth target)** 0% for growth at 0% (unchanged) 100% for growth of 8% (from ENW growth of 10%) 150% for growth at 12% (from ENW growth of 15%) **ROE** 20% at ROE of 5% (unchanged) 100% at ROE of 13% (from 12%) 150% at ROE of 16% (from 15%)
LSP 2023 granted in April 2023: 2024 and 2025 performance tranches	• US GAAP Return on Adjusted Equity (ROAE) is substituted with IFRS ROE. • Target levels are based on the estimated impact of adopting IFRS while ensuring comparable performance stretch and achievability.	**ROE** 10% at ROE of 6% (from 5%) 100% at ROE of 16% (from 14%) 150% at ROE of 22% (from 20%)
VAI 2021 (awarded 2022): 2024 performance tranche	• EVM previous business profit margin is substituted with the adjusted IFRS underwriting development. • Performance achievements will be disclosed upon vesting.	Out of scope

2023 LSP grants and PSU KPIs
The LSP 2023 granted in April 2023 is based on two KPIs: Return on (adjusted) Equity (ROAE/ROE) and relative TSR.

Measure: US GAAP ROAE/IFRS ROE
The performance condition for the first component of the PSU measures the return generated from common shareholders' equity. For the 2023 performance tranche, this will be based on ROAE under US GAAP, which is the net income attributable to common shareholders divided by the average shareholders' equity adjusted for unrealised gains/losses as published in Swiss Re's audited consolidated financial statements.

The 2024 and 2025 performance tranches will be based on ROE under IFRS defined as Group net income divided by the average of the opening and closing reported shareholders' equity as published in Swiss Re's audited consolidated financial statements.

In both cases, the vesting between threshold, target and maximum is linear.

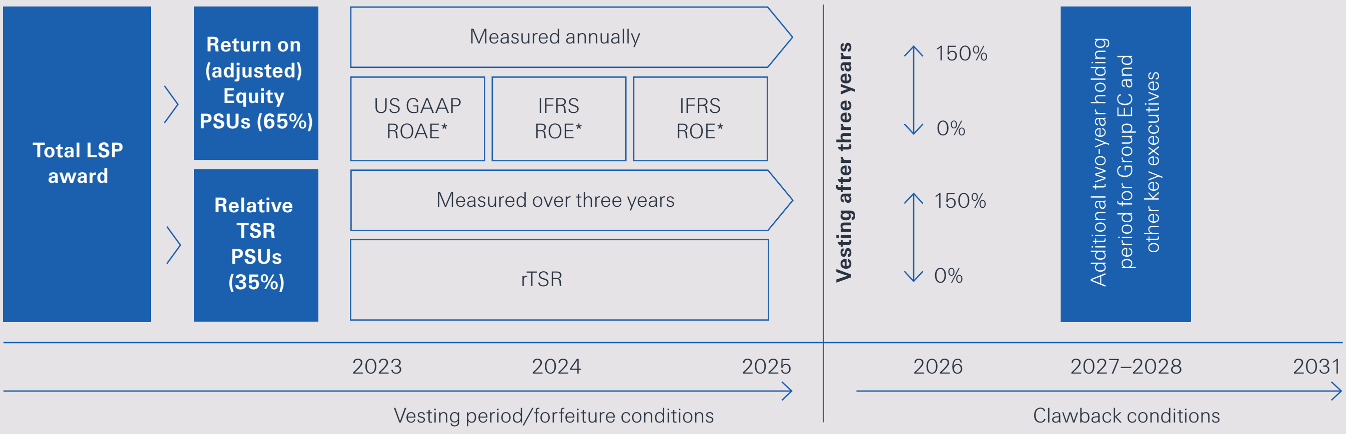
Measure: relative TSR
The second PSU performance condition is relative TSR measured over three years relative to the TSR of the pre-defined peer group for the same period. This peer group consists of companies that are similar in scale and have a global footprint or a similar business mix to Swiss Re. The peer group, which is set at the beginning of the plan period, includes Allianz SE, American International Group Inc, Aviva PLC, AXA SA, Chubb Limited, Everest Re Group Ltd, Hannover Rueck SE, MetLife Inc, Muenchener Rueckversicherungs-Gesellschaft AG, Reinsurance Group of America Inc, RenaissanceRe Holdings Ltd, SCOR SE and Zurich Insurance Group Ltd.

Vesting starts at the 35th percentile, 50% vests at the 50th percentile and the vesting is capped at 150% at the 90th percentile. For TSR values between the above-mentioned percentiles, the vesting percentage will be determined on a linear basis.

Payout for a negative absolute TSR over the performance period is capped at 100%, subject to the Compensation Committee's right to assess the circumstances and decide on the performance multiple accordingly.

The 2023 LSP grant was based on a grant valuation share price of CHF 94.46 (average closing price of 30 trading days prior to the grant date, ie 20 February 2023–31 March 2023).

2023 LSP design for Group EC members and other key executives



* 2023 performance tranche is based on US GAAP Return on adjusted Equity and 2024–2025 performance tranches are based on IFRS Return on Equity.

2024 outlook
For grants to be made as of 2024, the Board of Directors decided to continue measuring the LSP performance against two KPIs: IFRS ROE and relative TSR.

Performance outcomes for the LSP 2021
LSP 2021 awards granted in April 2021 were split into three equal underlying components of PSUs with the key metrics ROE, absolute ENW and rTSR. For ROE PSUs and ENW PSUs, the performance is assessed at the end of each year over the three-year performance period and one third of the PSUs is locked in within a range of 0–150%. For rTSR PSUs the performance is only assessed once, at the end of the three-year period, with a vesting range of 0–150%. For the LSP 2021, the performance outcome for the ROE condition was below target during 2021 and 2022, and above the target during 2023, resulting in an average PSU performance factor of 70.3%. For the ENW condition, the target was met for the years 2021 and 2023, while the performance was below target for the year 2022, resulting in an average performance of 73%. With respect to the rTSR condition, Swiss Re's position relative to peers was above the 50th percentile, resulting in a PSU performance factor of 57% for the three-year period of the LSP 2021. The combined performance factor was 64.9%.

LSP 2021: performance against targets

Measure	Performance period	Performance measure	Allocation value per unit in CHF	Performance tranche	Target	Result	Final performance factor
ROE	At the end of each year, the performance is assessed and one third of the ROE PSUs is locked in within a range of 0% to 150%[1].	0% for an ROE at the risk-free rate, up to 150% for an ROE above the risk-free rate plus 10.5%.	91.69	2021	8.46%	5.7%	Average performance factor: 70.3%
				2022	10.00%	2.6%	
				2023	10.97%	22.3%	
ENW	At the end of each year, the performance is assessed and one third of the ENW PSUs is locked in within a range of 0% to 150%[1].	0% for an ENW growth at 0%, up to 150% for an ENW growth at 15%.	94.41	2021	10.0%	10.6%	Average performance factor: 73%
				2022	10.0%	–5.8%	
				2023	10.0%	11.3%	
relative TSR	Measured over three years.	50% vesting at the 50th percentile and capped at 150% vesting at the 75th percentile.	50.81	2021–2023	TSR positioning relative to peers	53.2% (57.5th percentile)	57%

[1] Remains subject to forfeiture conditions.

The LSP 2021 grant was based on a grant valuation share price of CHF 89.90 (average closing price of 30 trading days prior to the grant date, ie 18 February 2021–31 March 2021). Vesting of LSP 2021 will occur after the publication of this report with the closing share price as of 31 March 2024. Assuming a grant size of CHF 100 000 and applying the year-end 2023 share price of CHF 94.56 with the performance factors as shown in the table above would result in a realised value of CHF 84 348. The table below gives an overview of the achievements against targets for the previous plan years.

Plan year	Performance period remaining as of 31 December 2023	ROE component: performance factor for the three-year period	TSR component: performance factor for the three-year period	ENW component: performance factor for the three-year period	Combined performance factor (based on CHF 100 000 grant value, excluding share price development)
LPP 2014	Closed	99.7%	81.0%	not applicable	90.4%
LPP 2015	Closed	66.7%	0.0%	not applicable	31.8%
LPP 2016	Closed	32.3%	0.0%	not applicable	13.8%
LPP 2017	Closed	1.67%	0.0%	not applicable	0.7%
LPP 2018	Closed	1.67%	146.0%	not applicable	66.3%
LPP 2019	Closed	17.3%	0.0%	not applicable	8.8%
LPP 2020	Closed	20.3%	0.0%	33.3%	14.5%
LSP 2021	**–**	**70.3%**	**57.0%**	**73.0%**	**64.9%**
LSP 2022	1 year	to be determined in 2025			
LSP 2023	2 years	to be determined in 2026			

Global Share Participation Plan
Through the Global Share Participation Plan (GSPP), Swiss Re offers its employees an opportunity to directly participate in the long-term success of the Group. During a one-year contribution period, employees can purchase shares for up to a maximum of CHF 21 000 (capped at 10% of base salary). After the three-year vesting period, Swiss Re provides a 30% match on the number of shares held by employees. During the vesting period, matching shares are subject to forfeiture provisions. The GSPP has the same core design in all locations.

2023 DSP, LSP and GSPP termination/forfeiture and clawback provisions

Termination reason	DSP	LSP	GSPP
Voluntary resignation	Unvested awards are forfeited as of the date of termination of the employment relationship.	Unvested awards are forfeited as of the date of termination of the employment relationship.	Matching share awards are forfeited as of the date of termination of the employment relationship.
Redundancy	Unvested awards shall vest on the regular vesting date.	Unvested awards shall vest on the regular vesting date, subject to performance.	Matching share awards shall vest immediately.
Retirement	Unvested awards shall vest on the regular vesting date.	Unvested awards shall vest on the regular vesting date, subject to performance.	Matching share awards shall vest immediately.
Termination for cause	Unvested awards are forfeited as of the date of termination of the employment relationship.	Unvested awards are forfeited as of the date of termination of the employment relationship.	Matching share awards are forfeited as of the date of termination of the employment relationship.
Health/disability	Unvested awards shall vest on the regular vesting date.	Unvested awards shall vest on the regular vesting date, subject to performance.	Matching share awards shall vest immediately.
Death	Unvested awards shall vest immediately.	Unvested awards shall vest immediately using the performance factors as presented during the latest Compensation Committee meeting.	Matching share awards shall vest immediately.
Mutual agreement	Unvested awards may vest at Swiss Re's sole discretion, taking into account the underlying reason for termination (treatment is aligned with that of the underlying reason as listed in this table).	Unvested awards may vest at Swiss Re's sole discretion, taking into account the underlying reason for termination (treatment is aligned with that of the underlying reason as listed in this table).	Unvested awards may vest at Swiss Re's sole discretion, taking into account the underlying reason for termination (treatment is aligned with that of the underlying reason as listed in this table).

If there are any differences between the treatment of any provision as defined in the applicable plan rules and such treatment under applicable mandatory local law or regulation, such mandatory local law or regulation will prevail.

Additional compensation disclosures

Aggregate compensation of the Swiss Re Group
As of 31 December 2023, the Group had 14 719 regular employees worldwide (compared with 14 408 on 31 December 2022). The total compensation of the Group for 2023 amounted to CHF 2 176 million (compared with CHF 2 048 million in 2022), whereof CHF 2 053 million has been or will be paid in cash (compared with CHF 1 962 million in 2022) and CHF 123 million has been granted in share-based awards (compared with CHF 86 million in 2022).

The value of all outstanding deferred compensation for all employees at 31 December 2023 amounted to CHF 299 million (compared with CHF 283 million in 2022), whereof CHF 68 million will be payable in cash (compared with CHF 106 million in 2022) and CHF 232 million in shares (compared with CHF 176 million in 2022). The figure for outstanding deferred compensation is determined based on the value at grant for both cash-based and share-based compensation.

In 2023, an increase of expenses amounting to CHF 13 million was recognised for compensation in previous financial years, whereas in 2022 an increase of expenses amounting to CHF 2 million was recognised for compensation in previous financial years.

	Performance year 2022[1, 2]		**Performance year 2023[1, 2]**	
Category	Number of employees	Values (in CHF millions)	Number of employees	Values (in CHF millions)
Base salaries[3]	14 408	1 383	14 719	1 373
Pensions and benefits	14 408	285	14 719	258
Cash Annual Performance Incentive[4]	14 355	271	14 341	392
Deferred compensation awards				
– Cash Deferral Plans[5]	152	3	2	0.1
– Deferred Share Plan	202	15	443	34
Long-term variable compensation				
– Granted in units subject to performance conditions[6]	241	36	217	35
– Granted in units not subject to performance conditions[7]	916	35	1 105	54
Other payments				
– Severance payments[8]	159	12	438	24
– Sign-on payments[9]	247	8	256	6
Total[10]		2 048		**2 176**
Of which total variable incentive compensation	14 410	360	**14 363**	**515**

[1] Includes compensation on actual FTE basis for regular employees (excludes contractors) per 31 December. For 2023 also excluded are 534 AccuQuote employees with a total compensation of CHF 19.2 million (base salaries CHF 12 million and pension and benefits CHF 1.2 million for 279 employees as of 31 December 2023 and variable cash-based arrangement of CHF 6 million for 508 employees active at any point during 2023). For 2022 also excluded are 428 AccuQuote employees with a total compensation of CHF 19 million (base salaries CHF 14 million and pension and benefits CHF 0.6 million for 319 employees as of 31 December 2022 and variable cash-based arrangement of CHF 4 million for 389 employees active at any point during 2022).
[2] Foreign currency conversions calculated using December 2023 year-to-date FX rates for 2023 figures and December 2022 year-to-date FX rates for 2022 figures (where relevant).
[3] Includes base salaries and role-based allowances (if any).
[4] Includes cash Annual Performance Incentive and similar variable cash-based arrangements.
[5] Includes separate cash variable compensation schemes for two lines of business in 2022 and one line of business in 2023.
[6] Includes the Leadership Share Plan and only for 2022 also a separate share-based variable compensation scheme for one region.
[7] Includes Share Units and Dividend Equivalent units under the Leadership Share Plan and One-off Award Plan.
[8] Severance payments in the table above include i) payments under standard severance packages; ii) other payments that are over and above what is contractually or legally required; and iii) voluntary supplementary departure payments, but exclude similar legally permitted payments or garden leave which are aligned with local market practice for comparable positions in respect of amount, nature or duration. No severance payments were made to members of the Group EC.
[9] Based on values at vesting/payment.
[10] Amounts are gross before deduction of employee social security contributions. Additional and not included are company contributions to social security systems paid by Swiss Re in line with applicable laws, which amounted to CHF 238 million in 2023 and CHF 218 million in 2022; for AccuQuote amounted to CHF 0.9 million in 2023 and CHF 0.8 million in 2022.

Key Risk Taker compensation

Swiss Re's Key Risk Takers are executives in core risk-taking positions who decide on business and people strategies, approve budgets and can materially influence financial results or expose Swiss Re to significant operational or reputational risks.

As per 31 December 2023, Swiss Re identified 151 individuals (including 11 members of the Group EC), who qualify as Key Risk Takers. In addition to the members of the Group EC, this group consists of Business Unit EC members, other key executives and roles with core risk-taking authority. The list of Key Risk Takers is reviewed on a regular basis by Group Risk Management and Human Resources.

	Performance year 2022[1, 2]		**Performance year 2023[1, 2]**	
Category	Number of employees	Values (in CHF millions)	Number of employees	Values (in CHF millions)
Base salaries[3]	168	60	140	49
Pensions and benefits	168	17	140	13
Cash Annual Performance Incentive[4]	163	30	137	36
Deferred compensation awards				
– Cash Deferral Plans[5]	2	0.2	1	0.1
– Deferred Share Plan	105	9	127	17
Long-term variable compensation				
– Granted in units subject to performance conditions[6]	157	18	133	16
– Granted in units not subject to performance conditions[7]	155	13	128	14
Other payments				
– Severance payments[8]	0	0	0	0
– Sign-on payments[9]	14	2	6	1
Total[10]		149		**146**

[1] Disclosure excludes members of the Group EC who were in office during the reporting year. Group EC compensation is disclosed separately in the table on page 123.
[2] Foreign currency conversions calculated using December 2023 year-to-date FX rates for 2023 figures and December 2022 year-to-date FX rates for 2022 figures (where relevant). Reported figures include Key Risk Takers who were in office as of 31 December of the reporting year and are full-year amounts.
[3] Includes base salaries and role-based allowances (if any).
[4] Includes cash Annual Performance Incentive and similar variable cash-based arrangements.
[5] Includes separate cash variable compensation schemes for two lines of business in 2022 and one line of business in 2023.
[6] Includes the Leadership Share Plan and only for 2022 also a separate share-based variable compensation scheme for one region.
[7] Includes Share Units and Dividend Equivalent units under the Leadership Share Plan and One-off Award Plan.
[8] Severance payments in the table above include i) payments under standard severance packages; ii) other payments that are over and above what is contractually or legally required; and iii) voluntary supplementary departure payments, but exclude similar legally permitted payments or garden leave which are aligned with local market practice for comparable positions in respect of amount, nature or duration.
[9] Based on values at vesting/payment.
[10] Amounts are gross before deduction of employee social security contributions. Additional and not included are company contributions to social security systems paid by Swiss Re in line with applicable laws, which amounted to CHF 5 million in 2023 and CHF 7 million in 2022.

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Report of the statutory auditor

To the General Meeting of Swiss Re Ltd, Zürich

Report on the Audit of the Compensation Report

Opinion

We have audited the Compensation Report of Swiss Re Ltd (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked “audited” on **pages 114 to 115, 117 to 118, 120, 123 and page 125** of the Compensation Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying Compensation Report complies with Swiss law and the Company’s articles of association.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Compensation Report” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked “audited” in the Compensation Report, the consolidated financial statements, the stand-alone financial statements and our auditor’s reports thereon.

Our opinion on the Compensation Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Compensation Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Remuneration Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Compensation Report

The Board of Directors is responsible for the preparation of a Compensation Report in accordance with the provisions of Swiss law and the Company's articles of association, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Compensation Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the compensation system and defining individual compensation packages.

Auditor's Responsibilities for the Audit of the Compensation Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Compensation Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Compensation Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG AG

Dr. Frank Pfaffenzeller Licensed Audit Expert Auditor in Charge	Elina Monsch Licensed Audit Expert

Zurich, 12 March 2024

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

Financial Statements

Income statement

For the years ended 31 December

USD millions	Note	2022	2023
Revenues			
Gross premiums written	4	47 889	**49 954**
Net premiums written	4	43 917	**45 095**
Change in unearned premiums		–1 049	**–339**
Premiums earned	3	42 868	**44 756**
Fee income from policyholders	3	250	**247**
Net investment income – non-participating business[1]	7	2 869	**3 995**
Net realised investment gains/losses – non-participating business[2]	7	–3	**719**
Net investment result – unit-linked business	7	–43	**21**
Other revenues		57	**62**
Total revenues		45 998	**49 800**
Expenses			
Claims and claim adjustment expenses[3]	3	–19 607	**–18 646**
Life and health benefits[3]	3	–13 721	**–13 695**
Return credited to policyholders		–280	**–364**
Acquisition costs	3	–7 800	**–8 364**
Operating expenses		–3 369	**–3 737**
Total expenses before interest expenses		–44 777	**–44 806**
Income before interest and income tax expense		1 221	**4 994**
Interest expenses		–570	**–556**
Income before income tax expense		651	**4 438**
Income tax expense	14	–171	**–1 210**
Net income before attribution of non-controlling interests		480	**3 228**
Income/loss attributable to non-controlling interests		–8	**–14**
Net income attributable to common shareholders		472	**3 214**
Earnings per share in USD			
Basic	13	1.63	**11.09**
Diluted	13	1.60	**10.49**
Earnings per share in CHF[4]			
Basic	13	1.63	**9.94**
Diluted	13	1.60	**9.40**

[1] Total impairments for the years ended 31 December of USD 18 million in 2022 and nil in 2023, respectively, were fully recognised in earnings.
[2] Total impairments for the years ended 31 December of USD 70 million in 2022 and nil in 2023, respectively, were fully recognised in earnings.
[3] The Group has revised the presentation of the medical business of Elips Versicherungen AG and starting 2023 reports it under claims and claim adjustment expenses. Comparative information was adjusted accordingly.
[4] The translation from USD to CHF is shown for informational purposes only and has been calculated using the Group's average exchange rates.

The accompanying notes are an integral part of the Group financial statements.

Statement of comprehensive income

For the years ended 31 December

USD millions	2022	2023
Net income before attribution of non-controlling interests	480	**3 228**
Other comprehensive income, net of tax:		
Change in net unrealised investment gains/losses	–9 736	**2 225**
Change in other-than-temporary impairment	–2	
Change in cash flow hedges		**10**
Change in foreign currency translation	68	**–263**
Change in adjustment for pension benefits	124	**–27**
Change in credit risk of financial liabilities at fair value option	–1	**–1**
Other comprehensive income/loss attributable to non-controlling interests	–7	**25**
Total comprehensive income/loss before attribution of non-controlling interests	–9 074	**5 197**
Comprehensive income/loss attributable to non-controlling interests	–1	**–39**
Total comprehensive income/loss attributable to common shareholders	–9 075	**5 158**

Reclassification out of accumulated other comprehensive income
For the years ended 31 December

2022 USD millions	Net unrealised investment gains/losses[1]	Other-than-temporary impairment[1]	Cash flow hedges[1]	Foreign currency translation[1, 2]	Adjustment for pension benefits[3]	Credit risk of financial liabilities at fair value option	Accumulated other comprehensive income
Balance as of 1 January	2 809	–6	0	–6 216	–549	4	–3 958
Change during the period	–13 429	–2		206	132	–1	–13 094
Amounts reclassified out of accumulated other comprehensive income	1 197			–5	25		1 217
Tax	2 496			–133	–33		2 330
Balance as of period end	–6 927	–8	0	–6 148	–425	3	–13 505

2023 USD millions	Net unrealised investment gains/losses[1]	Other-than-temporary impairment[1]	Cash flow hedges[1]	Foreign currency translation[1, 2]	Adjustment for pension benefits[3]	Credit risk of financial liabilities at fair value option	**Accumulated other comprehensive income**
Balance as of 1 January	–6 927	–8	0	–6 148	–425	3	**–13 505**
Impact of ASC 326[4]	25	8					**33**
Change during the period	2 920		13	–340	–44	–2	**2 547**
Amounts reclassified out of accumulated other comprehensive income	–123			–6	3		**–126**
Tax	–572		–3	83	14	1	**–477**
Balance as of period end	**–4 677**	**0**	**10**	**–6 411**	**–452**	**2**	**–11 528**

[1] Reclassification adjustment included in net income is presented in "Net realised investment gains/losses – non-participating business".
[2] Reclassification adjustment is limited to translation gains and losses realised upon sale or upon complete or substantially complete liquidation of an investment in a foreign entity.
[3] Reclassification adjustment included in net income is presented in "Operating expenses".
[4] Impact of ASC 326 "Financial Instruments – Credit Losses". Please refer to Note 1 "Organisation and summary of significant accounting policies" for more details.

The accompanying notes are an integral part of the Group financial statements.

Balance sheet

Assets
As of 31 December

USD millions	Note	2022	2023
Investments	7, 8, 9		
Fixed income securities:			
Available-for-sale (including 12 355 in 2022 and 12 996 in 2023 subject to securities lending and repurchase agreements) (allowance for credit losses of 39 in 2023, amortised cost: 2022: 82 638; 2023: 82 145)		74 089	**76 207**
Trading (including 143 in 2022 and 119 in 2023 subject to securities lending and repurchase agreements)		484	**1 005**
Equity securities at fair value through earnings (including 12 in 2022 and 0 in 2023 subject to securities lending and repurchase agreements)		2 114	**156**
Policy loans, mortgages and other loans, net of allowance for credit losses of 36 in 2023		4 343	**5 034**
Investment real estate		2 931	**2 905**
Short-term investments (including 1 465 in 2022 and 2 339 in 2023 subject to securities lending and repurchase agreements)		8 907	**9 931**
Other invested assets, net of allowance for credit losses of 1 in 2023		8 794	**11 510**
Investments for unit-linked business (equity securities at fair value through earnings)		330	**325**
Total investments		101 992	**107 073**
Cash and cash equivalents (including 421 in 2022 and 1 191 in 2023 subject to securities lending, and 5 in 2022 and 5 in 2023 backing unit-linked contracts)		4 077	**4 583**
Accrued investment income		684	**795**
Premiums and other receivables, net of allowance for credit losses of 71 in 2022 and 92 in 2023		18 145	**19 077**
Reinsurance recoverable on unpaid claims and policy benefits, net of allowance for credit losses of 31 in 2022 and 38 in 2023		6 507	**6 104**
Funds held by ceding companies, net of allowance for credit losses of 11 in 2023		13 929	**16 178**
Deferred acquisition costs	6	8 121	**8 151**
Acquired present value of future profits	6	794	**724**
Goodwill		3 863	**3 978**
Income taxes recoverable		356	**530**
Deferred tax assets	14	8 284	**7 399**
Other assets		3 924	**4 984**
Total assets		170 676	**179 576**

The accompanying notes are an integral part of the Group financial statements.

Liabilities and Equity
As of 31 December

USD millions	Note	2022	2023
Liabilities			
Unpaid claims and claim adjustment expenses	5	85 418	**87 513**
Liabilities for life and health policy benefits		20 925	**20 624**
Policyholder account balances		4 850	**4 775**
Unearned premiums		14 747	**15 488**
Funds held under reinsurance treaties		6 921	**8 460**
Reinsurance balances payable		1 837	**2 733**
Income taxes payable		254	**305**
Deferred and other non-current tax liabilities	14	6 011	**6 415**
Short-term debt	11	786	**1 291**
Accrued expenses and other liabilities		5 866	**7 075**
Long-term debt	11	10 252	**8 526**
Total liabilities		157 867	**163 205**
Equity			
Common shares, CHF 0.10 par value			
2022: 317 497 306; 2023: 317 497 306 shares authorised and issued		30	**30**
Additional paid-in capital		293	**378**
Treasury shares, net of tax		–1 398	**–1 282**
Accumulated other comprehensive income:			
Net unrealised investment gains/losses, net of tax		–6 927	**–4 677**
Other-than-temporary impairment, net of tax		–8	
Cash flow hedges, net of tax			**10**
Foreign currency translation, net of tax		–6 148	**–6 411**
Adjustment for pension and other post-retirement benefits, net of tax		–425	**–452**
Credit risk of financial liabilities at fair value option, net of tax		3	**2**
Total accumulated other comprehensive income		–13 505	**–11 528**
Retained earnings		27 279	**28 548**
Shareholders' equity		12 699	**16 146**
Non-controlling interests		110	**225**
Total equity		12 809	**16 371**
Total liabilities and equity		170 676	**179 576**

The accompanying notes are an integral part of the Group financial statements.

Statement of shareholders' equity

For the years ended 31 December

USD millions	2022	2023
Common shares		
Balance as of 1 January	30	**30**
Balance as of period end	30	**30**
Additional paid-in capital		
Balance as of 1 January	266	**293**
Share-based compensation	13	**51**
Realised gains/losses on treasury shares	14	**34**
Balance as of period end	293	**378**
Treasury shares, net of tax		
Balance as of 1 January	–1 402	**–1 398**
Purchase of treasury shares	–44	**–8**
Issuance of treasury shares, including share-based compensation to employees	48	**124**
Balance as of period end	–1 398	**–1 282**
Net unrealised investment gains/losses, net of tax		
Balance as of 1 January	2 809	**–6 927**
Impact of ASC 326[1]		**25**
Changes during the period	–9 736	**2 225**
Balance as of period end	–6 927	**–4 677**
Other-than-temporary impairment, net of tax		
Balance as of 1 January	–6	**–8**
Impact of ASC 326[1]		**8**
Changes during the period	–2	
Balance as of period end	–8	**0**
Cash flow hedges, net of tax		
Balance as of 1 January	0	**0**
Changes during the period		**10**
Balance as of period end	0	**10**
Foreign currency translation, net of tax		
Balance as of 1 January	–6 216	**–6 148**
Changes during the period	68	**–263**
Balance as of period end	–6 148	**–6 411**
Adjustment for pension and other post-retirement benefits, net of tax		
Balance as of 1 January	–549	**–425**
Changes during the period	124	**–27**
Balance as of period end	–425	**–452**

The accompanying notes are an integral part of the Group financial statements.

USD millions	2022	2023
Credit risk of financial liabilities at fair value option, net of tax		
Balance as of 1 January	4	**3**
Changes during the period	–1	**–1**
Balance as of period end	3	**2**
Retained earnings		
Balance as of 1 January	28 632	**27 279**
Net income after attribution of non-controlling interests	472	**3 214**
Dividends on common shares	–1 825	**–1 850**
Impact of ASC 326[1]		**–95**
Balance as of period end	27 279	**28 548**
Shareholders' equity	12 699	**16 146**
Non-controlling interests		
Balance as of 1 January	110	**110**
Transactions with non-controlling interests		**79**
Income/loss attributable to non-controlling interests	8	**14**
Other comprehensive income attributable to non-controlling interests:		
Change in net unrealised investment gains/losses	–4	**8**
Change in foreign currency translation	–3	**17**
Dividends to non-controlling interests	–1	**–3**
Balance as of period end	110	**225**
Total equity	12 809	**16 371**

[1] Impact of ASC 326 "Financial Instruments – Credit Losses". Please refer to Note 1 "Organisation and summary of significant accounting policies" for more details.

The accompanying notes are an integral part of the Group financial statements.

Statement of cash flows

For the years ended 31 December

USD millions	2022	2023
Cash flows from operating activities		
Net income attributable to common shareholders	472	**3 214**
Add income/loss attributable to non-controlling interests	8	**14**
Adjustments to reconcile net income to net cash provided/used by operating activities:		
Depreciation, amortisation and other non-cash items	425	**–68**
Net realised investment gains/losses	67	**–717**
Income from equity-accounted investees, net of dividends received	258	**23**
Change in:		
Technical provisions and other reinsurance assets and liabilities, net	3 263	**1 347**
Funds held by ceding companies and under reinsurance treaties	–1 019	**–701**
Reinsurance recoverable on unpaid claims and policy benefits	–143	**203**
Other assets and liabilities, net	–460	**–185**
Income taxes payable/recoverable	–248	**686**
Derivative financial instruments and collateral, net	304	**270**
Net cash provided/used by operating activities	2 927	**4 086**
Cash flows from investing activities		
Fixed income securities:		
Sales	24 088	**19 912**
Maturities	5 447	**9 836**
Purchases	–32 393	**–29 305**
Net purchases/sales/maturities of short-term investments	–590	**–783**
Equity securities:		
Sales	2 461	**2 872**
Purchases	–1 270	**–895**
Securities purchased/sold under agreement to resell/repurchase, net	193	**–827**
Cash paid/received for acquisitions/disposals and reinsurance transactions, net	22	**–42**
Net purchases/sales/maturities of other investments	–321	**–1 152**
Net purchases/sales/maturities of investments held for unit-linked business	25	**22**
Net cash provided/used by investing activities	–2 338	**–362**
Cash flows from financing activities		
Policyholder account balances, unit-linked business:		
Deposits	18	**5**
Withdrawals	–66	**–53**
Issuance/repayment of long-term debt	1 449	**–710**
Issuance/repayment of short-term debt	–806	**–818**
Purchase/sale of treasury shares	–6	**126**
Dividends paid to shareholders	–1 825	**–1 850**
Dividends paid to non-controlling interests	–1	**–3**
Transactions with non-controlling interests		**79**
Net cash provided/used by financing activities	–1 237	**–3 224**

The accompanying notes are an integral part of the Group financial statements.

USD millions	2022	2023
Total net cash provided/used	–648	**500**
Effect of foreign currency translation	–326	**6**
Change in cash and cash equivalents	–974	**506**
Cash and cash equivalents as of 1 January	5 051	**4 077**
Cash and cash equivalents as of 31 December	4 077	**4 583**

Interest paid was USD 565 million and USD 554 million (thereof USD 8 million and USD 8 million for letter of credit fees) for 2022 and 2023, respectively. Tax paid was USD 419 million and USD 524 million for 2022 and 2023, respectively.

Cash and cash equivalents include restricted cash and cash equivalents, for instance pledged cash and cash equivalents (please refer to Note 7 "Investments").

The accompanying notes are an integral part of the Group financial statements.

Notes to the Group financial statements

1 Organisation and summary of significant accounting policies

Nature of operations
The Swiss Re Group, which is headquartered in Zurich, Switzerland, comprises Swiss Re Ltd (the parent company) and its subsidiaries (collectively, the "Swiss Re Group" or the "Group"). The Swiss Re Group is a wholesale provider of reinsurance, insurance and other insurance-based forms of risk transfer as well as other insurance-related services. Working through brokers and a network of offices around the globe, the Group serves a client base consisting of insurance companies, mid- to large-sized corporations and public-sector clients.

Swiss Re Group consists of three core operating business segments: Property & Casualty Reinsurance, Life & Health Reinsurance and Corporate Solutions.

Basis of presentation
The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) and comply with Swiss law. All significant intra-group transactions and balances have been eliminated on consolidation.

The Board of Directors of Swiss Re Ltd has decided that as of 1 January 2024 the Group's consolidated financial statements will be prepared in accordance with International Financial Reporting Standards (IFRS). The impact of the adoption on the Group's financial statements is being assessed. Financial statements for periods ending on or prior to 31 December 2023 have been prepared in accordance with US GAAP.

Principles of consolidation
The Group's financial statements include the consolidated financial statements of Swiss Re Ltd and its subsidiaries. Voting entities which Swiss Re Ltd directly or indirectly controls through holding a majority of the voting rights are consolidated in the Group's accounts. Variable interest entities (VIEs) are consolidated when the Swiss Re Group is the primary beneficiary. The Group is the primary beneficiary when it has power over the activities that impact the VIE's economic performance and at the same time has the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE.

Companies which the Group does not control, but over which it directly or indirectly exercises significant influence, are accounted for using the equity method or the fair value option and are included in other invested assets. The Swiss Re Group's share of net profit or loss in investments accounted for under the equity method is included in net investment income. Equity and net income of these companies are adjusted as necessary to be in line with the Group's accounting policies. The results of consolidated subsidiaries and investments accounted for using the equity method are included in the financial statements for the period commencing from the date of acquisition.

Use of estimates in the preparation of financial statements
The preparation of financial statements requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as well as the related disclosure, including contingent assets and liabilities. The Swiss Re Group's liabilities for unpaid claims and claim adjustment expenses and policy benefits for life and health include estimates for premium, claim and benefit data not received from ceding companies at the date of the financial statements. In addition, the Group uses certain financial instruments and invests in securities of certain entities for which exchange trading does not exist. The Group determines these estimates based on historical information, actuarial analyses, financial modelling and other analytical techniques. Actual results could differ significantly from the estimates described above.

Foreign currency remeasurement and translation
Transactions denominated in foreign currencies are remeasured to the respective subsidiary's functional currency at average exchange rates. Monetary assets and liabilities are remeasured to the functional currency at closing exchange rates, whereas non-monetary assets and liabilities are remeasured to the functional currency at historical rates.

Remeasurement gains and losses on monetary assets and liabilities and trading securities are reported in earnings. Remeasurement gains and losses on available-for-sale securities, investments in consolidated subsidiaries and investments accounted for using the equity method are reported in shareholders' equity.

For consolidation purposes, assets and liabilities of subsidiaries with functional currencies other than US dollars are translated from the functional currency to US dollars at closing rates. Revenues and expenses are translated at average exchange rates. Translation adjustments are reported in shareholders' equity.

Valuation of financial assets

The fair value of the majority of the Group's financial instruments is based on quoted prices in active markets or observable inputs. These instruments include government and agency securities, commercial paper, most investment-grade corporate debt, most high-yield debt securities, exchange-traded derivative instruments, most mortgage- and asset-backed securities and listed equity securities. In markets with reduced or no liquidity, spreads between bid and offer prices are normally wider compared to spreads in highly liquid markets. Such market conditions affect the valuation of certain asset classes of the Group, such as some asset-backed securities as well as certain derivative structures referencing such asset classes.

The Group considers both the credit risk of its counterparties and own risk of non-performance in the valuation of derivative instruments and other over-the-counter financial assets. In determining the fair value of these financial instruments, the assessment of the Group's exposure to the credit risk of its counterparties incorporates consideration of existing collateral and netting arrangements entered into with each counterparty. The measure of the counterparty credit risk is estimated by incorporating the observable credit spreads, where available, or credit spread estimates derived based on the benchmarking techniques where market data is not available. The impact of the Group's own risk of non-performance is analysed in a manner consistent with the aforementioned approach, with consideration given to the Group's observable credit spreads. The value representing such risk is incorporated into the fair value of the financial instruments (primarily derivatives), in a liability position as of the measurement date. The change in this adjustment from period to period is reflected in realised investment gains and losses in the income statement.

For assets or derivative structures at fair value, the Group uses market prices or inputs derived from market prices. A separate internal price verification process, independent of the trading function, provides an additional control over the market prices or market inputs used to determine the fair values of such assets. Although management considers that appropriate values have been ascribed to such assets, there is always a level of uncertainty and judgement related to these valuations. Subsequent valuations could differ significantly from the results of the process described above. The Group may become aware of counterparty valuations, either directly through the exchange of information or indirectly, for example through collateral demands. Any implied differences are considered in the independent price verification process and may result in adjustments to initially indicated valuations. As of 31 December 2023, the Group had not provided any collateral on financial instruments in excess of its own market value estimates.

Investments

The Group's investments in fixed income securities are classified as available-for-sale (AFS) or trading.

Fixed income securities AFS are carried at fair value, based on quoted market prices, with the difference between the applicable measure of cost and fair value being recognised in shareholders' equity and subject to impairment. For fixed income securities AFS for which the fair value is below amortised cost and there is no intention or obligation to sell, the impairment loss is split into (i) the estimated amount relating to credit losses, and (ii) the amount relating to non-credit factors. The estimated credit loss is recognised as an allowance in earnings as a component of net realised investment gains/losses, with the remainder of the loss recognised in other comprehensive income. The allowance for credit losses is measured as the amount by which the amortised cost basis exceeds the best estimate of the present value of cash flows expected to be collected. The allowance for credit losses and the corresponding charge to earnings can be reversed as conditions change. However, the amount to be reversed is limited to the initial credit loss allowance recognised. When there is an intention or obligation to sell and the fair value is lower than amortised cost, the amortised cost of the respective security is written down to its current fair value. Subsequent recoveries are recognised in earnings as a component of net realised investment gains/losses.

Trading fixed income securities are carried at fair value with unrealised gains and losses recognised in earnings. A trading classification is used for securities that are bought and held principally for the purpose of selling them in the near term.

Equity investments are carried at fair value with unrealised gains and losses recognised in earnings, with the exception of equity method investments and investments that result in consolidation.

Interest on fixed income securities is recorded in net investment income when earned and is adjusted for the amortisation of any purchase premium or discount. Dividends on equity securities are recognised as investment income on the ex-dividend date. Realised gains and losses on sales are included in earnings and are calculated using the specific identification method.

Policy loans, mortgages and other loans are carried at amortised cost. Interest income is recognised in accordance with the effective yield method. The allowance for credit losses on mortgage and other loans are estimated on an expected loss basis using a model that utilises probability of default and loss given default methods over the contractual lifetime of the instrument. The allowance is recognised in earnings as a component of net realised investment gains/losses. The allowance for credit losses and the corresponding charge to earnings can be reversed as conditions change and are recognised as adjustments to the allowance for credit losses. When all or a portion of a loan is deemed uncollectible, the uncollectible portion of the carrying amount of the loan is written- off against the allowance.

Investment in real estate that the Group intends to hold in order to earn income is carried at depreciated cost, net of any write-downs for impairment in value. Depreciation on buildings is recognised on a straight-line basis over the estimated useful life of the asset. Land is recognised at cost and not depreciated. Impairment in value is recognised if the sum of the estimated future undiscounted cash flows from the use of the real estate is lower than its carrying value. The impairment loss is measured as the amount by which the asset's carrying amount exceeds its fair value and is recognised in realised investment losses. Depreciation and other related charges or credits are included in net investment income. Investment in real estate held for sale is carried at the lower of cost or fair value, less estimated selling costs, and is not depreciated. Reductions in the carrying value of real estate held for sale are included in realised investment losses.

Short-term investments are measured at fair value with changes in fair value recognised in earnings. The Group considers highly liquid investments with a remaining maturity at the date of acquisition of one year or less, but greater than three months, to be short-term investments.

Other invested assets include equity accounted companies, derivative financial instruments, collateral receivables, securities purchased under agreement to resell, deposits and time deposits, and investments without readily determinable fair value (including limited partnership investments). Investments in limited partnerships where the Group's interest equals or exceeds 3% are accounted for using the equity method. Investments in limited partnerships where the Group's interest is below 3% and equity investments in corporate entities which are not publicly traded are accounted for at estimated fair value with changes in fair value recognised in earnings.

The Group enters into securities lending arrangements under which it loans certain securities in exchange for collateral and receives securities lending fees. The Group's policy is to require collateral, consisting of cash or securities, equal to at least 102% of the carrying value of the securities loaned. In certain arrangements, the Group may accept collateral of less than 102% if the structure of the overall transaction offers an equivalent level of security. Cash received as collateral is recognised along with an obligation to return the cash. Securities received as collateral that can be sold or repledged are also recognised along with an obligation to return those securities. Securities lending fees are recognised over the term of the related loans.

Derivative financial instruments and hedge accounting
The Group uses a variety of derivative financial instruments including swaps, options, forwards and exchange-traded financial futures for the Group's trading and hedging strategy in line with the overall risk management strategy. Derivative financial instruments are primarily used as a means of managing exposure to price, foreign currency and/or interest rate risk on planned or anticipated investment purchases, existing assets or existing liabilities and also to lock in attractive investment conditions for funds which become available in the future. The Group recognises all of its derivative instruments on the balance sheet at fair value. Changes in fair value on derivatives that are not designated as hedging instruments are recorded in income.

If the derivative is designated as a hedge of the fair value of assets or liabilities, changes in the fair value of the derivative are recognised in earnings, together with changes in the fair value of the related hedged item. If the derivative is designated as a hedge of the variability in expected future cash flows related to a particular risk, changes in the fair value of the derivative are reported in other comprehensive income until the hedged item is recognised in earnings. The ineffective portion of the hedge is recognised in earnings. When hedge accounting is discontinued on a cash flow hedge, the net gain or loss remains in accumulated other comprehensive income and is reclassified to earnings in the period in which the formerly hedged transaction is reported in earnings. When the Group discontinues cash flow hedge accounting because it is no longer probable that a forecasted transaction will occur within the required time period, the derivative continues to be carried on the balance sheet at fair value, and gains and losses that were previously recorded in accumulated other comprehensive income are recognised in earnings.

The Group recognises separately derivatives that are embedded within other host instruments if the economic characteristics and risks are not clearly and closely related to the economic characteristics and risks of the host contract and if it meets the definition of a derivative if it were a free-standing contract.

Derivative financial instrument assets are generally included in other invested assets and derivative financial instrument liabilities are generally included in accrued expenses and other liabilities.

The Group also designates non-derivative and derivative monetary financial instruments as hedges of the foreign currency exposure of its net investment in certain foreign operations. From the inception of the hedging relationship, remeasurement gains and losses on the designated non-derivative and derivative monetary financial instruments and translation gains and losses on the hedged net investment are reported as translation gains and losses in shareholders' equity.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, short-term deposits, certain short-term investments in money market funds and highly liquid debt instruments with a remaining maturity at the date of acquisition of three months or less.

Deferred acquisition costs
The Group incurs costs in connection with acquiring new and renewal reinsurance and insurance business. Some of these costs, which consist primarily of commissions, are deferred as they are directly related to the successful acquisition of such business.

Deferred acquisition costs for short-duration contracts are amortised in proportion to premiums earned. Deferred acquisition costs for traditional long-duration contracts are amortised over the life of underlying contracts based upon the present value of gross premiums.

Deferred acquisition costs for universal-life type contracts and similar products are amortised based on the present value of estimated gross profits. Estimated gross profits are updated quarterly.

Modifications of insurance and reinsurance contracts
The Group accounts for modifications of insurance and reinsurance contracts that result in a substantially unchanged contract as a continuation of the replaced contract. The associated deferred acquisition costs and present value of future profits (PVFP) will continue to be amortised. The Group accounts for modifications of insurance and reinsurance contracts that result in a substantially changed contract as an extinguishment of the replaced contract. The associated deferred acquisition costs or PVFP are written off immediately through income and any new deferrable costs associated with the replacement contract are deferred.

Business combinations
The Group applies the acquisition method of accounting for business combinations. This method allocates the cost of the acquired entity to the assets and liabilities assumed based on their estimated fair values at the date of acquisition.

The underlying assets and liabilities acquired are subsequently accounted for according to the relevant US GAAP guidance. This includes specific requirements applicable to subsequent accounting for assets and liabilities recognised as part of the acquisition method of accounting, including present value of future profits, goodwill and other intangible assets.

Acquired present value of future profits
The acquired present value of future profits (PVFP) of business in force is recorded in connection with the acquisition of life and health business. The initial value is calculated as the difference between established reserves, which are set up in line with US GAAP accounting policies and assumptions of the Group, and their fair value at the acquisition date. The resulting PVFP, which could be positive or negative, is amortised on a constant yield basis over the expected revenue recognition period of the business acquired, generally over periods ranging up to 30 years, with the accrual of interest added to the unamortised balance at the earned rate. Amortisation and accrual of interest are recognised in acquisition costs. The earned rate corresponds to either the current earned rate or the original earned rate depending on the business written. The rate is consistently applied for the entire life of the applicable business. For universal-life and similar products, PVFP is amortised in line with estimated gross profits, which are updated quarterly. The carrying value of PVFP is reviewed periodically for indicators of impairment in value. Adjustments to PVFP reflecting impairment in value are recognised in acquisition costs during the period in which the determination of impairment is made, or in other comprehensive income for shadow loss recognition.

Goodwill
The excess of the purchase price of acquired businesses over the estimated fair value of net assets acquired is recorded as goodwill. The goodwill is tested for impairment on an annual basis as of 30 September, unless there is an event or circumstances which makes an impairment more likely than not. Adjustments to reflect impairment in value are recognised in earnings in the period in which the determination of impairment is made.

Other assets
Other assets include deferred expenses on retroactive reinsurance, prepaid reinsurance premiums, receivables related to investing activities, real estate for own use, other classes of property, plant and equipment, lease right-of-use asset, accrued income, certain intangible assets and prepaid assets.

The excess of estimated liabilities for claims and claim adjustment expenses payable over consideration received in respect of retroactive property and casualty reinsurance contracts is recorded as a deferred expense. The deferred expense on retroactive reinsurance contracts is amortised through earnings over the expected claims-paying period.

Real estate for own use as well as other classes of property, plant and equipment are carried at depreciated cost. Depreciation on buildings is recognised on a straight-line basis over the estimated useful life. Land is recognised at cost and not depreciated.

Leases
The Group recognises for finance and operating leases a liability to make lease payments (the lease liability) and a right-of-use asset representing the right to use the underlying asset for the lease term. The lease right-of-use asset is included in "other assets" and the lease liability is included in "accrued expenses and other liabilities" on the balance sheet. Lease expense for lease payments is recognised on a straight-line basis over the lease term.

Additional disclosures are provided in Note 12 "Leases".

Capitalised software costs
External direct costs of materials and services incurred to develop or obtain software for internal use, payroll and payroll-related costs for employees directly associated with software development and interest cost incurred while developing software for internal use are capitalised and amortised on a straight-line basis through earnings over the estimated useful life.

Income taxes
Deferred income tax assets and liabilities are recognised based on the difference between financial statement carrying amounts and the corresponding income tax bases of assets and liabilities using enacted income tax rates and laws. A valuation allowance is recorded against deferred tax assets when it is deemed more likely than not that some or all of the deferred tax assets may not be realised.

The Group recognises the effect of income tax positions only if sustaining those positions is more likely than not. Changes in recognition or measurement are reflected in the period in which a change in judgement occurs. Interest and penalties related to unrecognised tax benefits are recorded in income tax expense.

The Group releases stranded tax effects for unrealised gains/losses on AFS securities to earnings on a straight-line basis over the average duration of the relevant AFS portfolio as an approximation of when the individual securities within the portfolio are sold or mature. For adjustment for pension and other post-retirement benefits, stranded tax effects are released to earnings when the relevant pension plan is terminated. For foreign currency translation, stranded tax effects are released to earnings in line with the recycling of the underlying foreign currency translation amounts.

Unpaid claims and claim adjustment expenses
Liabilities for unpaid claims and claim adjustment expenses for property and casualty and for life and health insurance and reinsurance contracts are accrued when insured events occur and are based on the estimated ultimate cost of settling the claims, using reports and individual case estimates received from ceding companies. Reserves also are established for claims incurred but not reported, which are developed on the basis of past experience adjusted for current trends and other factors that modify past experience. The establishment of the appropriate level of reserves is an inherently uncertain process involving estimates and judgements made by management, and therefore there can be no assurance that ultimate claims and claim adjustment expenses will not exceed the loss reserves currently established by the Group. These estimates are regularly reviewed, and adjustments for differences between estimates and actual payments for claims and for changes in estimates are reflected in income in the period in which the estimates are changed or payments are made.

The Group does not discount liabilities arising from prospective property and casualty insurance and reinsurance contracts, including liabilities which are discounted for US statutory reporting purposes. Liabilities arising from property and casualty insurance and reinsurance contracts acquired in a business combination are initially recognised at fair value in accordance with the acquisition method of accounting.

The Group does not discount life and health claim reserves except for disability income claims in payment and mortality claims paid out in the form of an annuity. These claims are recognised at the estimated present value of the remaining ultimate net costs of the incurred claims.

Experience features which are directly linked to a reinsurance asset or liability are classified in a manner that is consistent with the presentation of that asset or liability.

Liabilities for life and health policy benefits
Liabilities for life and health policy benefits from reinsurance business are generally calculated using the net level premium method, based on assumptions as to investment yields, mortality, morbidity, withdrawals, lapses and policyholder dividends. Assumptions are set at the time the contract is issued or, in the case of contracts acquired by purchase, at the acquisition date. The assumptions are based on current best estimates, making allowance for possible adverse deviation. Interest rate assumptions for life and health (re)insurance benefit liabilities are based on estimates of expected investment yields. Assumed mortality or morbidity rates are generally based on experience multiples applied to the actuarial select and ultimate tables based on industry experience.

Policyholder account balances
Policyholder account balances relate to universal-life-type contracts and investment contracts.

Universal-life-type contracts are long-duration insurance contracts, providing either death or annuity benefits, with terms that are not fixed and guaranteed.

Investment contracts are long-duration contracts that do not incorporate significant insurance risk, ie there is no mortality and morbidity risk, or the mortality and morbidity risk associated with the insurance benefit features offered in the contract is of insignificant amount or remote probability. Amounts received as payment for investment contracts are reported as policyholder account balances. Related assets are included in general account assets except for investments for unit-linked, which are presented in a separate line item on the face of the balance sheet.

Amounts assessed against policyholders for mortality, administration and surrender are reported as fee income. Amounts credited to policyholders are reported as interest credited to policyholders. Investment income and realised investment gains and losses allocable to policyholders are included in net investment income and net realised investment gains/losses except for unit-linked, which is presented in a separate line item on the face of the income statement.

In unit-linked contracts, the investment risk is borne by the policyholder. Additional disclosures are provided in Note 7 “Investments”.

Funds held assets and liabilities
On the asset side, funds held by ceding companies consist mainly of amounts retained by the ceding company for business written on a funds withheld basis. In addition, the account also includes amounts arising from the application of the deposit method of accounting to ceded retrocession or reinsurance contracts.

On the liability side, funds held under reinsurance treaties consist mainly of amounts arising from the application of the deposit method of accounting to inward insurance and reinsurance contracts. In addition, the account also includes amounts retained from ceded business written on a funds withheld basis.

Funds withheld assets are assets that would normally be paid to the Group but are withheld by the cedent to reduce a potential credit risk or to retain control over investments. In case of funds withheld liabilities, it is the Group that withholds assets related to ceded business in order to reduce its credit risk or retain control over the investments.

The deposit method of accounting is applied to insurance and reinsurance contracts that do not indemnify the ceding company or the Group against loss or liability relating to insurance risk. Under the deposit method of accounting, the deposit asset or liability is initially measured based on the consideration paid or received. For contracts that transfer neither significant timing nor underwriting risk, and contracts that transfer only significant timing risk, changes in estimates of the timing or amounts of cash flows are accounted for by recalculating the effective yield. The deposit is then adjusted to the amount that would have existed had the new effective yield been applied since the inception of the contract. The revenue and expense recorded for such contracts is included in net investment income. For contracts that transfer only significant underwriting risk, once a loss is incurred, the deposit is adjusted by the present value of the incurred loss. At each subsequent balance sheet date, the portion of the deposit attributable to the incurred loss is recalculated by discounting the estimated future cash flows. The resulting changes in the carrying amount of the deposit are recognised in claims and claim adjustment expenses.

Funds withheld balances are presented together with assets and liabilities arising from the application of the deposit method because of their common deposit-type character.

Premium deficiency testing
The level of the premium deficiency test is at the segment level or separate business within Group Items. The testing is performed net of external retrocessions.

For long duration contracts, liabilities for life and health policy benefits are increased with a charge to earnings if there is a premium deficiency. A premium deficiency exists if the liability for future policy benefits calculated using best estimate cash flows, including investment income, is higher than the net GAAP liability. If a premium deficiency exists, the deferred acquisition costs for the related business segment will be expensed to the extent of the deficiency. If the deficiency is greater than the deferred acquisition costs, then an additional liability will be established for the difference. In connection with the premium deficiency testing, an analysis is performed to determine that profits will not be followed by losses. The best estimate cash flows by year along with the change in the locked in GAAP reserve are reviewed to determine that there are not any profits followed by losses. If so, an additional GAAP reserve is established by calculating the portion of future premiums required to be used as an additional reserve to offset the future losses.

For short duration contracts, a premium deficiency exists when the unearned premium plus expected investment income is less than the total of expected claim costs and claim adjustment expenses, related estimated policy maintenance costs (incl. unallocated loss adjustment expenses), related unamortised acquisition costs and expected dividends to policyholders. If a premium deficiency exists, the deferred acquisition costs for the related business segment will be expensed to the extent of the deficiency. If the deficiency is greater than the deferred acquisition cost, then a liability will be established for the difference.

Shadow adjustments
Shadow adjustments are recognised in other comprehensive income reflecting the offset of adjustments to deferred acquisition costs and PVFP, typically related to universal-life-type contracts, and policyholder liabilities. The purpose is to reflect the fact that certain amounts recorded as unrealised investment gains and losses within shareholders' equity will ultimately accrue to policyholders and not shareholders.

Shadow loss recognition testing becomes relevant in low interest rate environments. The test considers whether the hypothetical sale of AFS securities and the reinvestment of proceeds at lower yields would lead to negative operational earnings in future periods, thereby causing a loss recognition event. For shadow loss recognition testing, the Group uses current market yields to determine best estimate US GAAP reserves rather than using locked-in or current book yields. If the unlocked best estimate US GAAP reserves based on current market rates are in excess of reserves based on locked-in or current book yields, a shadow loss recognition reserve is set up. These reserves are recognised in other comprehensive income and do not impact net income. In addition, shadow loss recognition reserves can reverse up to the amount of losses recognised due to past loss events.

Premiums
Property and casualty reinsurance premiums are recorded when written and include an estimate for written premiums receivable at period end. Premiums earned are generally recognised in income over the contract period in proportion to the amount of reinsurance provided. Unearned premiums consist of the unexpired portion of reinsurance provided. Life reinsurance premiums are earned when due. Related policy benefits are recorded in relation to the associated premium or gross profits so that profits are recognised over the expected lives of the contracts.

Life and health reinsurance premiums for group coverages are generally earned over the term of the coverage. For group contracts that allow experience adjustments to premiums, such premiums are recognised as the related experience emerges.

Reinstatement premiums are due where coverage limits for the remaining life of the contract are reinstated under pre-defined contract terms. The recognition of reinstatement premiums as written depends on individual contract features. Reinstatement premiums are either recognised as written at the time a loss event occurs or in line with the recognition pattern of premiums written of the underlying contract. The accrual of reinstatement premiums is based on actuarial estimates of ultimate losses. Reinstatement premiums are generally earned in proportion to the amount of reinsurance provided.

Insurance and reinsurance ceded
The Group uses retrocession arrangements to increase its aggregate underwriting capacity, to diversify its risk and to reduce the risk of catastrophic loss on reinsurance assumed. The ceding of risks to retrocessionaires does not relieve the Group of its obligations to its ceding companies. The Group regularly evaluates the financial condition of its retrocessionaires and monitors the concentration of credit risk to minimise its exposure to financial loss from retrocessionaires' insolvency. Premiums and losses ceded under retrocession contracts are reported as reductions of premiums earned and claims and claim adjustment expenses. Amounts recoverable for ceded short- and long-duration contracts, including universal-life-type and investment contracts, are reported as assets in the accompanying consolidated balance sheet.

The Group provides reserves for uncollectible amounts on reinsurance balances ceded, based on management's assessment of the expected collectability of the outstanding balances.

Receivables
Premium and claims receivables which have been invoiced are accounted for at face value. Together with assets arising from the application of the deposit method of accounting that meet the definition of financing receivables they are regularly assessed for impairment. Evidence of impairment is the age of the receivable and/or any financial difficulties of the counterparty. Allowances are set up on the net balance, meaning all balances related to the same counterparty are considered. The amount of the allowance is principally set up based on an analysis of the credit quality of the debtor and can be as high as the outstanding net balance.

Pensions and other post-retirement benefits
The Group accounts for its pension and other post-retirement benefit costs using the accrual method of accounting. Amounts charged to expense are based on periodic actuarial determinations.

Share-based payment transactions
As of 31 December 2023, the Group had a Leadership Performance Plan (LPP)/Leadership Share Plan (LSP), a Deferred Share Plan (DSP), restricted shares and a Global Share Participation Plan. These plans are described in more detail in Note 16 "Share-based payments". The Group accounts for share-based payment transactions with employees using the fair value method. Under the fair value method, the fair value of the awards is recognised in earnings over the vesting period.

For share-based compensation plans which are settled in cash, compensation costs are recognised as liabilities, whereas for equity-settled plans, compensation costs are recognised as an accrual to additional paid-in capital within shareholders' equity.

Treasury shares
Treasury shares are reported at cost in shareholders' equity.

Earnings per common share
Basic earnings per common share are determined by dividing net income available to shareholders by the weighted average number of common shares entitled to dividends during the year. Diluted earnings per common share reflect the effect on earnings and average common shares outstanding associated with dilutive securities.

Subsequent events
Subsequent events for the current reporting period have been evaluated up to 12 March 2024. This is the date on which the financial statements are available to be issued.

Adoption of new accounting standards
In June 2016, the FASB issued ASC 326, "Financial Instruments – Credit Losses", which replaces the incurred loss impairment methodology with a methodology that reflects current expected credit losses (CECL). The standard is applicable to all assets such as financial instruments that are measured at amortised cost, fixed income securities available-for-sale, premium receivables, funds withheld assets and reinsurance recoverable. The objective of the expected credit loss model is that a reporting entity recognises its estimate of expected credit losses incorporating forward-looking information in a valuation allowance for assets in scope. The Group adopted the standard on 1 January 2023 using a modified retrospective method. As of 1 January 2023, the impact of the adoption of the standard was a reduction in opening retained earnings of USD 95 million (net of tax). The Group also adopted the required disclosures within Note 3 "Insurance information" and Note 7 "Investments". Results for reporting periods prior to 1 January 2023 are presented in accordance with the previous guidance.

In January 2017, the FASB issued ASU 2017-04, "Simplifying the Test for Goodwill Impairment", an update to Topic 350, "Intangibles – Goodwill and Other". This ASU simplifies the subsequent measurement of goodwill and eliminates Step 2 from the goodwill impairment test. In computing the implied fair value of goodwill under Step 2, an entity has to perform procedures to determine the fair value of its assets and liabilities (including unrecognised assets and liabilities) at the impairment testing date following the procedure that would be required in determining the fair value of assets acquired and liabilities assumed in a business combination. Instead, under the amendments in this update, an entity should perform its regular goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity should recognise an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognised should not exceed the total amount of goodwill allocated to that reporting unit. As amended by ASU 2019-10 "Effective Dates", ASU 2017-04 is effective for goodwill impairment tests in annual and interim periods beginning after 15 December 2022. The Group adopted the standard on 1 January 2023. The adoption did not have an impact on the Group's financial statements.

In October 2018, the FASB issued ASU 2021-08, "Accounting for Contract Assets and Contract Liabilities from Contracts with Customers", an update to Topic 805, "Business Combinations". Prior to the update, Topic 805 required all assets acquired and all liabilities assumed in a business combination to be recognized on the basis of the fair value as of the acquisition date. The amendments in ASU 2021-08 outline that contract assets and contract liabilities with a respective deferred revenue and deferred expense component acquired in a business combination should be recognized in accordance with ASC 606 "Revenue from Contracts with Customers" assuming the contractual terms as if the acquirer entered into the original contract on the same date with the same conditions when determining the recognition value. ASU 2021-08 is effective prospectively in annual and interim periods beginning after 15 December 2022. The Group adopted ASU 2021-08 as of 1 January 2023.

In March 2022, the FASB issued ASU 2022-01, "Fair Value Hedging — Portfolio Layer Method", an update to Topic 815, "Derivatives and Hedging". This ASU amends ASU 2017-12 issued in August 2017 to further simplify fair value hedge accounting. ASU 2017-12 established the "last-of-layer" method to enable the application of fair value hedging to a stated amount of closed portfolios of prepayable financial assets or one or more beneficial interests secured by a portfolio of prepayable financial instruments. The amendments in this update expand the scope of fair value hedge accounting permitting the application of the "portfolio-layer" method to portfolios of all financial assets, including both prepayable and non-prepayable financial assets. ASU 2022-01 is effective prospectively in annual and interim periods beginning after 15 December 2022. The Group adopted ASU 2022-01 as of 1 January 2023.

In September 2022, the FASB issued ASU 2022-04, "Disclosure of Supplier Finance Program Obligations", an update to Topic 405 "Liabilities- Supplier Finance Programs". This ASU applies to all entities that use supplier finance programs in connection with the purchase of goods and services and require that a buyer in a supplier finance program discloses sufficient information about the program to allow a user of financial statements to understand the program's nature, activity during the period, changes from period to period, and potential magnitude. ASU 2022-04 is effective retrospectively in annual and interim periods beginning after 15 December 2022, except for the amendment on rollforward information, which is effective in annual and interim periods beginning after 15 December 2023. The Group adopted ASU 2022-04 as of 1 January 2023 for the requirements that have become effective as of this date. The adoption did not have an impact on the Group's financial statements.

In March 2020, the FASB issued ASU 2020-04, "Facilitation of the Effects of Reference Rate Reform on Financial Reporting", an update to Topic 848, "Reference Rate Reform". In response to concerns about structural risks of interbank offered rates (IBORs) and, particularly, the risk of cessation of the London Interbank Offered Rate (LIBOR), regulators in several jurisdictions around the world have undertaken reference rate reform initiatives to identify alternative reference rates. The amendments in this update provide optional expedients and exceptions for applying US GAAP accounting principles to contracts, hedging relationships and other transactions that reference LIBOR or another reference rate expected to be discontinued because of these reference rate reform initiatives. The Group adopted ASU 2020-04 on 12 March 2020, which is the issuance date of the standard. There is a choice to apply the guidance by Topic or industry Subtopic at any time prospectively during the effective period from 12 March 2020 through 31 December 2024, with the effective period amended by ASU 2022-06 "Deferral of the Sunset Date of Topic 848", an update to Topic 848, "Reference Rate Reform". As of 31 December 2023, the Group applied the guidance to Topic 815 related to derivative contracts that were amended for LIBOR references due to the Adjustable Interest Rate (LIBOR) Act (the "LIBOR Act") which applies to US contracts that lack sufficient contractual provisions addressing the permanent cessation of LIBOR as well as to Topic 944 related to changes resulting from the replacement of discontinued reference rates included in contracts within the scope of Topic 944, "Financial Services – Insurance". The Group also applied the guidance to modifications of loan contracts within the scope of Topic 310 "Receivables" due to replacements of reference rates that are expected to be discontinued. These modifications are being accounted for by prospectively adjusting the effective interest rate.

In January 2021, the FASB issued ASU 2021-01, "Scope", an update to Topic 848, "Reference Rate Reform". Because of the broad population of derivatives affected by the market-wide transition to new reference rates (commonly referred to as the "discounting transition"), stakeholders analysed the accounting implications of the discounting transition against the available exceptions and expedients within Topic 848, "Reference Rate Reform", which led them to raise questions about the scope of that Topic. The amendments clarify the scope of Topic 848 and allow entities to apply certain optional provisions in Topic 848 to derivative instruments that undergo a modification of the interest rate used for margining, discounting, or contract price alignment because of the discounting transition that do not also reference LIBOR or another reference rate that is expected to be discontinued as a result of reference rate reform. The Group applied ASU 2021-01 as of 31 December 2023.

Although the Group has exposure to discontinued IBORs, the transition to the new risk-free reference rates did not have a material impact, mostly due to the transition relief measures in Topic 848, "Reference Rate Reform".

Future adoption of new accounting standards
In August 2018, the FASB issued ASU 2018-12, "Targeted Improvements to the Accounting for Long-Duration Contracts", an update to Topic 944, "Financial Services – Insurance". This ASU requires that the cash flows and net premium ratio will be updated for changes in insurance assumptions (eg mortality, morbidity, terminations) when measuring the liability for future policy benefits for nonparticipating traditional and limited-payment insurance and reinsurance contracts. There will no longer be a provision for adverse deviation. In addition, the discount rate used to reflect the time value of money in the calculation of the liability for future policy benefits will be standardised. Further, the ASU requires deferred acquisition costs (DAC) relating to most long-duration contracts to be amortised on a constant basis over the expected term of the contract. As amended by ASU 2020-11 "Effective Date and Early Application", ASU 2018-12 is effective for annual periods beginning after 15 December 2024, and interim periods beginning after 15 December 2025. Due to the decision of the Board of Directors of SRZ to prepare the Group's consolidated financial statements in accordance with IFRS beginning 1 January 2024, the Group does not plan to adopt ASU 2018-12.

2 Information on business segments

The Group provides reinsurance and insurance throughout the world through its business segments. The business segments are determined by the organisational structure and by the way in which management reviews the operating performance of the Group.

The Group presents three core operating business segments: Property & Casualty Reinsurance, Life & Health Reinsurance and Corporate Solutions. Interest expense is based on the segment's capital funding position. The tax impact of a segment is derived from the legal entity tax obligations and the segmentation of the pre-tax result. While most of the tax items can be directly attributed to individual segments, the tax within an entity which impacts two or more segments is allocated to the segments based on the applicable statutory tax rate on pre-tax income or loss with permanent tax differences specifically allocated to the applicable segments.
Property & Casualty Reinsurance and Life & Health Reinsurance share the same year-to-date effective tax rate.

Accounting policies applied by the business segments are in line with those described in the summary of significant accounting policies (please refer to Note 1). Cross-segmental dividends and gains and losses on certain one-off transfers and transactions between segments are accounted for through segmental shareholders' equity.

The Group operating segments are outlined below.

The reinsurance business is managed through two operating segments, Property & Casualty Reinsurance and Life & Health Reinsurance, operating globally, both through brokers and directly with clients, and providing a large range of solutions for risk and capital management. Clients include stock and mutual insurance companies as well as public sector and governmental entities. In addition to traditional reinsurance solutions, both Property & Casualty Reinsurance and Life & Health Reinsurance offer insurance-linked securities and other insurance-related capital market products.

The Business Unit Global Clients and Solutions, that comprises Public Sector Solutions, Reinsurance Solutions, and iptiQ, is reported across different operating segments.

Property & Casualty Reinsurance
Property & Casualty includes the business lines property, casualty (including motor) and specialty.

Life & Health Reinsurance
Life & Health includes the life and health lines of business.

Corporate Solutions
Corporate Solutions offers innovative insurance capacity to mid- to large-sized corporations across the globe. Offerings range from standard risk transfer covers and multi-line programmes to highly customised solutions tailored to the needs of clients. Corporate Solutions serves customers from offices worldwide.

Group items
iptiQ results are reported within the Group items segment. Group items also includes items not allocated to the core operating business segments, which encompass parts of Principal Investments, Swiss Re Ltd, the Group's ultimate parent company, certain Treasury units and reinsurance and insurance business in run-off. iptiQ partners with distributors providing the Swiss Re Group access to risk pools offering white labelled protection cover in both the life and health as well as property and casualty businesses. Swiss Re Ltd charges trademark licence fees to the business segments which are reported as other revenues. Certain administrative expenses of the corporate centre functions that are not recharged to the operating segments are reported under Group items.

Consolidation
Segment information is presented net of external and internal retrocession and other intra-group arrangements. The Group total is obtained after elimination of intra-group transactions in the "Consolidation" column. This includes significant intra-group reinsurance arrangements, recharge of trademark licence fees and intersegmental funding.

a) Business segments – income statement
For the year ended 31 December

2022 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions[1]	Group items	Consolidation	Total
Revenues						
Gross premiums written	23 848	15 986	8 198	868	–1 011	47 889
Net premiums written	22 826	14 476	6 124	491		43 917
Change in unearned premiums	–798	258	–642	133		–1 049
Premiums earned	22 028	14 734	5 482	624		42 868
Fee income from policyholders		250				250
Net investment income – non-participating business	1 355	1 431	223	131	–271	2 869
Net realised investment gains/losses – non-participating business	–117	187	29	–102		–3
Net investment result – unit-linked business		–43				–43
Other revenues	27	1	3	429	–403	57
Total revenues	23 293	16 560	5 737	1 082	–674	45 998
Expenses						
Claims and claim adjustment expenses[1]	–16 344		–3 225	–38		–19 607
Life and health benefits[1]		–12 948	–339	–434		–13 721
Return credited to policyholders		–280				–280
Acquisition costs	–5 106	–1 772	–748	–174		–7 800
Operating expenses	–1 106	–840	–793	–1 033	403	–3 369
Total expenses before interest expenses	–22 556	–15 840	–5 105	–1 679	403	–44 777
Income/loss before interest and income tax expense/benefit	737	720	632	–597	–271	1 221
Interest expenses	–372	–233	–24	–212	271	–570
Income/loss before income tax expense/benefit	365	487	608	–809	0	651
Income tax expense/benefit	–53	–71	–114	67		–171
Net income/loss before attribution of non-controlling interests	312	416	494	–742	0	480
Income/loss attributable to non-controlling interests			–8			–8
Net income/loss attributable to common shareholders	312	416	486	–742	0	472
Combined ratio in %	102.4		93.1			100.5
Management expense ratio[2] in %		5.1				
Net operating margin[3] in %	3.2	4.3	11.0			2.7

[1] The Group has revised the presentation of the medical business of Elips Versicherungen AG and starting 2023 reports it under claims and claim adjustment expenses. Comparative information was adjusted accordingly.
[2] Management expense ratio is calculated as "Operating expenses" divided by "Total revenues" excluding "Net realised investment gains/losses – non-participating business" and "Net investment result – unit-linked business".
[3] Net operating margin is calculated as "Income/loss before interest and income tax expense/benefit" divided by "Total revenues" excluding "Net investment result – unit-linked business".

Business segments – income statement
For the year ended 31 December

2023 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Consolidation	Total
Revenues						
Gross premiums written	24 367	16 909	8 152	1 436	–910	49 954
Net premiums written	22 878	15 391	5 643	1 183		45 095
Change in unearned premiums	3	10	–164	–188		–339
Premiums earned	22 881	15 401	5 479	995		44 756
Fee income from policyholders		247				247
Net investment income – non-participating business	1 981	1 848	401	222	–457	3 995
Net realised investment gains/losses – non-participating business	65	347	58	249		719
Net investment result – unit-linked business		21				21
Other revenues	30	1	5	545	–519	62
Total revenues	**24 957**	**17 865**	**5 943**	**2 011**	**–976**	**49 800**
Expenses						
Claims and claim adjustment expenses	–15 075		–3 420	–151		–18 646
Life and health benefits		–13 061		–634		–13 695
Return credited to policyholders		–364				–364
Acquisition costs	–5 376	–1 998	–733	–257		–8 364
Operating expenses	–1 386	–905	–869	–1 096	519	–3 737
Total expenses before interest expenses	**–21 837**	**–16 328**	**–5 022**	**–2 138**	**519**	**–44 806**
Income/loss before interest and income tax expense/benefit	**3 120**	**1 537**	**921**	**–127**	**–457**	**4 994**
Interest expenses	–581	–210	–29	–193	457	–556
Income/loss before income tax expense/benefit	**2 539**	**1 327**	**892**	**–320**	**0**	**4 438**
Income tax expense/benefit	–672	–351	–206	19		–1 210
Net income/loss before attribution of non-controlling interests	**1 867**	**976**	**686**	**–301**	**0**	**3 228**
Income/loss attributable to non-controlling interests	–6		–8			–14
Net income/loss attributable to common shareholders	**1 861**	**976**	**678**	**–301**	**0**	**3 214**
Combined ratio[1] in %	94.8		91.7			94.2
Management expense ratio[2] in %		5.2				
Net operating margin[3] in %	12.5	8.6	15.5			10.0

[1] The Group has prospectively, as from Q1 2023, revised the methodology used to calculate the combined ratio to include interest on funds withheld.
[2] Management expense ratio is calculated as "Operating expenses" divided by "Total revenues" excluding "Net realised investment gains/losses – non-participating business" and "Net investment result – unit-linked business".
[3] Net operating margin is calculated as "Income/loss before interest and income tax expense/benefit" divided by "Total revenues" excluding "Net investment result – unit-linked business".

Business segments – balance sheet
As of 31 December

2022 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Consolidation	Total
Assets						
Fixed income securities	38 918	27 220	7 922	513		74 573
Equity securities	1 110	268	116	620		2 114
Other investments	18 265	3 549	371	4 107	–10 224	16 068
Short-term investments	4 367	2 795	1 451	294		8 907
Investments for unit-linked business		330				330
Cash and cash equivalents	1 605	1 715	718	39		4 077
Deferred acquisition costs	2 675	4 520	489	437		8 121
Acquired present value of future profits		794				794
Reinsurance recoverable	1 865	2 211	6 413	273	–4 255	6 507
Other reinsurance assets	17 024	12 335	3 135	216	–636	32 074
Goodwill	1 859	1 791	184	29		3 863
Other	12 406	9 221	3 115	4 058	–15 552	13 248
Total assets	100 094	66 749	23 914	10 586	–30 667	170 676
Liabilities						
Unpaid claims and claim adjustment expenses	58 317	16 784	13 914	662	–4 259	85 418
Liabilities for life and health policy benefits		19 426	625	874		20 925
Policyholder account balances		4 850				4 850
Other reinsurance liabilities	16 842	2 000	5 341	361	–1 039	23 505
Short-term debt	720			909	–843	786
Long-term debt	4 962	9 670	499	2 971	–7 850	10 252
Other	13 389	11 424	1 335	2 659	–16 676	12 131
Total liabilities	94 230	64 154	21 714	8 436	–30 667	157 867
Shareholders' equity	5 856	2 595	2 098	2 150	0	12 699
Non-controlling interests	8		102			110
Total equity	5 864	2 595	2 200	2 150	0	12 809
Total liabilities and equity	100 094	66 749	23 914	10 586	–30 667	170 676

Business segments – balance sheet
As of 31 December

2023 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Consolidation	Total
Assets						
Fixed income securities	42 567	25 974	8 069	602		77 212
Equity securities	53	56	17	30		156
Other investments	18 006	5 099	464	2 803	–6 923	19 449
Short-term investments	5 141	3 122	1 510	158		9 931
Investments for unit-linked business		325				325
Cash and cash equivalents	2 347	816	826	594		4 583
Deferred acquisition costs	2 634	4 565	452	500		8 151
Acquired present value of future profits		724				724
Reinsurance recoverable	1 450	2 065	6 188	272	–3 871	6 104
Other reinsurance assets	18 565	13 299	3 602	578	–789	35 255
Goodwill	1 929	1 823	197	29		3 978
Other	16 257	13 210	4 577	5 412	–25 748	13 708
Total assets	**108 949**	**71 078**	**25 902**	**10 978**	**–37 331**	**179 576**
Liabilities						
Unpaid claims and claim adjustment expenses	58 569	17 620	14 333	864	–3 873	87 513
Liabilities for life and health policy benefits		19 103	596	925		20 624
Policyholder account balances		4 775				4 775
Other reinsurance liabilities	18 684	2 413	6 023	725	–1 164	26 681
Short-term debt	348	290	499	499	–345	1 291
Long-term debt	4 777	6 660		2 001	–4 912	8 526
Other	20 635	14 469	1 532	4 196	–27 037	13 795
Total liabilities	**103 013**	**65 330**	**22 983**	**9 210**	**–37 331**	**163 205**
Shareholders' equity	**5 853**	**5 748**	**2 777**	**1 768**	**0**	**16 146**
Non-controlling interests	83		142			225
Total equity	**5 936**	**5 748**	**2 919**	**1 768**	**0**	**16 371**
Total liabilities and equity	**108 949**	**71 078**	**25 902**	**10 978**	**–37 331**	**179 576**

b) Property & Casualty Reinsurance business segment – by line of business
For the year ended 31 December

2022 USD millions	Property	Casualty	Specialty	Unallocated	Total
Revenues					
Gross premiums written	10 478	9 462	3 908		23 848
Net premiums written	9 551	9 405	3 870		22 826
Change in unearned premiums	–460	–70	–268		–798
Premiums earned	9 091	9 335	3 602		22 028
Net investment income				1 355	1 355
Net realised investment gains/losses				–117	–117
Other revenues				27	27
Total revenues	9 091	9 335	3 602	1 265	23 293
Expenses					
Claims and claim adjustment expenses	–6 764	–7 229	–2 351		–16 344
Acquisition costs	–1 732	–2 565	–809		–5 106
Operating expenses	–474	–436	–196		–1 106
Total expenses before interest expenses	–8 970	–10 230	–3 356	0	–22 556
Income/loss before interest and income tax expense	121	–895	246	1 265	737
Interest expenses				–372	–372
Income/loss before income tax expense	121	–895	246	893	365
Combined ratio in %	98.7	109.6	93.2		102.4

Property & Casualty Reinsurance business segment – by line of business
For the year ended 31 December

2023 USD millions	Property	Casualty	Specialty	Unallocated	Total
Revenues					
Gross premiums written	10 784	9 132	4 451		24 367
Net premiums written	9 424	9 065	4 389		22 878
Change in unearned premiums	–106	314	–205		3
Premiums earned	9 318	9 379	4 184		22 881
Net investment income				1 981	1 981
Net realised investment gains/losses				65	65
Other revenues				30	30
Total revenues	**9 318**	**9 379**	**4 184**	**2 076**	**24 957**
Expenses					
Claims and claim adjustment expenses	–4 051	–8 909	–2 115		–15 075
Acquisition costs	–1 747	–2 595	–1 034		–5 376
Operating expenses	–590	–507	–289		–1 386
Total expenses before interest expenses	**–6 388**	**–12 011**	**–3 438**	**0**	**–21 837**
Income/loss before interest and income tax expense	**2 930**	**–2 632**	**746**	**2 076**	**3 120**
Interest expenses				–581	–581
Income/loss before income tax expense	**2 930**	**–2 632**	**746**	**1 495**	**2 539**
Combined ratio[1] in %	68.5	126.7	82.1		94.8

[1] The Group has prospectively, as from Q1 2023, revised the methodology used to calculate the combined ratio to include interest on funds withheld.

c) Life & Health Reinsurance business segment – by line of business
For the year ended 31 December

2022 USD millions	Life	Health	Unallocated	Total
Revenues				
Gross premiums written	11 351	4 635		15 986
Net premiums written	10 108	4 368		14 476
Change in unearned premiums	132	126		258
Premiums earned	10 240	4 494		14 734
Fee income from policyholders	250			250
Net investment income – non-participating business	1 171	260		1 431
Net realised investment gains/losses – non-participating business	58	–2	131	187
Net investment result – unit-linked business	–43			–43
Other revenues	1			1
Total revenues	11 677	4 752	131	16 560
Expenses				
Life and health benefits	–9 427	–3 521		–12 948
Return credited to policyholders	–280			–280
Acquisition costs	–1 132	–640		–1 772
Operating expenses	–553	–287		–840
Total expenses before interest expenses	–11 392	–4 448	0	–15 840
Income before interest and income tax expense	285	304	131	720
Interest expenses			–233	–233
Income/loss before income tax expense	285	304	–102	487
Management expense ratio[1] in %	4.7	6.0		5.1
Net operating margin[2] in %	2.4	6.4		4.3

[1] Management expense ratio is calculated as "Operating expenses" divided by "Total revenues" excluding "Net realised investment gains/losses – non-participating business" and "Net investment result – unit-linked business".
[2] Net operating margin is calculated as "Income before interest and income tax expense" divided by "Total revenues" excluding "Net investment result – unit-linked business".

Life & Health Reinsurance business segment – by line of business

For the year ended 31 December

2023 USD millions	Life	Health	Unallocated	Total
Revenues				
Gross premiums written	11 954	4 955		16 909
Net premiums written	10 678	4 713		15 391
Change in unearned premiums	–51	61		10
Premiums earned	10 627	4 774		15 401
Fee income from policyholders	247			247
Net investment income – non-participating business	1 365	483		1 848
Net realised investment gains/losses – non-participating business	72	–9	284	347
Net investment result – unit-linked business	21			21
Other revenues	1			1
Total revenues	**12 333**	**5 248**	**284**	**17 865**
Expenses				
Life and health benefits	–9 289	–3 772		–13 061
Return credited to policyholders	–364			–364
Acquisition costs	–1 288	–710		–1 998
Operating expenses	–603	–302		–905
Total expenses before interest expenses	**–11 544**	**–4 784**	**0**	**–16 328**
Income before interest and income tax expense	**789**	**464**	**284**	**1 537**
Interest expenses			–210	–210
Income before income tax expense	**789**	**464**	**74**	**1 327**
Management expense ratio[1] in %	4.9	5.7		5.2
Net operating margin[2] in %	6.4	8.8		8.6

[1] Management expense ratio is calculated as "Operating expenses" divided by "Total revenues" excluding "Net realised investment gains/losses – non-participating business" and "Net investment result – unit-linked business".
[2] Net operating margin is calculated as "Income before interest and income tax expense" divided by "Total revenues" excluding "Net investment result – unit-linked business".

d) Group items business segment
For the year ended 31 December

2022 USD millions	iptiQ	Other	Total
Revenues			
Gross premiums written	851	17	868
Net premiums written	475	16	491
Change in unearned premiums	7	126	133
Premiums earned	482	142	624
Net investment income – non-participating business	–21	152	131
Net realised investment gains/losses	–18	–84	–102
Other revenues	29	400	429
Total revenues	472	610	1 082
Expenses			
Claims and claim adjustment expenses	–38		–38
Life and health benefits	–323	–111	–434
Acquisition costs	–144	–30	–174
Operating expenses	–329	–704	–1 033
Total expenses before interest expenses	–834	–845	–1 679
Income/loss before interest and income tax expense/benefit	–362	–235	–597
Interest expenses	–1	–211	–212
Income/loss before income tax expense/benefit	–363	–446	–809
Income tax expense/benefit	22	45	67
Net income/loss	–341	–401	–742

Group items business segment
For the year ended 31 December

2023 USD millions	iptiQ	Other	Total
Revenues			
Gross premiums written	1 100	336	1 436
Net premiums written	861	322	1 183
Change in unearned premiums	–188		–188
Premiums earned	673	322	995
Net investment income – non-participating business	39	183	222
Net realised investment gains/losses		249	249
Other revenues	38	507	545
Total revenues	**750**	**1 261**	**2 011**
Expenses			
Claims and claim adjustment expenses	–151		–151
Life and health benefits	–360	–274	–634
Acquisition costs	–191	–66	–257
Operating expenses	–295	–801	–1 096
Total expenses before interest expenses	**–997**	**–1 141**	**–2 138**
Income/loss before interest and income tax expense/benefit	**–247**	**120**	**–127**
Interest expenses		–193	–193
Income/loss before income tax expense/benefit	**–247**	**–73**	**–320**
Income tax expense/benefit	24	–5	19
Net income/loss	**–223**	**–78**	**–301**

e) Net premiums earned and fee income from policyholders by geography

Net premiums earned and fee income from policyholders by region for the years ended 31 December

USD millions	2022	2023
Americas	22 151	22 330
Europe (including Middle East and Africa)	13 211	14 561
Asia-Pacific	7 756	8 112
Total	43 118	**45 003**

Net premiums earned and fee income from policyholders by country for the years ended 31 December

USD millions	2022	2023
United States	19 557	20 080
United Kingdom	3 878	4 092
Australia	1 830	1 848
Canada	1 517	1 689
China	1 619	1 537
Ireland	1 021	1 330
Germany	1 349	1 160
Japan	1 160	1 099
South Korea	699	1 034
France	996	954
Liechtenstein	317	792
Other	9 175	9 388
Total	43 118	**45 003**

Net premiums earned and fee income from policyholders are allocated by country, based on the underlying contract.

3 Insurance information

Premiums earned and fees assessed against policyholders
For the years ended 31 December

2022 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Total
Premiums earned, thereof:					
Direct			6 224	810	7 034
Reinsurance	22 157	16 183	1 072	137	39 549
Intra-group transactions (assumed and ceded)	791		–482	–309	0
Premiums earned before retrocession to external parties	22 948	16 183	6 814	638	46 583
Retrocession to external parties	–920	–1 449	–1 332	–14	–3 715
Net premiums earned	22 028	14 734	5 482	624	42 868
Fee income from policyholders, thereof:					
Direct					0
Reinsurance		251			251
Gross fee income before retrocession to external parties		251			251
Retrocession to external parties		–1			–1
Net fee income	0	250	0	0	250

2023 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Total
Premiums earned, thereof:					
Direct			6 453	962	7 415
Reinsurance	23 464	16 904	1 190	331	41 889
Intra-group transactions (assumed and ceded)	708	1	–428	–281	0
Premiums earned before retrocession to external parties	24 172	16 905	7 215	1 012	49 304
Retrocession to external parties	–1 291	–1 504	–1 736	–17	–4 548
Net premiums earned	**22 881**	**15 401**	**5 479**	**995**	**44 756**
Fee income from policyholders, thereof:					
Direct					0
Reinsurance		248			248
Gross fee income before retrocession to external parties		248			248
Retrocession to external parties		–1			–1
Net fee income	**0**	**247**	**0**	**0**	**247**

Claims and claim adjustment expenses
For the year ended 31 December

2022 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Total
Claims paid, thereof:					
Gross claims paid to external parties	–12 949	–14 212	–4 286	–480	–31 927
Intra-group transactions (assumed and ceded)	–744	–8	616	136	0
Claims before receivables from retrocession to external parties	–13 693	–14 220	–3 670	–344	–31 927
Retrocession to external parties	407	1 330	736	8	2 481
Net claims paid	–13 286	–12 890	–2 934	–336	–29 446
Change in unpaid claims and claim adjustment expenses; life and health benefits, thereof:					
Gross – with external parties	–3 388	–85	–305	–262	–4 040
Intra-group transactions (assumed and ceded)	292	8	–428	128	0
Unpaid claims and claim adjustment expenses; life and health benefits before impact of retrocession to external parties	–3 096	–77	–733	–134	–4 040
Retrocession to external parties	38	19	103	–2	158
Net unpaid claims and claim adjustment expenses; life and health benefits	–3 058	–58	–630	–136	–3 882
Claims and claim adjustment expenses; life and health benefits	–16 344	–12 948	–3 564	–472	–33 328

Acquisition costs
For the year ended 31 December

2022 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Total
Acquisition costs, thereof:					
Gross acquisition costs with external parties	–5 106	–2 075	–1 038	–218	–8 437
Intra-group transactions (assumed and ceded)	–125	–2	87	40	0
Acquisition costs before impact of retrocession to external parties	–5 231	–2 077	–951	–178	–8 437
Retrocession to external parties	125	305	203	4	637
Net acquisition costs	–5 106	–1 772	–748	–174	–7 800

Claims and claim adjustment expenses

For the year ended 31 December

2023 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Total
Claims paid, thereof:					
Gross claims paid to external parties	–14 843	–14 090	–4 443	–832	–34 208
Intra-group transactions (assumed and ceded)	–740		518	222	0
Claims before receivables from retrocession to external parties	–15 583	–14 090	–3 925	–610	–34 208
Retrocession to external parties	412	1 324	1 007	25	2 768
Net claims paid	**–15 171**	**–12 766**	**–2 918**	**–585**	**–31 440**
Change in unpaid claims and claim adjustment expenses; life and health benefits, thereof:					
Gross – with external parties	166	–399	–250	–189	–672
Intra-group transactions (assumed and ceded)	324		–333	9	0
Unpaid claims and claim adjustment expenses; life and health benefits before impact of retrocession to external parties	490	–399	–583	–180	–672
Retrocession to external parties	–394	104	81	–20	–229
Net unpaid claims and claim adjustment expenses; life and health benefits	**96**	**–295**	**–502**	**–200**	**–901**
Claims and claim adjustment expenses; life and health benefits	**–15 075**	**–13 061**	**–3 420**	**–785**	**–32 341**

Acquisition costs

For the year ended 31 December

2023 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Total
Acquisition costs, thereof:					
Gross acquisition costs with external parties	–5 482	–2 154	–1 029	–287	–8 952
Intra-group transactions (assumed and ceded)	–99		71	28	0
Acquisition costs before impact of retrocession to external parties	–5 581	–2 154	–958	–259	–8 952
Retrocession to external parties	205	156	225	2	588
Net acquisition costs	**–5 376**	**–1 998**	**–733**	**–257**	**–8 364**

Reinsurance recoverable on unpaid claims and policy benefits

As of 31 December 2022 and 2023, the Group had a reinsurance recoverable of USD 6 507 million and USD 6 104 million, respectively. The concentration of credit risk is regularly monitored and evaluated. The reinsurance programme with Berkshire Hathaway Inc. and its subsidiaries accounted for 24% and 27% of the Group's reinsurance recoverable as of year-end 2022 and 2023, respectively.

Reinsurance receivables

Reinsurance receivables as of 31 December were as follows:

USD millions	2022	**2023**
Premium receivables invoiced	4 717	4 804
Receivables invoiced from ceded re/insurance business	517	819
Assets arising from the application of the deposit method of accounting and meeting the definition of financing receivables	614	804

Allowance for credit losses

A reconciliation of the opening and closing allowance for credit losses related to premiums and other receivables and reinsurance recoverable on unpaid claims and policy benefits is presented as follows:

2023 USD millions	Premiums and other receivables	Reinsurance recoverable on unpaid claims and policy benefits
Balance as of 1 January	-71	-31
Impact of ASC 326[1]	–6	–40
Current period provision for expected credit losses and disputes	–14	33
Foreign exchange revaluation	–1	
Balance as of 31 December	**–92**	**–38**

[1] Impact of ASC 326 "Financial Instruments – Credit Losses". Please refer to Note 1 "Organisation and summary of significant accounting policies" for more details.

The Group has established an allowance for credit losses and disputes for premiums and other receivables as well as reinsurance recoverable on unpaid claims and policy benefits. The evaluation of the allowance includes several judgements including a default analysis to estimate uncollectible balances based on balances by cedent, net of collateral and netting, and default factors used to estimate the forward-looking allowance. Default factors are determined using principally the current financial strength rating of each cedent, asset class, seniority and geography. Changes in the allowance for premiums and other receivables are recorded in "Operating expenses" in the income statement. Changes in the allowance for reinsurance recoverable are recorded in "Claims and claim adjustment expenses" and "Life and health benefits" in the income statement.

4 Premiums written

For the years ended 31 December

2022 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Consolidation	Total
Gross premiums written, thereof:						
Direct			6 994	858		7 852
Reinsurance	22 922	15 986	1 119	10		40 037
Intra-group transactions (assumed)	926		85		–1 011	0
Gross premiums written	23 848	15 986	8 198	868	–1 011	47 889
Intra-group transactions (ceded)	–85		–564	–362	1 011	0
Gross premiums written before retrocession to external parties	23 763	15 986	7 634	506		47 889
Retrocession to external parties	–937	–1 510	–1 510	–15		–3 972
Net premiums written	22 826	14 476	6 124	491	0	43 917

2023 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Consolidation	Total
Gross premiums written, thereof:						
Direct			6 726	1 104		7 830
Reinsurance	23 595	16 908	1 289	332		42 124
Intra-group transactions (assumed)	772	1	137		–910	0
Gross premiums written	24 367	16 909	8 152	1 436	–910	49 954
Intra-group transactions (ceded)	–137		–541	–232	910	0
Gross premiums written before retrocession to external parties	24 230	16 909	7 611	1 204		49 954
Retrocession to external parties	–1 352	–1 518	–1 968	–21		–4 859
Net premiums written	**22 878**	**15 391**	**5 643**	**1 183**	**0**	**45 095**

5 Unpaid claims and claim adjustment expenses

A reconciliation of the opening and closing reserve balances for unpaid claims and claim adjustment expenses for the years ended 31 December is presented as follows:

USD millions	2022	2023
Balance as of 1 January	84 096	85 418
Reinsurance recoverable	−3 975	−4 224
Deferred expense on retroactive reinsurance	−165	−121
Impact of ASC 326[1]		40
Net balance as of 1 January	79 956	**81 113**
Incurred related to:		
Current year	32 255	31 440
Prior year	675	809
Amortisation of deferred expense on retroactive reinsurance and impact of commutations	9	−12
Total incurred	32 939	**32 237**
Paid related to:		
Current year	−8 798	−9 528
Prior year	−20 648	−21 912
Total paid	−29 446	**−31 440**
Foreign exchange	−2 731	971
Effect of acquisitions, disposals, new retroactive reinsurance and other items	355	439
Net balance as of period end	81 073	**83 320**
Reinsurance recoverable	4 224	4 052
Deferred expense on retroactive reinsurance	121	141
Balance as of period end	85 418	**87 513**

[1] Impact of ASC 326 "Financial Instruments – Credit Losses". Please refer to Note 1 "Organisation and summary of significant accounting policies" for more details.

Prior-year development

Non-life claims development on prior years in the year ended 31 December 2023 is due to adverse development in casualty, partly offset by favourable development from property and specialty. The adverse movement in casualty is due to adverse experience and assumption strengthening in liability and motor. Development in property is principally due to releases for large losses and lower-than-expected claims activity in all regions. Specialty was mainly impacted by favourable development in credit and surety, partly offset by engineering and aviation.

For life and health lines of business, development on prior years' unpaid claims in the year ended 31 December 2023 is unfavourable. There is unfavourable development from adverse claims experience in the US, partially offset by favourable claims development in the UK. Claims development related to prior years for disability portfolio also includes an element of interest accretion for unpaid claims reported at an estimated present value.

A summary of prior-year net claims and claim adjustment expenses development by lines of business for the years ended 31 December is shown below[1]:

USD millions	2022	**2023**
Line of business:		
Property	–468	–1 789
Casualty	810	2 350
Specialty	–13	–23
Life and health	346	271
Total	675	**809**

[1] Adverse development is shown as positive numbers, and represents a charge to the income statement. Favourable development is shown as negative, and represents a credit to the income statement.

US asbestos and environmental claims exposure

The Group's obligation for claims payments and claims settlement charges also includes obligations for long-latent injury claims arising out of policies written prior to 1986, in particular in the area of US asbestos and environmental liability.

At the end of 2023, the Group carried net reserves for US asbestos and environmental liabilities equal to USD 1 175 million. During 2023, the Group incurred net gains of USD 16 million and net paid losses of USD 125 million in relation to these liabilities. These amounts include unallocated loss adjustment expenses.

Estimating ultimate asbestos and environmental liabilities is particularly complex for a number of reasons relating in part to the long period between exposure and manifestation of claims, and in part to other factors, which include risks and lack of predictability inherent in complex litigation, changes in projected costs to resolve, and in the projected number of, asbestos and environmental claims, the effect of bankruptcy protection, insolvencies, and changes in the legal, legislative and regulatory environment. As a result, the Group believes that projection of exposures for asbestos and environmental claims is subject to far less predictability relative to non-environmental and non-asbestos exposures. Management believes that its reserves for asbestos and environmental claims are appropriately established based upon known facts and the current state of the law. However, reserves are subject to revision as new information becomes available and as claims develop. Additional liabilities may arise for amounts in excess of reserves, and the Group's estimate of claims and claim adjustment expenses may change. Any such additional liabilities or increases in estimates cannot be reasonably estimated in advance but could result in charges that could be material to operating results.

Short duration contract unpaid claims and claim adjustment expenses

Basis of presentation for claims development information

This section of the note provides claims development information and information on reserves for claims relating to insured events that have been incurred but not yet reported ("IBNR").

Claims development information and IBNR are presented on an accident year basis and by line of business for individually significant categories. Additional aggregation or disaggregation is provided where appropriate, necessary and practicable ("disaggregation categories"). For instance, Reinsurance liability and motor lines of business are further disaggregated into proportional and non-proportional treaty types to provide more specific information on claims development. Amounts shown in the claims development tables are on a nominal basis, including cases where the Group discounts claims liabilities for measurement under US GAAP, and are net of external retrocession and retrocession between business segments to the extent that a retrocession programme can be allocated to a disaggregation category. Ceded retroactive reinsurance is not included in the claims development table if it cannot be allocated on a reasonable basis to the disaggregation categories used to present claims development information. Loss portfolio transfers are presented prospectively as reliable historical claims information is not always obtainable, or the data is incomplete and of insufficient quality.

In the Property & Casualty Reinsurance segment as well as for the non-life business in the Corporate Solutions segment, all contracts that transfer significant insurance risk are included in scope to the extent they can be allocated to a disaggregation category. For many reinsurance contracts, proportional contracts in particular, ceding companies do not report losses by accident year. In these cases, the Group has allocated reported losses by underwriting year to accident year to produce the accident year tables. Similarly, IBNR is calculated on an underwriting year basis and then the liabilities are allocated to accident year.

Life & Health contracts that are not expected to remain in force for an extended period are classified as short duration contracts. These provide insurance protection for a fixed short duration and their provisions may be subject to changes at the end of contract period, such as adjustments to the premium charged or the coverage provided. Examples of short duration contracts in the Life & Health Reinsurance segment include group life business, certain types of disability and long-term care contracts, group accident, and health coverage including critical illness and medical expenses. The Group provides claims development information for Life & Health Reinsurance where reported accident year information is available and there is potential for claims development. This primarily applies to the group disability business in Australia, Continental Europe and the UK. This business is generally considered to have relatively higher claims estimation uncertainty than other life and health lines such as group life, due to longer claims development periods.

The Group provides no claims development information for the Group items segment as its short duration reserves are not material.

For Property & Casualty Reinsurance, Life & Health Reinsurance and Corporate Solutions, the Group discloses data for ten accident years and reporting periods.

The Corporate Solutions business segment was created in 2012. Corporate Solutions related business written in Property & Casualty Reinsurance prior to 2012 is included in the net claims development information reported by this segment. All but an immaterial portion of claims arising from accident years prior to 2012 relate to accident years which are over ten years ago and therefore out of the required range of disclosure.

The current reporting period estimate of net claims liabilities for accident years older than the number of years shown in the claims development tables is presented as a total after disclosure of cumulative paid claims.

The information presented in claims development tables is presented at current balance sheet foreign exchange rates as of the date of these financial statements to permit an analysis of claims development excluding the impact of foreign exchange movements.

Some of the information provided in the following tables is Required Supplementary Information (RSI) under US GAAP and does not form part of these consolidated audited financial statements. Claims development information for all periods except the current reporting period and any information derived from it – including average annual percentage payout of claims incurred – is considered RSI and is identified as RSI in the tables presented.

Methodology for determining the presented amounts of liabilities for unpaid claims
The liability for unpaid claims and claim adjustment expenses is based on an estimate of the ultimate cost of settling the claims based on both information reported to us by ceding companies and internal estimates.

Non-life re/insurance contracts
The Group develops and recognises its own estimate of IBNR claims, which includes circumstances in which cedents have not reported any claims to the Group or where the Group's estimate of reserves needed to cover reported claims differs from the amounts reported by cedent. For reinsurance business, case reserves and estimated IBNR are reported by cedent and this IBNR is presented together with the Group's own estimate as IBNR in the claims development tables. For insurance business, reserving is performed similarly, except that estimates for case reserves and IBNR are performed by the Group.

Reserving is done on portfolio or contract level depending on the features of the contract. For business reviewed on a portfolio level, the expected ultimate losses are set for most lines and types of business based on analysis performed using standard actuarial techniques. In general, contracts are aggregated into portfolios by combining contracts with similar features, and ultimate losses are derived using a blend of initial costing loss ratio and actual reported experience, with more weighting given to experience over time.

The initial reserving estimate uses a loss ratio projection method, where the projected loss ratio is generally the costing loss ratio, reflecting the underwriter's view of the risk. In the case of new information regarding loss trends, rate changes or a different underwriter's estimate, the projected loss ratio can be adjusted if approved by the Business Unit Reserving Committee. As experience develops, the most common standard reserving methods used are successively the Bornhuetter-Ferguson, Benktander and Chain Ladder methods. The Bornhuetter-Ferguson method assumes that the future claims experience is in line with the one anticipated by the costing loss ratio, used as an a priori loss ratio, and not based on claims experience. The Benktander method is a weighted average of the Bornhuetter-Ferguson and Chain Ladder methods, where the weighted average is linked to the reported development pattern. In other terms, this method mainly follows the Bornhuetter-Ferguson method in the early stages and the Chain Ladder later on, progressively giving more weight to the experience. The Chain Ladder method assumes past trends will be repeated and extrapolates the current position to ultimate using historical development trends.

In most cases, these standard actuarial techniques encompass a number of loss development factor techniques applied to claim tables of paid and reported losses. Other actuarial techniques may be applicable to specific categories, such as an analysis of frequency and severity. Life contingency techniques for projecting regular payments related to bodily injury claims are applied to motor proportional, motor non-proportional, liability proportional, liability non-proportional, accident and health, where the information is available. In some cases, techniques specific to the projection of future payments for specific risks such as asbestos or pollution claims are applied to both proportional and non-proportional liability claims, also in Corporate Solutions (see also separate section "US asbestos and environmental claims exposure" on page 175). Reserving for non-traditional business is carried out on a deal-by-deal basis according to each deal's specifications. For large events, a separate process takes into consideration the relevant expertise from underwriting and claims functions in estimating the ultimate loss.

Contract-level reserving is based on standard actuarial techniques but requires more detailed contract, pricing, claim and exposure information than required for the business reviewed on a portfolio level.

Life and health re/insurance contracts
For the Life & Health business, liability for unpaid claims includes case reserves, IBNR, and provisions for disability income claims-in-payment. Estimates for case reserves allow for expected rates of decline for the not yet settled claims. IBNR claim reserves are calculated using generally accepted actuarial reserving techniques, such as Chain Ladder and Bornhuetter-Ferguson approaches, and assumptions as to the claims reporting patterns, initial expected ultimate claims, and weighting given to historical experience. Liability for disability income claims-in-payment is determined by calculating expected future claim payments using the assumed rate of termination of claims due to death or recovery.

Claims frequency information
Claims frequency information is not available for the disaggregation categories of Property & Casualty Reinsurance, as cedents do not report claims frequency information to the Group for most of the assumed reinsurance contract types.

Life & Health Reinsurance reports claims frequency information based on individual incidence. The number of reported claims is the actual number of claims booked. For disability business, claims with multiple payments in a year are counted as one claim. Claims that are reported but not recognised are included in the claim count. Claims frequency information is not available for the group disability business in Continental Europe as reliable historical claims frequency information is not obtainable.

For Corporate Solutions, claims frequency is displayed for direct business only, as individual claims information is generally not available for assumed and ceded business. Claims are counted individually per contract to produce the claims frequency table. For some direct business, summary reports are received, and multiple claims are booked under a single claim code; this is usually done at a programme, policy year, state, country and/or line of business level of detail. This approach may be applied to business which has a high volume of claim counts, but with only minor claims dollars associated with each claim.

Property & Casualty Reinsurance – Property

Incurred claims and allocated claim adjustment expenses, net of reinsurance

USD millions	Reporting year										
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	thereof IBNR
2014	2 612	2 450	2 275	2 242	2 238	2 225	2 236	2 223	2 225	2 227	–1
2015		2 735	2 665	2 495	2 465	2 425	2 407	2 415	2 415	2 413	–3
2016			3 754	3 499	3 208	3 199	3 174	3 196	3 206	3 197	–4
2017				5 903	5 787	5 551	5 523	5 500	5 508	5 509	19
2018					4 260	4 605	4 379	4 306	4 291	4 265	14
2019						4 729	4 693	4 527	4 502	4 547	128
2020							7 033	6 735	6 622	6 002	115
2021								5 846	5 761	5 641	602
2022	RSI[1]								6 907	6 163	995
2023										5 486	2 627
Total										**45 450**	**4 492**

[1] Unaudited

Cumulative claims paid and allocated claim adjustment expenses, net of reinsurance

USD millions	Reporting year									
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	449	1 625	1 984	2 106	2 147	2 162	2 180	2 184	2 189	2 198
2015		460	1 590	2 087	2 248	2 322	2 344	2 364	2 368	2 385
2016			629	2 131	2 737	2 938	3 020	3 077	3 094	3 117
2017				964	3 584	4 628	4 958	5 111	5 214	5 275
2018					610	3 068	3 594	3 734	3 848	3 984
2019						894	2 940	3 616	3 963	4 137
2020							1 279	3 673	4 704	5 318
2021								1 111	3 166	4 298
2022	RSI[1]								1 250	3 455
2023										1 324
Total										**35 491**
All liabilities before 2014										209
Liabilities for claims and claim adjustment expenses, net of reinsurance										**10 168**

[1] Unaudited

Average annual percentage payout of incurred claims by age, net of reinsurance

Years	1	2	3	4	5	6	7	8	9	10
Property (RSI[1])	19.6%	45.4%	17.4%	6.5%	2.8%	1.7%	0.8%	0.4%	0.5%	0.4%

[1] Unaudited

The liability for unpaid claims and claim adjustment expenses for property in Property & Casualty Reinsurance shows positive development on most recent accident years. The 2017 - 2023 accident year claims incurred are higher due to natural catastrophes. 2022 and 2023 reporting years include inflation adjustments where appropriate.

Property & Casualty Reinsurance – Liability, proportional

Incurred claims and allocated claim adjustment expenses, net of reinsurance

USD millions	Reporting year										
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**	**thereof IBNR**
2014	987	978	991	980	969	1 004	1 011	1 027	1 039	1 076	129
2015		1 254	1 302	1 393	1 465	1 538	1 523	1 557	1 572	1 636	178
2016			1 696	1 705	1 703	1 805	1 855	1 894	1 950	2 076	374
2017				1 952	2 060	2 201	2 381	2 441	2 522	2 665	500
2018					1 887	2 064	2 210	2 314	2 490	2 723	743
2019						2 629	2 982	3 055	3 219	3 341	1 049
2020							2 837	2 990	3 005	3 211	1 406
2021								2 620	2 628	2 695	1 647
2022	RSI[1]								2 230	2 438	1 815
2023										2 339	2 072
Total										**24 200**	**9 913**

[1] Unaudited

Cumulative claims paid and allocated claim adjustment expenses, net of reinsurance

USD millions	Reporting year									
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
2014	23	155	288	426	561	656	737	797	838	883
2015		34	207	420	648	898	1 076	1 152	1 248	1 318
2016			46	102	395	660	895	1 076	1 254	1 422
2017				49	249	538	998	1 243	1 514	1 809
2018					52	307	569	846	1 204	1 561
2019						82	394	718	1 183	1 739
2020							112	328	704	1 162
2021								85	288	609
2022	RSI[1]								83	279
2023										88
Total										**10 870**
All liabilities before 2014										1 131
Liabilities for claims and claim adjustment expenses, net of reinsurance										**14 461**

[1] Unaudited

Average annual percentage payout of incurred claims by age, net of reinsurance

Years	1	2	3	4	5	6	7	8	9	10
Liability, proportional (RSI[1])	2.6%	8.2%	11.7%	13.6%	13.0%	10.3%	8.0%	6.5%	4.0%	4.2%

[1] Unaudited

The increase in the incurred losses for accident years 2013 to 2021 is driven by volume increases of business being written. The increases in the incurred losses across accident years in reporting year 2023 are due to adverse experience and assumption strengthening related to the US business. 2022 and 2023 reporting years include inflation adjustments where appropriate.

Property & Casualty Reinsurance – Liability, non-proportional

Incurred claims and allocated claim adjustment expenses, net of reinsurance

USD millions	Reporting year										
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	thereof IBNR
2014	431	435	403	361	333	352	352	340	336	329	47
2015		1 751	1 791	1 761	1 778	1 802	1 780	1 577	1 578	1 646	141
2016			578	560	586	632	685	692	722	741	121
2017				486	504	585	636	736	777	822	140
2018					445	449	469	448	501	567	179
2019						2 399	2 375	2 346	2 425	2 680	299
2020							823	805	779	878	561
2021								588	676	706	466
2022	RSI[1]								577	667	545
2023										695	654
Total										**9 731**	**3 153**

[1] Unaudited

Cumulative claims paid and allocated claim adjustment expenses, net of reinsurance

USD millions	Reporting year									
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	–2	8	39	70	99	140	165	188	207	222
2015		0	89	193	320	468	569	635	709	868
2016			13	202	228	280	341	387	453	500
2017				–2	18	47	123	218	330	478
2018					–1	21	71	124	189	260
2019						209	493	663	906	1 153
2020							10	28	68	143
2021								4	57	122
2022	RSI[1]								0	32
2023										3
Total										**3 781**
All liabilities before 2014										3 495
Liabilities for claims and claim adjustment expenses, net of reinsurance										**9 445**

[1] Unaudited

Average annual percentage payout of incurred claims by age, net of reinsurance

Years	1	2	3	4	5	6	7	8	9	10
Liability, non-proportional (RSI[1])	1.1%	7.2%	6.5%	8.6%	9.7%	10.2%	9.6%	5.9%	7.7%	4.6%

[1] Unaudited

The increase in incurred losses for accident year 2015 compared to other years is due to an increase in volume of business written in that year. Accident year 2019 includes an Adverse Development Cover and a Loss Portfolio Transfer written with Corporate Solutions. Liabilities before 2014 include reserves for historic US Asbestos and Environmental losses. 2022 and 2023 reporting years include inflation adjustments where appropriate.

Property & Casualty Reinsurance – Accident & Health

Incurred claims and allocated claim adjustment expenses, net of reinsurance

USD millions	Reporting year										
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**	**thereof IBNR**
2014	*296*	*329*	*321*	*310*	*299*	*298*	*283*	*281*	*283*	275	28
2015		*426*	*422*	*401*	*391*	*383*	*363*	*359*	*354*	352	31
2016			*583*	*618*	*613*	*578*	*573*	*554*	*548*	544	83
2017				*726*	*761*	*722*	*713*	*693*	*688*	691	135
2018					*717*	*803*	*799*	*772*	*765*	755	105
2019						*794*	*785*	*771*	*747*	734	72
2020							*884*	*877*	*838*	815	88
2021								*798*	*776*	769	142
2022	*RSI* [1]								*935*	982	252
2023										898	538
Total										**6 815**	**1 474**

[1] Unaudited

Cumulative claims paid and allocated claim adjustment expenses, net of reinsurance

USD millions	Reporting year									
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
2014	*30*	*99*	*139*	*167*	*184*	*200*	*207*	*212*	*215*	219
2015		*58*	*131*	*182*	*214*	*233*	*246*	*257*	*263*	271
2016			*71*	*171*	*263*	*319*	*348*	*366*	*382*	393
2017				*94*	*228*	*328*	*387*	*421*	*452*	475
2018					*96*	*306*	*446*	*523*	*564*	587
2019						*109*	*323*	*450*	*525*	574
2020							*116*	*363*	*483*	564
2021								*128*	*341*	461
2022	*RSI* [1]								*122*	427
2023										113
Total										**4 084**
All liabilities before 2014										2 122
Liabilities for claims and claim adjustment expenses, net of reinsurance										**4 853**

[1] Unaudited

Average annual percentage payout of incurred claims by age, net of reinsurance

Years	1	2	3	4	5	6	7	8	9	10
Accident & Health (RSI[1])	*13.7%*	*25.5%*	*15.8%*	*9.8%*	*5.7%*	*4.1%*	*3.0%*	*1.8%*	*1.7%*	*1.5%*

[1] Unaudited

The increase in incurred losses from accident year 2015 onwards is due to an increase in the volume of workers' compensation written on a proportional basis. The 2014 and prior accident years include the run-off of business written by entities acquired as part of the acquisition of General Electric Insurance Solutions during 2006. This business, which generally had a longer payment pattern, was not renewed. 2022 and 2023 reporting years include inflation adjustments where appropriate.

Property & Casualty Reinsurance – Motor, proportional

Incurred claims and allocated claim adjustment expenses, net of reinsurance

USD millions	Reporting year										
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**	**thereof IBNR**
2014	*1 923*	*1 888*	*1 888*	*1 872*	*1 862*	*1 860*	*1 858*	*1 859*	*1 860*	1 851	–2
2015		*1 852*	*1 846*	*1 849*	*1 852*	*1 852*	*1 859*	*1 863*	*1 864*	1 858	12
2016			*2 392*	*2 509*	*2 557*	*2 559*	*2 563*	*2 574*	*2 578*	2 573	8
2017				*2 299*	*2 317*	*2 304*	*2 315*	*2 323*	*2 334*	2 334	36
2018					*1 985*	*2 018*	*1 997*	*1 991*	*2 000*	1 997	54
2019						*1 980*	*1 956*	*1 987*	*1 991*	2 008	94
2020							*1 808*	*1 854*	*1 867*	1 891	165
2021								*1 859*	*1 965*	2 034	257
2022	*RSI*[1]								*1 896*	2 073	425
2023										1 942	927
Total										**20 561**	**1 976**

[1] Unaudited

Cumulative claims paid and allocated claim adjustment expenses, net of reinsurance

USD millions	Reporting year									
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
2014	*710*	*1 413*	*1 651*	*1 726*	*1 760*	*1 780*	*1 792*	*1 798*	*1 801*	1 805
2015		*767*	*1 386*	*1 619*	*1 717*	*1 760*	*1 784*	*1 800*	*1 808*	1 817
2016			*793*	*1 754*	*2 090*	*2 266*	*2 367*	*2 431*	*2 467*	2 504
2017				*728*	*1 467*	*1 792*	*1 961*	*2 074*	*2 149*	2 200
2018					*600*	*1 292*	*1 530*	*1 670*	*1 771*	1 832
2019						*634*	*1 247*	*1 493*	*1 641*	1 749
2020							*590*	*1 140*	*1 379*	1 544
2021								*628*	*1 233*	1 533
2022	*RSI*[1]								*671*	1 326
2023										698
Total										**17 008**
All liabilities before 2014										291
Liabilities for claims and claim adjustment expenses, net of reinsurance										**3 844**

[1] Unaudited

Average annual percentage payout of incurred claims by age, net of reinsurance

Years	1	2	3	4	5	6	7	8	9	10
Motor, proportional (RSI[1])	*33.4%*	*32.9%*	*13.0%*	*6.6%*	*3.9%*	*2.2%*	*1.3%*	*0.7%*	*0.3%*	*0.2%*

[1] Unaudited

The increase in the incurred losses from accident years 2014 to 2016 is driven by new business volume across all regions. Proportional motor business includes both longer-tailed liability business and shorter-tailed hull business. The increases in the incurred losses in accident year 2022 in reporting year 2023 are due to adverse experience and assumption strengthening related to the US business. 2022 and 2023 reporting years include inflation adjustments where appropriate.

Property & Casualty Reinsurance – Motor, non-proportional

Incurred claims and allocated claim adjustment expenses, net of reinsurance

USD millions Accident year	Reporting year 2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**	**thereof IBNR**
2014	*402*	*435*	*430*	*429*	*422*	*402*	*399*	*394*	*403*	391	41
2015		*382*	*404*	*439*	*435*	*448*	*446*	*444*	*453*	499	107
2016			*462*	*577*	*541*	*536*	*523*	*508*	*523*	521	78
2017				*570*	*600*	*588*	*596*	*589*	*606*	597	102
2018					*483*	*522*	*529*	*519*	*549*	541	107
2019						*1 151*	*1 163*	*1 147*	*1 147*	1 139	133
2020							*510*	*513*	*525*	507	201
2021								*533*	*559*	566	254
2022	*RSI* [1]								*572*	597	301
2023										602	471
Total										**5 960**	**1 795**

[1] Unaudited

Cumulative claims paid and allocated claim adjustment expenses, net of reinsurance

USD millions Accident year	Reporting year 2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
2014	*4*	*60*	*104*	*143*	*186*	*215*	*234*	*247*	*258*	268
2015		*-1*	*33*	*91*	*156*	*201*	*230*	*261*	*283*	304
2016			*8*	*64*	*124*	*178*	*238*	*268*	*296*	309
2017				*8*	*59*	*125*	*201*	*238*	*289*	327
2018					*4*	*35*	*95*	*142*	*189*	240
2019						*88*	*289*	*468*	*594*	697
2020							*3*	*41*	*82*	138
2021								*9*	*67*	130
2022	*RSI* [1]								*2*	61
2023										10
Total										**2 484**
All liabilities before 2014										2 802
Liabilities for claims and claim adjustment expenses, net of reinsurance										**6 278**

[1] Unaudited

Average annual percentage payout of incurred claims by age, net of reinsurance

Years	1	2	3	4	5	6	7	8	9	10
Motor, non-proportional (RSI[1])	*1.6%*	*10.2%*	*11.4%*	*11.0%*	*9.2%*	*7.4%*	*5.7%*	*3.4%*	*3.5%*	*2.6%*

[1] Unaudited

The increase in incurred losses for accident year 2019 compared to other years is due to an increase in volume of business. Claims development in non-proportional motor business is considered long-tailed as it is dominated by liability exposures leading to bodily injury claims which pay out for the lifetime of the claimant. 2022 and 2023 reporting years include inflation adjustments where appropriate.

Property & Casualty Reinsurance – Specialty

Incurred claims and allocated claim adjustment expenses, net of reinsurance

USD millions	Reporting year										
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**	**thereof IBNR**
2014	*1 065*	*1 052*	*954*	*929*	*915*	*920*	*902*	*893*	*904*	900	15
2015		*1 199*	*1 179*	*1 163*	*1 155*	*1 153*	*1 175*	*1 176*	*1 188*	1 191	29
2016			*1 247*	*1 233*	*1 187*	*1 190*	*1 174*	*1 166*	*1 183*	1 172	28
2017				*1 575*	*1 495*	*1 366*	*1 333*	*1 348*	*1 363*	1 371	51
2018					*1 590*	*1 680*	*1 647*	*1 561*	*1 608*	1 574	60
2019						*1 763*	*1 933*	*2 040*	*2 149*	2 174	107
2020							*1 911*	*1 947*	*1 871*	1 899	309
2021								*1 836*	*1 820*	1 765	509
2022	*RSI* [1]								*2 238*	2 264	1 211
2023										2 106	1 564
Total										**16 416**	**3 883**

[1] Unaudited

Cumulative claims paid and allocated claim adjustment expenses, net of reinsurance

USD millions	Reporting year									
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
2014	*163*	*387*	*560*	*655*	*710*	*748*	*771*	*780*	*793*	805
2015		*128*	*373*	*669*	*827*	*924*	*978*	*1 007*	*1 033*	1 046
2016			*137*	*462*	*699*	*863*	*950*	*995*	*1 031*	1 092
2017				*176*	*565*	*839*	*1 000*	*1 070*	*1 128*	1 189
2018					*178*	*623*	*927*	*1 077*	*1 192*	1 287
2019						*271*	*706*	*1 048*	*1 295*	1 590
2020							*305*	*706*	*1 002*	1 239
2021								*204*	*524*	840
2022	*RSI* [1]								*190*	579
2023										177
Total										**9 844**
All liabilities before 2014										577
Liabilities for claims and claim adjustment expenses, net of reinsurance										**7 149**

[1] Unaudited

Average annual percentage payout of incurred claims by age, net of reinsurance

Years	1	2	3	4	5	6	7	8	9	10
Specialty (RSI[1])	*12.2%*	*22.9%*	*19.1%*	*11.8%*	*7.9%*	*4.6%*	*3.1%*	*2.8%*	*1.3%*	*1.3%*

[1] Unaudited

This category contains several individual large losses on marine, aviation and space lines. From 2017 to 2022 accident years, claims incurred is higher due to natural catastrophes. 2022 and 2023 reporting years include inflation adjustments where appropriate.

Corporate Solutions

Incurred claims and allocated claim adjustment expenses, net of reinsurance

USD millions Accident year	Reporting year 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	thereof IBNR	Cumulative number of reported claims (in nominals)
2014	1 820	1 762	1 691	1 696	1 668	1 597	1 577	1 581	1 566	1 565	92	21 933
2015		1 874	2 044	2 109	2 080	1 896	1 859	1 892	1 865	1 915	84	19 181
2016			1 998	2 084	2 123	2 111	2 105	2 112	2 141	2 134	150	18 504
2017				2 996	3 226	2 978	2 999	2 962	2 946	3 054	160	21 813
2018					2 675	2 594	2 626	2 598	2 625	2 521	254	28 031
2019						2 768	2 614	2 598	2 616	2 654	317	24 996
2020							3 330	2 819	2 729	2 671	489	22 813
2021								2 605	2 493	2 439	486	36 072
2022	RSI[1]								2 862	2 972	754	377 170
2023										3 284	1 692	991 674
Total										**25 209**	**4 478**	**1 562 187**

[1] Unaudited

Cumulative claims paid and allocated claim adjustment expenses, net of reinsurance

USD millions Accident year	Reporting year 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	270	821	1 110	1 253	1 342	1 441	1 459	1 489	1 505	1 508
2015		349	898	1 291	1 488	1 622	1 711	1 733	1 741	1 759
2016			369	1 130	1 380	1 645	1 718	1 829	2 040	1 942
2017				381	1 502	2 107	2 361	2 538	2 620	2 765
2018					413	1 411	1 882	2 074	2 341	2 513
2019						523	1 219	1 492	1 712	1 896
2020							572	1 253	1 605	1 822
2021								326	1 047	1 496
2022	RSI[1]								364	1 305
2023										586
Total										**17 592**
All liabilities before 2014										436
Liabilities for claims and claim adjustment expenses, net of reinsurance										**8 053**

[1] Unaudited

Average annual percentage payout of incurred claims by age, net of reinsurance

Years	1	2	3	4	5	6	7	8	9	10
Corporate Solutions (RSI[1])	16.6%	32.1%	16.4%	9.2%	6.6%	5.1%	4.2%	-0.8%	1.0%	0.2%

[1] Unaudited

Reserves on the US liability line of business on accident years 2012-2019 were reduced by a Loss Portfolio Transfer to P&C Reinsurance of USD 1.2 billion in the financial year 2019. In addition, the impact of unfavourable development across all lines of business for accident years 2012-2018 was reduced by recoveries under an Adverse Development Cover with P&C Reinsurance in place since the second half of the financial year 2019. For the financial year 2023, there were movements under both the Loss Portfolio Transfer and the Adverse Development Cover mainly in casualty and other specialty lines of business.

P&C Reinsurance reports both the Adverse Development Cover and the Loss Portfolio Transfer under accident year 2019 (see "Property & Casualty Reinsurance – Liability, non-proportional" on page 180). There were immaterial movements under both the Loss Portfolio Transfer and the Adverse Development Cover.

Life & Health Reinsurance, long tail

Incurred claims and allocated claim adjustment expenses, net of reinsurance

USD millions	Reporting year											
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**	**thereof IBNR**	**Cumulative number of reported claims (in nominals)**
2014	*445*	*406*	*387*	*388*	*410*	*432*	*440*	*436*	*442*	438	7	15 694
2015		*380*	*412*	*398*	*399*	*428*	*437*	*430*	*437*	435	6	18 058
2016			*400*	*415*	*402*	*429*	*443*	*434*	*438*	435	31	15 894
2017				*408*	*413*	*433*	*454*	*433*	*433*	420	25	19 147
2018					*379*	*409*	*423*	*418*	*411*	397	54	19 528
2019						*352*	*429*	*380*	*372*	357	57	17 513
2020							*164*	*132*	*138*	139	23	9 117
2021								*180*	*187*	178	60	10 293
2022	*RSI*[1]								*1 407*	1 325	510	4 551
2023										439	423	396
Total										**4 563**	**1 196**	**130 191**

[1] Unaudited

Cumulative claims paid and allocated claim adjustment expenses, net of reinsurance

USD millions	Reporting year									
Accident year	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
2014	*30*	*101*	*184*	*242*	*276*	*303*	*327*	*346*	*359*	370
2015		*33*	*99*	*176*	*222*	*258*	*290*	*313*	*330*	346
2016			*13*	*81*	*148*	*198*	*238*	*267*	*287*	305
2017				*11*	*70*	*151*	*218*	*256*	*283*	305
2018					*11*	*69*	*151*	*199*	*227*	250
2019						*11*	*73*	*139*	*179*	217
2020							*4*	*31*	*69*	90
2021								*4*	*36*	78
2022	*RSI*[1]								*4*	27
2023										2
Total										**1 990**
All liabilities before 2014										315
Liabilities for claims and claim adjustment expenses, net of reinsurance										**2 888**

[1] Unaudited

Average annual percentage payout of incurred claims by age, net of reinsurance

Years	1	2	3	4	5	6	7	8	9	10
Life & Health Reinsurance, long tail (RSI[1])	*3.2%*	*14.7%*	*20.2%*	*12.8%*	*8.7%*	*6.5%*	*5.2%*	*4.1%*	*3.3%*	*2.5%*

[1] Unaudited

The decrease in incurred losses from accident year 2019 is due to lower volume from disability business written in Australia. The increase in incurred losses in accident year 2022 is due to the acquisition of in-force group disability business in Europe.

Reconciliation of gross liability for unpaid claims and claim adjustment expenses

The following table reconciles the Group's net outstanding liabilities to the gross liabilities for unpaid claims and claim adjustment expenses. For details on consolidation please refer to Note 2 "Information on business segments".

The net outstanding liabilities correspond to the total liabilities for unpaid claims and claim adjustment expenses, net of reinsurance for each disaggregation category.

Other short duration contract lines include reserves for business that is not material to the Group and where accident year information is not available. For Life & Health Reinsurance, in certain markets, cedents do not provide sufficient information to reinsurers to split claims incurred and claims paid by accident year. This is based on existing market practice. For these markets, an assessment of available information from other sources was made along with investigating approximations that could be used to provide claims development information by accident year. However, these alternate sources and estimates, based on currently available data and methods, could not be used to generate meaningful and representative accident year information and therefore have been excluded from disclosure. Other short duration contract lines also contain other treaties from Property & Casualty Reinsurance and Corporate Solutions which could not be allocated on a consistent basis to disaggregation categories or specific accident years.

As of 31 December

USD millions	2023
Net outstanding liabilities	
Property & Casualty Reinsurance	
Property	10 168
Liability, proportional	14 461
Liability, non-proportional	9 445
Accident & Health	4 853
Motor, proportional	3 844
Motor, non-proportional	6 278
Specialty	7 149
Corporate Solutions	8 053
Life & Health Reinsurance, long tail	2 888
Total net undiscounted outstanding liabilities excluding other short duration contract lines and before unallocated reinsurance recoverable	67 139
Discounting impact on (Life & Health Reinsurance) short duration contracts	–248
Impact of acquisition accounting	–302
Total net discounted outstanding liabilities excluding other short duration contract lines and before unallocated reinsurance recoverable	66 589
Other short duration contract lines	3 365
Total net discounted outstanding short duration liabilities	**69 954**
Allocated reinsurance recoverables on unpaid claims:	
Property & Casualty Reinsurance	
Property	518
Liability, proportional	191
Liability, non-proportional	189
Accident & Health	245
Motor, proportional	46
Motor, non-proportional	184
Specialty	108
Corporate Solutions	4 856
Consolidation	–3 530
Impact of acquisition accounting	–48
Other short duration contract lines	443
Total short duration reinsurance recoverable on outstanding liabilities	**3 202**
Exclusions:	
Unallocated claim adjustment expenses	1 243
Long duration contracts	13 114
Total other reconciling items	**14 357**
Total unpaid claims and claim adjustment expenses	**87 513**

Discounting information

The following disclosure covers the discounting impact for the disaggregation categories included in the claims development information. Discounting information for Life & Health Reinsurance long tail as of 31 December was as follows:

USD millions	2022	**2023**
Carrying amount of discounted claims	1 562	1 417
Aggregate amount of the discount	–266	–248
Interest accretion[1]	27	34
Range of interest rates	0.5–3.3%	0.5–3.7%

[1] Interest accretion is shown as part of "Life and health benefits" in the income statement.

Please refer to Note 1 ''Organisation and summary of significant accounting policies'' for more details about the Group's discounting approach for unpaid claims and claim adjustment expenses.

6 Deferred acquisition costs (DAC) and acquired present value of future profits (PVFP)

As of 31 December, the DAC were as follows:

2022 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Total
Opening balance as of 1 January	2 538	4 718	480	406	8 142
Deferred	5 327	496	779	215	6 817
Effect of acquisitions/disposals and retrocessions		11	–17	6	0
Amortisation	–5 106	–459	–737	–174	–6 476
Effect of foreign currency translation and other changes	–84	–246	–16	–16	–362
Closing balance	2 675	4 520	489	437	8 121

2023 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Group items	Total
Opening balance as of 1 January	2 675	4 520	489	437	8 121
Deferred	5 339	486	680	311	6 816
Effect of acquisitions/disposals and retrocessions		–18			–18
Amortisation	–5 376	–455	–724	–257	–6 812
Effect of foreign currency translation and other changes	–4	32	7	9	44
Closing balance	**2 634**	**4 565**	**452**	**500**	**8 151**

Retroceded DAC arise on retrocession of reinsurance portfolios, including reinsurance undertaken as part of a securitisation.

As of 31 December, the PVFP for Life & Health Reinsurance was as follows:

USD millions	2022	**2023**
Opening balance as of 1 January	836	794
Effect of acquisitions/disposals and retrocessions		–3
Amortisation	–100	–104
Interest accrued on unamortised PVFP	38	36
Effect of change in unrealised gains/losses	29	–2
Effect of foreign currency translation	–9	3
Closing balance	794	**724**

Retroceded PVFP arises on retrocession of reinsurance portfolios, including reinsurance undertaken as part of a securitisation.

The percentage of PVFP which is expected to be amortised in each of the next five years is 12%, 12%, 11%, 10% and 9%.

7 Investments

Investment income
Net investment income by source (excluding unit-linked business) was as follows:

USD millions	2022	2023
Fixed income securities	1 951	2 559
Equity securities	57	36
Policy loans, mortgages and other loans	183	287
Investment real estate	251	245
Short-term investments	106	297
Other current investments	136	181
Share in earnings of equity-accounted investees	–44	68
Cash and cash equivalents	42	151
Net result from deposit-accounted contracts	102	35
Deposits with ceding companies	472	575
Gross investment income	3 256	**4 434**
Investment expenses	–381	–416
Interest charged for funds held	–6	–23
Net investment income – non-participating business	2 869	**3 995**

Dividends received from investments accounted for using the equity method were USD 214 million and USD 89 million for 2022 and 2023, respectively.

Share in earnings of equity-accounted investees included impairments of the carrying amount of equity-accounted investees of USD 18 million and nil for 2022 and 2023, respectively.

Realised gains and losses
Realised gains and losses for fixed income securities, equity securities and other investments (excluding unit-linked business) were as follows:

USD millions	2022	2023
Fixed income securities available-for-sale:		
Gross realised gains	222	39
Gross realised losses	–204	–282
Other-than-temporary impairments[1]	–60	
Net realised investment gains/losses on equity securities	–347	47
Change in net unrealised investment gains/losses on equity securities	–271	–37
Net realised investment gains/losses on trading securities	–208	–23
Change in net unrealised investment gains/losses on trading securities	–67	21
Net realised/unrealised gains/losses on other investments	705	503
Net realised/unrealised gains/losses on insurance-related activities	132	127
Change in allowance for credit losses on[1]:		
Fixed income securities available-for-sale		3
Other investments		–17
Foreign exchange gains/losses	95	338
Net realised investment gains/losses – non-participating business	–3	**719**

[1] Other-than-temporary impairment losses have been superseded by credit loss allowances upon the adoption of ASC 326 "Financial Instruments — Credit Losses". Please refer to Note 1 "Organisation and summary of significant accounting policies" for more details.

Net realised/unrealised gains/losses on insurance-related activities included impairments of USD 10 million and nil for 2022 and 2023, respectively.

Investment result – unit-linked business
For unit-linked contracts, the investment risk is borne by the policyholder.

The net investment result on unit-linked business credited to policyholders amounted to losses of USD 43 million and to gains of USD 21 million for 31 December 2022 and 2023, respectively, originating from equity securities.

Allowance for credit impairments on fixed income securities
The Group periodically assesses whether a decline in fair value below amortised cost necessitates the calculation of an allowance for credit losses considering various quantitative and qualitative factors. Impairment is determined on an individual security basis.

For securities identified as credit-impaired, the calculation of the estimated credit loss amount includes forward-looking credit information incorporating macro-economic factors as well as credit ratings and is determined by discounting the expected cash shortfalls with the effective interest rate and multiplying with PD (probability of default) and LGD (loss given default). The Group includes accrued interest in the amortised cost basis to estimate expected credit losses.

A reconciliation of the allowance for credit losses related to fixed income securities classified as available-for-sale, aggregated by major investment category is presented as follows:

2023 USD millions	Debt securities issued by governments and government agencies	Corporate debt securities	Mortgage-and asset-backed securities	Total
Balance as of 1 January	0	0	0	**0**
Impact of ASC 326[1]	7	30	5	**42**
Securities for which allowance for credit losses were not previously recorded		7	1	**8**
Additions/ reductions in allowance recorded on previously impaired securities	–3	–7	1	**–9**
Securities sold during the period		–2		**–2**
Balance as of 31 December	**4**	**28**	**7**	**39**

[1] Impact of ASC 326 "Financial Instruments – Credit Losses". Please refer to Note 1 "Organisation and summary of significant accounting policies" for more details.

As of 31 December 2022, and prior to the adoption of ASC 326 "Financial Instruments – Credit Losses" standard, other-than-temporary impairments related to credit losses amounted to USD 60 million.

Investments available-for-sale

Amortised cost or cost, estimated fair values and other-than-temporary impairments of fixed income securities classified as available-for-sale as of 31 December were as follows:

2022 USD millions	Amortised cost or cost	Gross unrealised gains	Gross unrealised losses	Other-than-temporary impairments recognised in other comprehensive income[1]	Estimated fair value
Debt securities issued by governments and government agencies:					
US Treasury and other US government corporations and agencies	15 418	3	–1 229		14 192
US Agency securitised products	3 870	4	–379		3 495
States of the United States and political subdivisions of the states	1 331	5	–109		1 227
United Kingdom	3 451	4	–1 149		2 306
France	2 243	10	–692		1 561
Germany	2 173	18	–437		1 754
Canada	2 443	17	–129		2 331
China	1 453	8	–7		1 454
Other	10 120	11	–1 191		8 940
Total	42 502	80	–5 322		37 260
Corporate debt securities	35 852	137	–3 137	–6	32 846
Mortgage- and asset-backed securities	4 284	12	–309	–4	3 983
Fixed income securities available-for-sale	82 638	229	–8 768	–10	74 089

2023 USD millions	Amortised cost or cost	Allowance for credit losses[2]	Gross unrealised gains	Gross unrealised losses	Estimated fair value
Debt securities issued by governments and government agencies:					
US Treasury and other US government corporations and agencies	10 996		93	–841	10 248
US Agency securitised products	4 763		20	–343	4 440
States of the United States and political subdivisions of the states	1 307		10	–81	1 236
United Kingdom	3 648		10	–1 194	2 464
France	2 410		30	–614	1 826
Germany	1 921		37	–346	1 612
Canada	1 449		18	–76	1 391
Australia	1 401		5	–37	1 369
Other	9 735	–4	50	–984	8 797
Total	37 630	–4	273	–4 516	33 383
Corporate debt securities	40 044	–28	463	–1 957	38 522
Mortgage- and asset-backed securities	4 471	–7	25	–187	4 302
Fixed income securities available-for-sale	**82 145**	**–39**	**761**	**–6 660**	**76 207**

[1] The "Other-than-temporary impairments recognised in other comprehensive income" column includes only securities with a credit-related loss recognised in earnings. Subsequent recovery in fair value of securities previously impaired in other comprehensive income is also presented in the "Other-than-temporary impairments recognised in other comprehensive income" column. Other-than-temporary impairment losses have been superseded by credit loss allowances upon the adoption of ASC 326 "Financial Instruments – Credit Losses". Please refer to Note 1 "Organisation and summary of significant accounting policies" for more details.

[2] Represents the allowance for credit losses that has been recognised in the balance sheet. Changes in the allowance for credit losses are reported in "Net realised investment gains/losses – non-participating business".

Unrealised losses on securities available-for-sale

The following table shows the fair value and gross unrealised losses of fixed income securities, aggregated by investment category and length of time that individual securities were in a continuous unrealised loss position as of 31 December 2022:

2022 USD millions	Less than 12 months Fair value	Less than 12 months Unrealised losses	12 months or more Fair value	12 months or more Unrealised losses	Total Fair value	Total Unrealised losses
Debt securities issued by governments and government agencies:						
US Treasury and other US government corporations and agencies	4 912	280	9 120	949	14 032	1 229
US Agency securitised products	2 266	179	1 068	200	3 334	379
States of the United States and political subdivisions of the states	989	96	48	13	1 037	109
United Kingdom	1 171	462	1 128	687	2 299	1 149
France	678	233	632	459	1 310	692
Germany	1 018	227	416	210	1 434	437
Canada	734	32	1 481	97	2 215	129
China	198	3	45	4	243	7
Other	4 755	520	3 528	671	8 283	1 191
Total	16 721	2 032	17 466	3 290	34 187	5 322
Corporate debt securities	17 138	1 337	12 269	1 806	29 407	3 143
Mortgage- and asset-backed securities	2 868	193	1 002	120	3 870	313
Total	36 727	3 562	30 737	5 216	67 464	8 778

The following table shows the fair value and gross unrealised losses of fixed income securities, for which an allowance for credit losses has not been recognised or has only been recognised for a portion of the losses, aggregated by investment category and length of time that individual securities were in a continuous loss position as of 31 December 2023:

2023 USD millions	Less than 12 months Fair value	Less than 12 months Unrealised losses	12 months or more Fair value	12 months or more Unrealised losses	Total Fair value	Total Unrealised losses
Debt securities issued by governments and government agencies:						
US Treasury and other US government corporations and agencies	794	15	5 644	826	6 438	841
US Agency securitised products	282	4	3 000	339	3 282	343
States of the United States and political subdivisions of the states	171	2	806	79	977	81
United Kingdom	21	8	2 399	1 186	2 420	1 194
France	79	0	1 358	614	1 437	614
Germany	3	0	1 170	346	1 173	346
Canada	55	1	1 030	75	1 085	76
Australia	542	3	589	34	1 131	37
Other	619	4	5 313	984	5 932	988
Total	2 566	37	21 309	4 483	23 875	4 520
Corporate debt securities	1 946	43	23 697	1 933	25 643	1 976
Mortgage- and asset-backed securities	649	8	2 546	181	3 195	189
Total	**5 161**	**88**	**47 552**	**6 597**	**52 713**	**6 685**

For fixed income securities classified as available-for-sale with significant declines in fair value, the Group performs a qualitative and quantitative credit analysis to determine whether the decline in value necessitates the recognition of an allowance for credit losses. The Group considers multiple factors when performing the analysis including the issuer's ability to meet contractual payments, the issuer's credit profile, the evolution of the security's credit rating and relevant characteristics of the security. If the Group determines that unrealised losses are due to non-credit factors, these losses are recognised in other comprehensive income and no allowance for credit losses is recognised in earnings.

Maturity of fixed income securities available-for-sale
The amortised cost or cost and estimated fair values of investments in fixed income securities available-for-sale by remaining maturity are shown below. Fixed maturity investments are assumed not to be called for redemption prior to the stated maturity date. As of 31 December 2022 and 2023, USD 25 231 million and USD 31 023 million, respectively, of fixed income securities available-for-sale were callable.

USD millions	2022 Amortised cost or cost	2022 Estimated fair value	2023 Amortised cost or cost, net of allowance	2023 Estimated fair value
Due in one year or less	13 324	13 079	7 390	7 316
Due after one year through five years	28 616	26 979	29 408	28 534
Due after five years through ten years	13 691	12 195	15 054	14 438
Due after ten years	23 725	18 769	26 698	22 507
Mortgage- and asset-backed securities with no fixed maturity	3 282	3 067	3 556	3 412
Total fixed income securities available-for-sale	82 638	74 089	**82 106**	**76 207**

Investments trading and at fair value through earnings
The carrying amounts of fixed income securities classified as trading and equity securities at fair value through earnings (excluding unit-linked business) as of 31 December were as follows:

USD millions	2022	2023
Debt securities issued by governments and government agencies	462	382
Mortgage- and asset-backed securities	22	623
Fixed income securities trading – non-participating business	484	**1 005**
Equity securities at fair value through earnings – non-participating business	2 114	**156**

Investments held for unit-linked business
As of 31 December 2022 and 2023, the carrying amounts of investments held for unit-linked business consist of equity securities at fair value through earnings of USD 330 million and USD 325 million, respectively.

Mortgage, policy and other loans, and investment real estate
As of 31 December 2022 and 2023, the carrying and respective fair values of investments in mortgage, policy and other loans, and investment real estate (excluding unit-linked business) were as follows:

USD millions	2022 Carrying value	2022 Fair value	2023 Carrying value	2023 Fair value
Mortgage loans	1 712	1 569	1 848	1 724
Other loans	2 599	2 443	3 188	3 122
Allowance for credit losses			–36	
Mortgage and other loans, net	**4311**	**4012**	**5 000**	**4 846**
Policy loans	32	32	34	34
Investment real estate	2 931	5 738	2 905	5 519

Substantially all mortgage, policy and other loan receivables are secured by buildings, infrastructure related assets, company assets, land or the underlying policies. The loans are spread across numerous counterparties largely based in the US and UK with no specific high risk regarding credit concentration. There were no significant mortgage and other loans positions for which payments of contractual principal or interest were past due as of 31 December 2023.

Investment real estate held by the Group includes residential and commercial investment real estate. Depreciation expense related to investment real estate was USD 79 million and USD 72 million for 2022 and 2023, respectively. Accumulated depreciation on investment real estate totalled USD 829 million and USD 903 million as of 31 December 2022 and 2023, respectively.

Allowance for credit impairments on mortgage and other loans
Allowance for credit losses on mortgage and other loans are estimated on an expected loss basis using a model that utilises probability of default and loss given default methods over the contractual lifetime of the instrument. Within the reasonable and supportable forecast period, the allowance for credit losses for mortgage and other loans is established based on a pool considering the risk associated within the designated pool. If similar risk characteristics do not exist or when individual instruments no longer have similar credit risk characteristics, they are removed from the pool and the allowance is measured on an individual asset basis. The Group includes accrued interest in the amortised cost basis to estimate expected credit losses.

The evaluation also considers available relevant information about the collectability of cash flows, including information about past events, current conditions, and reasonable and supportable forecasts of future economic conditions. The Group forecasts future economic conditions using probability-weighted forecasts. The Group reverts to historical information when it is determined that future economic assumptions can no longer be reliably forecasted.

A reconciliation of the allowance for credit losses related to mortgage and other loans is presented as follows:

USD millions	2023
Balance as of 1 January	0
Impact of ASC 326[1]	19
Addition to/ release of allowance for credit losses	17
Balance as of 31 December	**36**

[1] Impact of ASC 326 "Financial Instruments – Credit Losses". Please refer to Note 1 "Organisation and summary of significant accounting policies" for more details.

Credit quality of mortgage and other loans

The following table shows credit ratings for mortgage and other loans as of 31 December 2023:

2023 USD millions	Mortgage and other loans
AAA	40
AA	733
A	1 011
BBB	1 963
Non-investment grade (including unrated)	832
Total amortised cost, gross of allowance[1]	**4 579**

[1] Excludes USD 457 million related to unit-linked business for which the credit risk is borne by the policyholders.

The credit ratings in the table above mainly reflect ratings assigned by external managers. The Group monitors the credit ratings periodically.

Maturity of lessor cash flows

As of 31 December 2023, the total undiscounted cash flows to be received from operating leases of investment real estate for the next five years and thereafter were as follows:

2023 USD millions	Operating leases
Less than one year	220
Between one year and two years	191
Between two years and three years	159
Between three years and four years	133
Between four years and five years	116
After five years	436
Total cash flows	**1 255**

The Group manages risk associated with the residual value of its leased properties through careful property selection as well as diversification by geographical region and property type. Lease contracts for residential real estate in Switzerland and Germany are usually open-ended. Cash flows for such contracts have been projected taking into consideration the average turnover rate in the region. Lease contracts for residential real estate in the US with a lease term of one year or less have been excluded from the projected cash flows in the table above. Rental income for those leases for the year ended 31 December 2022 and 2023 was USD 21 million and USD 17 million, respectively.

Other financial assets and liabilities by measurement category

As of 31 December 2022 and 2023, "Other invested assets" and "Accrued expenses and other liabilities" by measurement category were as follows:

2022 USD millions	Fair value	Investments measured at net asset value as practical expedient	Amortised cost or cost	Equity-accounted	Not in scope[1]	Total
Other invested assets						
Derivative financial instruments	309					309
Reverse repurchase agreements			2 005			2 005
Securities lending/borrowing	1 191					1 191
Equity-accounted investments	435			1 866		2 301
Other	372	1 740	876			2 988
Other invested assets	2 307	1 740	2 881	1 866	0	8 794
Accrued expenses and other liabilities						
Derivative financial instruments	546					546
Repurchase agreements			17			17
Securities lending	1 194		49			1 243
Securities sold short	381					381
Other			1 564		2 115	3 679
Accrued expenses and other liabilities	2 121	0	1 630	0	2 115	5 866

2023 USD millions	Fair value	Investments measured at net asset value as practical expedient	Amortised cost or cost	Equity-accounted	Not in scope[1]	Total
Other invested assets						
Derivative financial instruments	307					307
Reverse repurchase agreements			2 678			2 678
Securities lending/borrowing	2 236		311			2 547
Equity-accounted investments	415			1 772		2 187
Other	813	2 079	899			3 791
Other invested assets	**3 771**	**2 079**	**3 888**	**1 772**	**0**	**11 510**
Accrued expenses and other liabilities						
Derivative financial instruments	601					601
Repurchase agreements			154			154
Securities lending	2 245		15			2 260
Securities sold short	235					235
Other			1 501		2 324	3 825
Accrued expenses and other liabilities	**3 081**	**0**	**1 670**	**0**	**2 324**	**7 075**

[1] Amounts do not relate to financial assets or liabilities.

Offsetting of derivatives, financial assets and financial liabilities
Offsetting of derivatives, financial assets and financial liabilities as of 31 December was as follows:

2022 USD millions	Gross amounts of recognised financial assets	Amounts set-off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Related financial instruments not set-off in the balance sheet	Net amount
Derivative financial instruments – assets	1 153	–844	309	–4	305
Reverse repurchase agreements	3 657	–1 652	2 005	–2 005	0
Securities borrowing					0
Total	4 810	–2 496	2 314	–2 009	305

2022 USD millions	Gross amounts of recognised financial liabilities	Amounts set-off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Related financial instruments not set-off in the balance sheet	Net amount
Derivative financial instruments – liabilities	–1 663	1 117	–546	319	–227
Repurchase agreements	–1 272	1 255	–17	17	0
Securities lending	–1 640	397	–1 243	1 144	–99
Total	–4 575	2 769	–1 806	1 480	–326

2023 USD millions	Gross amounts of recognised financial assets	Amounts set-off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Related financial instruments not set-off in the balance sheet	Net amount
Derivative financial instruments – assets	1 290	–983	307	–24	**283**
Reverse repurchase agreements	3 948	–1 270	2 678	–2 678	**0**
Securities borrowing	311		311	–311	**0**
Total	**5 549**	**–2 253**	**3 296**	**–3 013**	**283**

2023 USD millions	Gross amounts of recognised financial liabilities	Amounts set-off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Related financial instruments not set-off in the balance sheet	Net amount
Derivative financial instruments – liabilities	–1 479	878	–601	130	**–471**
Repurchase agreements	–1 024	870	–154	154	**0**
Securities lending	–2 660	400	–2 260	2 142	**–118**
Total	**–5 163**	**2 148**	**–3 015**	**2 426**	**–589**

Collateral pledged or received between two counterparties with a master netting arrangement in place, but not subject to balance sheet netting, is disclosed at fair value. The fair values represent the gross carrying value amounts at the reporting date for each financial instrument received or pledged by the Group. Management believes that master netting agreements provide for legally enforceable set-off in the event of default, which substantially reduces credit exposure. Upon occurrence of an event of default, the non-defaulting party may set off the obligation against collateral received regardless if it has been offset on the balance sheet prior to the defaulting event. The net amounts of the financial assets and liabilities presented on the balance sheet were recognised in "Other invested assets" and "Accrued expenses and other liabilities".

Assets pledged
As of 31 December 2022 and 2023, investments with a carrying value of USD 4 492 million and USD 4 430 million, respectively, were on deposit with regulatory agencies in accordance with local requirements, of which USD 469 million and USD 449 million, respectively, were cash and cash equivalents. As of 31 December 2022 and 2023, investments with a carrying value of USD 14 361 million and USD 13 899 million, respectively, were placed on deposit or pledged to secure certain reinsurance liabilities, including pledged investments in subsidiaries, of which USD 50 million and USD 220 million, respectively, were cash and cash equivalents. Cash and cash equivalents pledged include some instances where cash is legally restricted from usage or withdrawal.

As of 31 December 2022 and 2023, investments with a carrying value of USD 482 million and USD 330 million, respectively, were placed on deposit or pledged to secure certain derivative and debt liabilities.

As of 31 December 2022 and 2023, securities of USD 14 396 million and USD 16 645 million, respectively, were transferred to third parties under securities lending transactions and repurchase agreements on a fully collateralised basis. Corresponding liabilities of USD 1 260 million and USD 2 414 million, respectively, were recognised in accrued expenses and other liabilities for the obligation to return collateral that the Group has the right to sell or reuse.

As of 31 December 2022 and 2023, a real estate portfolio with a carrying value of USD 187 million and USD 207 million, respectively, served as collateral for a credit facility, allowing the Group to withdraw funds up to CHF 500 million.

Collateral accepted which the Group has the right to sell or repledge
As of 31 December 2022 and 2023, the fair value of the equity securities, government and corporate debt securities received as collateral was USD 4 527 million and USD 5 629 million, respectively. Of this, the amount that was sold or repledged as of 31 December 2022 and 2023 was USD 1 281 million and USD 1 085 million, respectively. The sources of the collateral are securities borrowing, reverse repurchase agreements and derivative transactions.

Recognised gross liability for the obligation to return collateral (from repurchase agreements and securities lending)
As of 31 December 2022 and 2023, the gross amounts of liabilities related to repurchase agreements and securities lending by the class of securities transferred to third parties and by the remaining maturity are shown below:

2022 USD millions	Remaining contractual maturity of the agreements Overnight and continuous	Up to 30 days	30–90 days	Greater than 90 days	Total
Repurchase agreements					
Debt securities issued by governments and government agencies	9	1 091		99	1 199
Corporate debt securities		73			73
Total repurchase agreements	9	1 164	0	99	1 272
Securities lending					
Debt securities issued by governments and government agencies	454		1 044		1 498
Corporate debt securities	142				142
Total securities lending	596	0	1 044	0	1 640
Gross amount of recognised liabilities for repurchase agreements and securities lending					2 912

2023 USD millions	Remaining contractual maturity of the agreements Overnight and continuous	Up to 30 days	30–90 days	Greater than 90 days	Total
Repurchase agreements					
Debt securities issued by governments and government agencies	138	197	504	97	936
Corporate debt securities	11	77			88
Total repurchase agreements	**149**	**274**	**504**	**97**	**1 024**
Securities lending					
Debt securities issued by governments and government agencies	146	1 439	901		2 486
Corporate debt securities	174				174
Total securities lending	**320**	**1 439**	**901**	**0**	**2 660**
Gross amount of recognised liabilities for repurchase agreements and securities lending					**3 684**

The programme is structured in a conservative manner within a clearly defined risk framework. Yield enhancement is conducted on a non-cash basis, thereby taking no re-investment risk.

8 Fair value disclosures

Fair value, as defined by the Fair Value Measurements and Disclosures Topic, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Fair Value Measurements and Disclosures Topic requires all assets and liabilities that are measured at fair value to be categorised within the fair value hierarchy. This three-level hierarchy is based on the observability of the inputs used in the fair value measurement. The levels of the fair value hierarchy are defined as follows:

Level 1 inputs are unadjusted, quoted prices in active markets for identical assets or liabilities that the Group has the ability to access. Level 1 inputs are the most persuasive evidence of fair value and are to be used whenever possible. The types of instruments include most US government and sovereign obligations, active listed equities, certain exchange-traded derivative instruments and most money market securities.

Level 2 inputs are market-based inputs that are directly or indirectly observable, but not considered level 1 quoted prices. Level 2 inputs consist of (i) quoted prices for similar assets or liabilities in active markets; (ii) quoted prices for identical assets or liabilities in non-active markets (eg markets which have few transactions and where prices are not current or price quotations vary substantially); (iii) inputs other than quoted prices that are observable (eg interest rates, yield curves, volatilities, prepayment speeds, credit risks and default rates); (iv) inputs derived from, or corroborated by, observable market data; and (v) quoted prices provided by third party brokers. The types of instruments that trade in markets that are not considered to be active include most government agency securities, investment-grade corporate bonds, certain mortgage- and asset-backed products, certain exchange-traded derivative instruments, catastrophe bonds, less liquid listed equities and state, municipal and provincial obligations.

Level 3 inputs are unobservable inputs. These inputs reflect the Group's own assumptions about market pricing using the best internal and external information available. Certain financial instruments are classified within level 3 of the fair value hierarchy because they trade infrequently and therefore have little or no price transparency. Such instruments include private equity, less liquid corporate debt securities and certain asset-backed securities (ABS). Certain over-the-counter (OTC) derivatives trade in less liquid markets with limited pricing information, and the determination of fair value for these derivatives is inherently more difficult. When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit considerations. Such adjustments are generally based on available market evidence. In the absence of such evidence, management's best estimate is used.

Pursuant to the election of the fair value option, the Group classifies certain liabilities for life and health policy benefits in level 3 of the fair value hierarchy. When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit considerations. Such adjustments are generally based on available market evidence. In the absence of such evidence, management's best estimate is used.

The fair values of assets are adjusted to incorporate the counterparty risk of non-performance. Similarly, the fair values of liabilities reflect the risk of non-performance of the Group, captured by the Group's credit spread. These valuation adjustments from assets and liabilities measured at fair value using significant unobservable inputs are recognised in net realised gains and losses. For 2023, these adjustments were not material. Whenever the underlying assets or liabilities are reported in a specific business segment, the valuation adjustment is allocated accordingly. Valuation adjustments not attributable to any business segment are reported in Group items.

In certain situations, the Group uses inputs to measure the fair value of asset or liability positions that fall into different levels of the fair value hierarchy. In these situations, the Group will determine the appropriate level based on the lowest level input that is significant to the determination of the fair value.

Valuation techniques
US government securities typically have quoted market prices in active markets and are categorised as level 1 instruments in the fair value hierarchy. Non-US government holdings are generally classified as level 2 instruments and are valued on the basis of the quotes provided by pricing services, which are subject to the Group's pricing validation reviews and pricing vendor challenge process. Valuations provided by pricing vendors are generally based on the actual trade information as substantially all of the Group's non-US government holdings are traded in a transparent and liquid market.

Corporate debt securities mainly include US and European investment-grade positions, which are priced on the basis of quotes provided by third party pricing vendors and first utilise valuation inputs from actively traded securities, such as bid prices, bid spreads to Treasury securities, Treasury curves and same or comparable issuer curves and spreads. Issuer spreads are determined from actual quotes and traded prices and incorporate considerations of credit/default, sector composition, and liquidity and call features. Where market data is not available, valuations are developed based on the modelling techniques that utilise observable inputs and option-adjusted spreads and incorporate considerations of the security's seniority, maturity and corporate structure of the issuer.

Values of mortgage- and asset-backed securities are obtained both from third party pricing vendors and through quoted prices, some of which may be based on the prices of comparable securities with similar structural and collateral features. Values of certain ABS for which there are no significant observable inputs are developed using benchmarks to similar transactions or indices. For both residential mortgage-backed securities (RMBS) and commercial mortgage-backed securities (CMBS), cash flows are derived based on the transaction-specific information, which incorporates priority in the capital structure, and are generally adjusted to reflect benchmark yields, market prepayment data, collateral performance (default rates and loss severity) for specific vintage and geography, credit enhancements and ratings. For certain RMBS and CMBS with low levels of market liquidity, judgements may be required to determine comparable securities based on the loan type and deal-specific performance. CMBS terms may also incorporate lock-out periods that restrict borrowers from prepaying the loans or provide disincentives to prepay and therefore reduce prepayment risk of these securities, compared to RMBS. The factors specifically considered in valuation of CMBS include borrower-specific statistics in a specific region, such as debt service coverage and loan-to-value ratios, as well as the type of commercial property. Mortgage- and asset-backed securities also includes debt securitised by credit card, student loan and auto loan receivables. Pricing inputs for these securities also focus on capturing, where relevant, collateral quality and performance, payment patterns and delinquencies.

The Group uses third party pricing vendor data to value agency securitised products, which mainly include collateralised mortgage obligations (CMO) and mortgage-backed government agency securities. The valuations generally utilise observable inputs consistent with those noted above for RMBS and CMBS.

Equity securities held by the Group for proprietary investment purposes are mainly classified in level 1. Securities classified in level 1 are traded on public stock exchanges for which quoted prices are readily available.

The category "Other invested assets" includes the Group's private equity and hedge fund investments which are made directly or via ownership of funds. Valuation of direct private equity investments requires significant management judgement due to the absence of quoted market prices and the lack of liquidity. Initial valuation is based on the acquisition cost and is further refined based on the available market information for the public companies that are considered comparable to the Group's holdings in the private companies being valued, and the private company-specific performance indicators, both historic and projected. Subsequent valuations also reflect business or asset appraisals, as well as market transaction data for private and public benchmark companies and the actual companies being valued, such as financing rounds and mergers and acquisitions activity. The Group's holdings in private equity and hedge funds are generally valued utilising net asset values (NAV), subject to adjustments, as deemed necessary, for restrictions on redemption (lock-up periods and amount limitations on redemptions). These investments are included under investments measured at net asset value as a practical expedient.

The Group holds both exchange-traded and OTC interest rate, foreign exchange, credit and equity derivative contracts for hedging and trading purposes. The fair values of exchange-traded derivatives measured using observable exchange prices are classified in level 1. Long-dated contracts may require adjustments to the exchange-traded prices which would trigger reclassification to level 2 in the fair value hierarchy. OTC derivatives are generally valued by the Group based on the internal models, which are consistent with industry standards and practices, and use both observable (dealer, broker or market consensus prices, spot and forward rates, interest rate and credit curves and volatility indices) and unobservable inputs (adjustments for liquidity, inputs derived from the observable data based on the Group's judgements and assumptions).

The Group's OTC interest rate derivatives primarily include interest rate swaps, futures, options, caps and floors and are valued based on the cash flow discounting models which generally utilise as inputs observable market yield curves and volatility assumptions.

The Group's OTC foreign exchange derivatives primarily include forward, spot and option contracts and are generally valued based on the cash flow discounting models, utilising as main inputs observable foreign exchange forward curves.

The Group's investments in equity derivatives primarily include OTC equity option contracts on single or baskets of market indices and equity options on individual or baskets of equity securities, which are valued using internally developed models (such as the Black-Scholes type option pricing model and various simulation models) calibrated with the inputs, which include underlying spot prices, dividend curves, volatility surfaces, yield curves and correlations between underlying assets.

The Group's OTC credit derivatives can include index and single-name credit default swaps. Plain vanilla credit derivatives, such as index and single-name credit default swaps, are valued by the Group based on the models consistent with the industry valuation standards for these credit contracts, and primarily utilise observable inputs published by market data sources, such as credit spreads and recovery rates. These valuation techniques warrant classification of plain vanilla OTC derivatives as level 2 financial instruments in the fair value hierarchy.

Assets and liabilities measured at fair value on a recurring basis

As of 31 December, the fair values of assets and liabilities measured on a recurring basis by level of input were as follows:

2022 USD millions	Quoted prices in active markets for identical assets and liabilities (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)	Impact of netting[1]	Total
Assets					
Fixed income securities held for proprietary investment purposes	14 137	59 231	1 205		74 573
Debt securities issued by US government and government agencies	14 137	1 392			15 529
US Agency securitised products		3 515			3 515
Debt securities issued by non-US governments and government agencies		18 678			18 678
Corporate debt securities		31 641	1 205		32 846
Mortgage- and asset-backed securities		4 005			4 005
Equity securities held for proprietary investment purposes	1 599	515			2 114
Equity securities backing unit-linked business	330				330
Short-term investments held for proprietary investment purposes	2 535	6 372			8 907
Derivative financial instruments	27	1 066	60	–844	309
Interest rate contracts	5	471	5		481
Foreign exchange contracts		486			486
Equity contracts	22	68			90
Credit contracts		8			8
Other contracts		33	55		88
Other invested assets	462	1 054	481		1 997
Funds held by ceding companies		164			164
Total assets at fair value	19 090	68 402	1 746	–844	88 394
Liabilities					
Derivative financial instruments	–5	–1 478	–180	1 117	–546
Interest rate contracts	–4	–909	–2		–915
Foreign exchange contracts		–386			–386
Equity contracts	–1	–133			–134
Credit contracts		–50			–50
Other contracts			–178		–178
Liabilities for life and health policy benefits			–69		–69
Accrued expenses and other liabilities	–218	–1 356			–1 574
Total liabilities at fair value	–223	–2 834	–249	1 117	–2 189

[1] The netting of derivative receivables and derivative payables is permitted when a legally enforceable master netting agreement exists between two counterparties. A master netting agreement provides for the net settlement of all contracts, as well as cash collateral, through a single payment, in a single currency, in the event of default or on the termination of any one contract.

2023 USD millions	Quoted prices in active markets for identical assets and liabilities (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)	Impact of netting[1]	Total
Assets					
Fixed income securities held for proprietary investment purposes	10 076	65 491	1 645		77 212
Debt securities issued by US government and government agencies	10 079	1 441			11 520
US Agency securitised products	2	4 438			4 440
Debt securities issued by non-US governments and government agencies	1	17 804			17 805
Corporate debt securities	–6	36 883	1 645		38 522
Mortgage- and asset-backed securities		4 925			4 925
Equity securities held for proprietary investment purposes	144	12			156
Equity securities backing unit-linked business	325				325
Short-term investments held for proprietary investment purposes	2 727	7 204			9 931
Derivative financial instruments	5	1 231	54	–983	307
Interest rate contracts		235	24		259
Foreign exchange contracts		855			855
Equity contracts	1	24			25
Credit contracts		1			1
Other contracts	4	116	30		150
Other invested assets	1 525	1 099	844		3 468
Funds held by ceding companies		166			166
Total assets at fair value	**14 802**	**75 203**	**2 543**	**–983**	**91 565**
Liabilities					
Derivative financial instruments	–3	–1 304	–172	878	–601
Interest rate contracts		–405			–405
Foreign exchange contracts		–788			–788
Equity contracts	–1	–111	–1		–113
Credit contracts			–3		–3
Other contracts	–2		–168		–170
Liabilities for life and health policy benefits			–58		–58
Accrued expenses and other liabilities	–1 211	–1 269			–2 480
Total liabilities at fair value	**–1 214**	**–2 573**	**–230**	**878**	**–3 139**

[1] The netting of derivative receivables and derivative payables is permitted when a legally enforceable master netting agreement exists between two counterparties. A master netting agreement provides for the net settlement of all contracts, as well as cash collateral, through a single payment, in a single currency, in the event of default or on the termination of any one contract.

Assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3)
As of 31 December, the reconciliations of the fair values of assets and liabilities measured on a recurring basis using significant unobservable inputs were as follows:

2022 USD millions	Fixed income securities	Derivative assets	Other invested assets	Total assets	Derivative liabilities	Liabilities for life and health policy benefits	Total liabilities
Assets and liabilities							
Balance as of 1 January	1 312	86	507	1 905	–272	–83	–355
Realised/unrealised gains/losses:							
Included in net income[1]	–1	7	–20	–14	240	14	254
Included in other comprehensive income[2]	–272			–272			0
Purchases	279	21	13	313	–128		–128
Issuances				0	–82		–82
Sales	–40	–4	–16	–60	4		4
Settlements	–58	–50		–108	58		58
Transfers into level 3				0			0
Transfers out of level 3				0			0
Impact of foreign exchange movements	–15		–3	–18			0
Closing balance as of 31 December	1 205	60	481	1 746	–180	–69	–249

[1] Fair value changes are reported in "Net realised investment gains/losses – non-participating business".
[2] Fair value changes from fixed income securities are reported in "Net unrealised investment gains/losses".

2023 USD millions	Fixed income securities	Derivative assets	Other invested assets	**Total assets**	Derivative liabilities	Liabilities for life and health policy benefits	**Total liabilities**
Assets and liabilities							
Balance as of 1 January	1 205	60	481	**1 746**	–180	–69	**–249**
Realised/unrealised gains/losses:							
Included in net income[1]	–8	22	360	**374**	104	11	**115**
Included in other comprehensive income[2]	51			**51**			**0**
Purchases	227	14	4	**245**			**0**
Issuances				**0**	–148		**–148**
Sales		–4		**–4**			**0**
Settlements	–100	–38	–2	**–140**	53		**53**
Transfers into level 3[3]	264			**264**			**0**
Transfers out of level 3				**0**			**0**
Impact of foreign exchange movements	6		1	**7**	–1		**–1**
Closing balance as of 31 December	**1 645**	**54**	**844**	**2 543**	**–172**	**–58**	**–230**

[1] Fair value changes are reported in "Net realised investment gains/losses – non-participating business".
[2] Fair value changes from fixed income securities are reported in "Net unrealised investment gains/losses".
[3] Due to reclassification of certain securities to fixed income securities.

Gains and losses on assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (level 3)
The gains and losses relating to the assets and liabilities measured at fair value using significant unobservable inputs (level 3) for the years ended 31 December were as follows:

USD millions	2022	**2023**
Gains/losses included in net income for the period	240	489
Whereof change in unrealised gains/losses relating to assets and liabilities still held at the reporting date	108	83

Quantitative information about level 3 fair value measurements
Unobservable inputs for major level 3 assets and liabilities as of 31 December were as follows:

USD millions	2022 Fair value	**2023** Fair value	Valuation technique	Unobservable input	Range (weighted average[1])
Assets					
Corporate debt securities	1 205	**1 645**			
Infrastructure loans	802	1 192	Discounted cash flow model	Valuation spread	56—514 bps (197 bps)
Private placement corporate debt	367	382	Corporate spread matrix	Credit spread	39—219 bps (109 bps)
Private placement credit tenant leases	29	24	Discounted cash flow model	Illiquidity premium	125—150 bps (146 bps)
Other derivative contracts	55	**30**			
Weather contracts	41	4	Proprietary option model	Risk margin	7–7% (7%)
				Volatility (temperature)	0.2–0.3 (0.2) HDD/CDD/CAT[2]
				Index value (temperature)	0–1 (0.4) HDD/CDD/CAT[2]
Liabilities					
Other derivative contracts and liabilities for life and health policy benefits	–247	**–226**			
Variable annuity and fair valued GMDB contracts	–187	–130	Discounted cash flow model	Risk margin	4% (n/a)
				Volatility	10.2–54.8%
				Lapse	1–10%
				Mortality improvement	0–1.5%
				Withdrawal rate (GMDB contracts)	20–97%
Weather contracts	–41	–47	Proprietary option model	Risk margin	7–21% (13.7%)
				Correlation	–50–37% (–5.8%)
				Volatility (power/gas)	70–99% (90.5%)
				Volatility (temperature)	0–133 (22.5) HDD/CDD/CAT[2]
				Index value (temperature)	0–889 (198.4) HDD/CDD/CAT[2]

[1] Unobservable inputs were weighted by the relative fair value of the instruments.
[2] Heating Degree Days (HDD); Cooling Degree Days (CDD); Cumulative Average Temperature (CAT).

Uncertainty of recurring level 3 measurements from the use of significant unobservable inputs
The significant unobservable input used in the fair value measurement of the Group's infrastructure loans is valuation spread. A significant increase (decrease) in this input in isolation would have resulted in a significantly lower (higher) fair value measurement. The significant unobservable input used in the fair value measurement of the Group's private placement corporate debt securities is credit spread. A significant increase (decrease) in this input in isolation would have resulted in a significantly lower (higher) fair value measurement. The significant unobservable input used in the fair value measurement of the Group's private placement credit tenant leases is illiquidity premium. A significant increase (decrease) in this input in isolation would have resulted in a significantly lower (higher) fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Group's variable annuity and fair valued guaranteed minimum death benefit (GMDB) contracts are: risk margin, volatility, lapse, mortality improvement rate and withdrawal rate. A significant increase (decrease) in isolation in each of the following inputs: risk margin, volatility and withdrawal rate would have resulted in a significantly lower (higher) fair value of the Group's obligation. A significant increase (decrease) in isolation in lapse rate would, in general, have resulted in a significantly higher (lower) fair value of the Group's obligation due to the maturity of the contracts. Changes in the mortality improvement rate impact the fair value of the Group's obligation differently for living-benefit products, compared to death-benefit products. For the former, a significant increase (decrease) in the mortality improvement rate (ie decrease (increase) in mortality) in isolation would have resulted in a decrease (increase) in fair value of the Group's liability. For the latter, a significant increase (decrease) in the mortality improvement rate in isolation would have resulted in an increase (decrease) in fair value of the Group's liability.

The significant unobservable inputs used in the fair value measurement of the Group's weather contracts are risk margin, correlation, volatility and index value. Where the Group has a long position, a significant increase (decrease) in the risk margin input in isolation would have resulted in a significantly higher (lower) fair value measurement. Where the Group has a long volatility or correlation position, a significant increase (decrease) in the correlation and volatility inputs would have resulted in a significantly higher (lower) fair value measurement. Where the Group has a long index position, an increase (decrease) in the index value input in isolation would have resulted in a significantly higher (lower) fair value measurement. Where the Group has a short position, a significant increase (decrease) in the risk margin input in isolation would have resulted in a significantly lower (higher) fair value measurement. Where the Group has a short volatility or correlation position, a significant increase (decrease) in the correlation and volatility inputs would have resulted in a significantly lower (higher) fair value measurement. Where the Group has a short index position, an increase (decrease) in the index value input in isolation would have resulted in a significantly lower (higher) fair value measurement.

Other invested assets measured at net asset value

Other invested assets measured at net asset value as of 31 December were as follows:

USD millions	2022 Fair value	**2023** Fair value	Unfunded commitments	Redemption frequency (if currently eligible)	Redemption notice period
Private equity funds	1 489	1 776	636	non-redeemable	n/a
Real estate funds	1		8	non-redeemable	n/a
Private equity direct	249	302	86	non-redeemable	n/a
Hedge funds	1	1		redeemable[1]	90 days[2]
Total	1 740	**2 079**	**730**		

[1] The redemption frequency varies by position.
[2] Cash distribution can be delayed for an extended period depending on the sale of the underlyings.

Private equity and real estate funds generally have limitations imposed on the amount of redemptions from the fund during the redemption period due to illiquidity of the underlying investments. Fees may apply for redemptions or transferring of interest to other parties. Distributions are expected to be received from these funds as the underlying assets are liquidated. The period of time over which the underlying assets are expected to be liquidated is indeterminate as investees provide liquidation notices.

The private equity direct portfolio consists of equity and equity-like investments directly in other companies. These investments have no contractual term and are generally held based on financial or strategic intent.

The hedge fund investments employ a variety of strategies, including relative value and event-driven across various asset classes.

The redemption frequency of hedge funds varies depending on the manager as well as the nature of the underlying product. Additionally, certain funds may impose lock-up periods and redemption gates as defined in the terms of the individual investment agreement.

Fair value option

The fair value option under the Financial Instruments Topic permits the choice to measure specified financial assets and liabilities at fair value on an instrument-by-instrument basis. The Group elected the fair value option for positions in the following line items:

Other invested assets

The Group elected the fair value option for certain investments classified as equity method investees within other invested assets in the balance sheet. The Group applied the fair value option, as the investments are managed on a fair value basis. The changes in fair value of these elected investments are recorded in earnings.

Funds held by ceding companies

For operational efficiencies, the Group elected the fair value option for funds held by the cedent under three of its reinsurance agreements. The assets are carried at fair value and changes in fair value are reported as a component of earnings.

Liabilities for life and health policy benefits

The Group elected the fair value option for existing GMDB reserves related to certain variable annuity contracts. The Group has applied the fair value option, as the equity risk associated with those contracts is managed on a fair value basis and it is economically hedged with derivative options in the market. The liability is carried at fair value and changes in fair value attributable to instrument-specific credit risk are reported in other comprehensive income and all other changes in fair value are reported as a component of earnings.

Assets and liabilities measured at fair value pursuant to election of the fair value option

Pursuant to the election of the fair value option for the items described, the balances as of 31 December were as follows:

USD millions	2022	**2023**
Assets		
Other invested assets	8 794	11 510
of which at fair value pursuant to the fair value option	435	415
Funds held by ceding companies	13 929	16 178
of which at fair value pursuant to the fair value option	164	166
Liabilities		
Liabilities for life and health policy benefits	–20 925	–20 624
of which at fair value pursuant to the fair value option	–69	–58

Changes in fair values for items measured at fair value pursuant to election of the fair value option
Gains/losses included in earnings for items measured at fair value pursuant to election of the fair value option including foreign exchange impact for the years ended 31 December were as follows:

USD millions	2022	2023
Other invested assets	54	–28
Funds held by ceding companies	–8	2
Liabilities for life and health policy benefits	15	12
Total	61	**–14**

Fair value changes from other invested assets and funds held by ceding companies are reported in "Net investment income – non-participating business". Fair value changes from the GMDB reserves are shown in "Life and health benefits".

Assets and liabilities not measured at fair value but for which the fair value is disclosed
Assets and liabilities not measured at fair value but for which the fair value is disclosed as of 31 December were as follows:

2022 USD millions	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)	Total
Assets			
Policy loans		32	32
Mortgage loans		1 569	1 569
Other loans		2 443	2 443
Investment real estate		5 738	5 738
Total assets	0	9 782	9 782
Liabilities			
Debt	–9 027	–2 063	–11 090
Total liabilities	–9 027	–2 063	–11 090

2023 USD millions	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)	Total
Assets			
Policy loans		34	34
Mortgage loans		1 724	1 724
Other loans		3 122	3 122
Investment real estate		5 519	5 519
Total assets	**0**	**10 399**	**10 399**
Liabilities			
Debt	–8 212	–2 177	–10 389
Total liabilities	**–8 212**	**–2 177**	**–10 389**

Policy loans, other loans and certain mortgage loans are classified as level 3 measurements, as they do not have an active exit market. Some of these positions need to be assessed in conjunction with the corresponding insurance business, whilst the fair value of some other positions does not differ materially from the carrying amount. Considering these circumstances for these positions, the Group presents the carrying amount as an approximation for the fair value. For certain commercial mortgage loans and infrastructure loans, which are included in mortgage loans and other loans respectively, the fair value can be estimated using discounted cash flow models which are based on discount curves and spread inputs that require management's judgement.

Investments in real estate are fair valued primarily by external appraisers based on proprietary discounted cash flow models that incorporate applicable risk premium adjustments to discount yields and projected market rental income streams based on market-specific data. These fair value measurements are classified in level 3 in the fair value hierarchy.

Debt positions, which are fair valued based on executable broker quotes or the discounted cash flow method using observable inputs, are classified as level 2 measurements. Fair value of the majority of the Group's level 3 debt positions is judged to approximate carrying value due to the highly tailored nature of the obligation and short-notice termination provisions.

9 Derivative financial instruments

The Group uses a variety of derivative financial instruments including swaps, options, forwards, credit derivatives and exchange-traded financial futures in its trading and hedging strategies, in line with the Group's overall risk management strategy. The objectives include managing exposure to price, foreign currency and/or interest rate risk on planned or anticipated investment purchases, existing assets or liabilities, as well as locking in attractive investment conditions for future available funds.

The fair values represent the gross carrying value amounts at the reporting date for each class of derivative contract held or issued by the Group. The gross fair values are not an indication of credit risk, as many over-the-counter transactions are contracted and documented under ISDA master agreements or their equivalent. Management believes that such agreements provide for legally enforceable set-off in the event of default, which substantially reduces credit exposure.

Fair values and notional amounts of derivative financial instruments
As of 31 December, the fair values and notional amounts of the derivatives outstanding were as follows:

2022 USD millions	Notional amount assets/liabilities	Fair value assets	Fair value liabilities	Carrying value assets/liabilities
Derivatives not designated as hedging instruments				
Interest rate contracts	15 937	481	–563	–82
Foreign exchange contracts	37 834	395	–219	176
Equity contracts	12 285	90	–134	–44
Credit contracts	10 974	8	–50	–42
Other contracts	9 969	88	–178	–90
Total	86 999	1 062	–1 144	–82
Derivatives designated as hedging instruments				
Interest rate contracts	2 992		–352	–352
Foreign exchange contracts	21 381	91	–167	–76
Total	24 373	91	–519	–428
Total derivative financial instruments	111 372	1 153	–1 663	–510
Amount offset				
Where a right of set-off exists		–669	669	
Due to cash collateral		–175	448	
Total net amount of derivative financial instruments		309	–546	–237

2023 USD millions	Notional amount assets/liabilities	Fair value assets	Fair value liabilities	Carrying value assets/liabilities
Derivatives not designated as hedging instruments				
Interest rate contracts	16 198	246	–142	104
Foreign exchange contracts	42 786	852	–235	617
Equity contracts	4 181	25	–113	–88
Credit contracts	6 213	1	–3	–2
Other contracts	9 648	150	–170	–20
Total	**79 026**	**1 274**	**–663**	**611**
Derivatives designated as hedging instruments				
Interest rate contracts	2 712	13	–263	–250
Foreign exchange contracts	21 728	3	–553	–550
Total	**24 440**	**16**	**–816**	**–800**
Total derivative financial instruments	**103 466**	**1 290**	**–1 479**	**–189**
Amount offset				
Where a right of set-off exists		–781	781	
Due to cash collateral		–202	97	
Total net amount of derivative financial instruments		**307**	**–601**	**–294**

The notional amounts of derivative financial instruments give an indication of the Group's volume of derivative activity. The fair value assets are included in "Other invested assets", and the fair value liabilities are included in "Accrued expenses and other liabilities". The fair value amounts that were not offset were nil as of 31 December 2022 and 2023.

Non-hedging activities

The Group primarily uses derivative financial instruments for risk management and trading strategies. Gains and losses of derivative financial instruments not designated as hedging instruments are recorded in "Net realised investment gains/losses — non-participating business" in the income statement.

For the years ended 31 December, the gains and losses of derivative financial instruments not designated as hedging instruments were as follows:

USD millions	2022	2023
Derivatives not designated as hedging instruments		
Interest rate contracts	–20	33
Foreign exchange contracts	–1 047	477
Equity contracts	71	–229
Credit contracts	15	–72
Other contracts	220	234
Total gains/losses recognised in income	–761	**443**

Hedging activities

The Group designates certain derivative financial instruments as hedging instruments. The designation of derivative financial instruments is primarily used for overall portfolio and risk management strategies. As of 31 December 2022 and 2023, the following hedging relationships were outstanding:

Fair value hedges

The Group enters into foreign exchange and interest rate swaps to reduce the exposure to foreign exchange and interest rate volatility for certain fixed income securities and its issued long-term debt positions. These derivative instruments are designated as hedging instruments in qualifying fair value hedges.

For the years ended 31 December, the gains and losses attributable to the hedged risks were as follows:

		2022		2023
USD millions	Net realised investment gains/losses — non-participating business	Interest expenses	Net realised investment gains/losses — non-participating business	Interest expenses
Total amounts of income and expense line items	–3	–570	719	–556
Foreign exchange contracts				
Gains/losses on derivatives	1 137		–374	
Gains/losses on hedged items	–1 137		374	
Amounts excluded from the effectiveness assessment				
Interest rate contracts				
Gains/losses on derivatives		–306		102
Gains/losses on hedged items		292		–119

As of 31 December, the carrying values of the hedged assets and liabilities, and the cumulative amounts of fair value hedging adjustments included therein, recognised in the balance sheet, were as follows:

		2022		2023
USD millions	Carrying value	Cumulative basis adjustment	Carrying value	Cumulative basis adjustment
Assets				
Fixed income securities available-for-sale	15 970		15 964	
Liabilities				
Short-term debt	–783	16	–290	7
Long-term debt	–1 852	331	–1 774	220

Cash flow hedges

In 2023, the Group entered into forward bond purchase contracts, to reduce the exposure to the interest rate risk of a future purchase of seasoned bonds forecasted to take place in 2024. These derivative instruments are designated as cash flow hedging instruments.

For the year ended 31 December, the gains and losses recorded in accumulated other comprehensive income were as follows:

USD millions	2023 Other comprehensive income — Cash flow hedges
Total amounts of income and expense line items	10
Interest rate contracts	
Gains/losses on derivatives	10

As of 31 December 2023, the maximum length of time over which the Group hedged its exposure to the variability in future cash flows for forecasted transactions, excluding those forecasted transactions related to the payment of variable interest on existing financial instruments, was 6 months.

Hedges of the net investment in foreign operations

The Group designates derivative and non-derivative monetary financial instruments as hedging the foreign currency exposure of its net investment in certain foreign operations.

As of 31 December 2022 and 2023, the Group recorded an accumulated net unrealised foreign currency remeasurement gain of USD 1 260 million and USD 837 million, respectively, in "Other comprehensive income – Foreign currency translation". These offset translation gains and losses on the hedged net investment.

As of 31 December 2023, USD 152 million gains on derivative instruments, designated and qualifying in net investment hedges, were excluded from the assessment of hedge effectiveness.

Maximum potential loss

In consideration of the rights of set-off and the qualifying master netting arrangements with various counterparties, the maximum potential loss as of 31 December 2022 and 2023 was approximately USD 484 million and USD 509 million, respectively. The maximum potential loss is based on the positive market replacement cost assuming non-performance of all counterparties, excluding cash collateral.

Credit risk-related contingent features

Certain derivative instruments held by the Group contain provisions that require its debt to maintain an investment-grade credit rating. If the Group's credit rating were downgraded or no longer rated, the counterparties could request immediate payment, guarantee or an ongoing full overnight collateralisation on derivative instruments in net liability positions.

The total fair value of derivative financial instruments containing credit risk-related contingent features amounted to USD 54 million and USD 37 million as of 31 December 2022 and 2023, respectively. For derivative financial instruments containing credit risk-related contingent features, the Group posted collateral of USD 34 million and USD 29 million as of 31 December 2022 and 2023, respectively. In the event of a reduction of the Group's credit rating to below investment grade, a fair value of USD 9 million additional collateral would have had to be posted as of 31 December 2023. The total equals the amount needed to settle the instruments immediately as of 31 December 2023.

Credit derivatives written/sold

During 2023, the Group wrote/sold credit swaptions, options on CDS in investment grade indices. CDSs are contracts in which the buyer of the swap pays a fee in return for a contingent payment by the seller of the swap triggered by a credit event of the underlying entity or asset. Credit swaptions are contracts that provide the holder with the right, but not the obligation, to enter into a credit default swap in the future at a specified date and spread.

These activities are part of the Group's overall portfolio and risk management strategies. The events that could require the Group to perform include the movement of credit spreads beyond defined trigger levels resulting in the exercise of the swaption by the counterparty and thereafter the occurrence of a credit event (which may include, bankruptcy, failure to pay or involuntary restructuring) of the credit derivative's underlying. Payout on a credit default swap is only triggered after the credit derivatives determinations committee determines that a credit event has occurred.

As of 31 December 2023, the total fair value (representing gross carrying amounts, excluding the effects of cash collateral netting) of written/sold options on credit derivatives was nil with a maximum potential payout of USD 4 000 million and a time to maturity of less than five years. The maximum potential payout is based on notional values of the credit derivatives assuming the swaption is exercised and the default of all credit derivatives' underlyings with zero recovery.

The Group believes that the maximum potential payout is not representative of the actual loss exposure based on historical experience. This amount has not been reduced by the Group's rights to the underlying assets and the related cash flows. In accordance with most credit derivative contracts, should a credit event (or settlement trigger) occur, the Group is liable for the difference between the credit protection sold and the recovery value of the underlying assets.

The Group has purchased protection to manage the performance/payment risks related to credit derivatives. As of 31 December 2023, the total purchased credit protection was USD 2 000 million based on notional values. Thereof USD 2 000 million was related to identical underlyings for which the Group sold credit protection.

10 Disposals

Disposal of Elips Life AG
On 1 July 2022, the Group completed the sale of Elips Life AG ("elipsLife"), formerly part of Corporate Solutions business segment, to Swiss Life International, following the receipt of all required regulatory and anti-trust approvals. The agreement to sell the subsidiary was entered into in the fourth quarter of 2021.

The Group simultaneously entered into a long-term reinsurance partnership for elipsLife's inforce and new business which is part of the Reinsurance L&H and Group items business segment from 1 July 2022.

The sale of elipsLife excludes the medical business of Elips Versicherungen AG in Ireland, which remains in the Corporate Solutions business segment.

11 Debt and contingent capital instruments

The Group enters into long- and short-term debt arrangements to obtain funds for general corporate use and specific transaction financing. The Group defines short-term debt as debt having a maturity at the balance sheet date of not greater than one year and long-term debt as having a maturity of greater than one year. For subordinated debt positions, maturity is defined as the first optional redemption date (notwithstanding that optional redemption could be subject to regulatory consent) except for perpetual positions with issuer redemption options every five years, in which case the positions are treated as having no maturity until a redemption notice is issued. Interest expense is classified accordingly.

The Group's debt as of 31 December was as follows:

USD millions	2022	**2023**
Senior financial debt	784	291
Senior operational debt	2	2
Subordinated financial debt		499
Contingent capital instruments classified as financial debt		499
Short-term debt	786	**1 291**
Senior financial debt	1 336	1 095
Senior operational debt	100	101
Subordinated financial debt	6 730	5 686
Subordinated operational debt	1 588	1 644
Contingent capital instruments classified as financial debt	498	
Long-term debt	10 252	**8 526**
Total carrying value	11 038	**9 817**
Total fair value	11 090	**10 389**

As of 31 December 2022 and 2023, operational debt, ie debt related to operational leverage, amounted to USD 1.7 billion (thereof USD 1.6 billion limited- or non-recourse) and USD 1.7 billion (thereof USD 1.6 billion limited- or non-recourse), respectively. Operational leverage is subject to asset/liability matching and is excluded from rating agency financial leverage calculations.

Maturity of long-term debt

As of 31 December, long-term debt as reported above had the following maturities:

USD millions	2022	**2023**
Due in 2024	2 254	
Due in 2025	1 673	1 744
Due in 2026	333	324
Due in 2027	1 015	1 052
Due in 2028		
Due after 2028	4 977	5 406
Total carrying value	10 252	**8 526**

Senior long-term debt

Maturity	Instrument	Issued in	Currency	Nominal in millions	Interest rate	Book value in USD millions
2026	Senior notes[1]	1996	USD	291	7.00%	311
2027	Senior notes	2015	CHF	250	0.75%	277
2030	Senior notes[1]	2000	USD	156	7.75%	191
2042	Senior notes	2012	USD	322	4.25%	316
Various	Payment undertaking agreements	Various	USD	94	Various	101
Total senior long-term debt as of 31 December 2023						**1 196**
Total senior long-term debt as of 31 December 2022						1 436

[1] Assumed in the acquisition of GE Insurance Solutions.

Subordinated long-term debt

Maturity	Instrument	Issued in	Currency	Nominal in millions	Interest rate	Next call in	Book value in USD millions
2035	Subordinated fixed rate resettable callable note	2020	SGD	350	3.13%	2025	265
2049	Subordinated fixed rate reset step-up callable note	2019	USD	766	5.00%	2029	762
2050	Subordinated fixed rate reset step-up callable note	2019	EUR	539	2.53%	2030	593
2050	Subordinated fixed-to-floating rate non step-up callable loan note	2022	USD	700	5.75%	2025	699
2052	Subordinated fixed rate reset step-up callable note	2020	EUR	800	2.71%	2032	719
2052	Subordinated fixed-to-floating rate non step-up callable loan note	2022	USD	800	5.63%	2027	775
2056	Subordinated fixed rate non step-up callable loan note	2022	USD	23	6.05%	2031	21
2057	Subordinated private placement (amortising, limited recourse)	2007	GBP	1289	6.41%		1 644
Perpetual	Perpetual subordinated fixed-to-floating rate callable loan note	2015	EUR	750	2.60%	2025	777
Perpetual	Perpetual subordinated fixed spread callable note[1]	2019	USD	631	4.25%	2024	630
Perpetual	Perpetual subordinated fixed spread callable loan note[1]	2023	USD	454	5.52%	2027	445
Total subordinated long-term debt as of 31 December 2023							**7 330**
Total subordinated long-term debt as of 31 December 2022							8 318

[1] Perpetual position with issuer redemption options every five years.

Interest expense on long-term debt and contingent capital instruments

Interest expense on long-term debt for the years ended 31 December was as follows:

USD millions	2022	**2023**
Senior financial debt	48[1]	49
Senior operational debt	3	4
Subordinated financial debt	340	287[2]
Subordinated operational debt	105	104
Contingent capital instruments classified as financial debt	18	8
Total	514	**452**

[1] Includes a gain on debt extinguishment of USD 22 million.
[2] Includes a gain on debt extinguishment of USD 65 million.

The Group hedges the interest rate risk on some of its long-term debt positions. The net impact of the change in the fair value of the debt and interest rate swap is reflected in the interest expense line in the income statement but not in the table above. For more details on the hedging, please refer to Note 9 "Derivative financial instruments".

Convertible debt

In June 2018, SRL issued six-year senior unsecured exchangeable notes with issuer stock settlement. The notes have a face value of USD 500 million, with a fixed coupon of 3.25% per annum, payable semi-annually in arrear until the maturity date (13 June 2024). Subject to the conditions of the notes, noteholders may exchange their notes for ordinary shares of SRL at an exchange price of USD 94.1610 (adjusted from the initial exchange price of USD 115.2593). The exchange price is subject to further adjustment in certain circumstances described in the conditions of the notes. The issuer may elect to settle a noteholder-initiated exchange in cash or SRL shares. To economically offset the settlement of a noteholder-initiated exchange, SRL purchased matching call options on SRL shares with a portion of the proceeds. Consequently, no new SRL shares will be issued upon a noteholder-initiated exchange. Assuming that all of the notes are exchanged at the request of noteholders, and subject to further adjustments to the exchange price as described in the conditions of the notes, 5 310 054 existing registered shares of SRL would have to be delivered to noteholders. Both the noteholder-initiated exchange option and the matching call options are accounted as equity within these financial statements.

Long-term debt issued in 2023

In May 2023, Swiss Re Ltd issued perpetual subordinated fixed spread callable loan notes with an aggregate face value of USD 750 million by fully drawing on the subordinated debt facility established in July 2017. The notes are perpetual with a next optional redemption date of 15 August 2027 and additional optional redemption dates every five years thereafter. Swiss Re Ltd pays a fixed coupon of 5.524% per annum until the next optional redemption date, which will be reset every five years to the prevailing five-year US Treasury rate plus the fixed-for-life spread of 2.764%.

12 Leases

As part of its normal business operations, the Group as a lessee enters into a number of lease agreements mainly for office space. Certain lease agreements include rental payments adjusted periodically for inflation. Renewal or termination options that are reasonably certain of exercise by the lessee are included in the lease term. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Lease liabilities and right-of-use assets
Lease liabilities and right-of-use assets for operating leases as of 31 December were as follows:

USD millions	2022	**2023**
Operating lease right-of-use assets	396	406
Operating lease liabilities	441	455

Operating lease right-of-use assets are included in "Other assets" and operating lease liabilities are included in "Accrued expenses and other liabilities" on the balance sheet.

Maturity of lease liabilities
As of 31 December, the total undiscounted cash flows due to operating leases for the next five years and thereafter were as follows:

USD millions	2022	**2023**
Less than one year	71	73
Between one year and two years	65	70
Between two years and three years	55	68
Between three years and four years	52	60
Between four years and five years	46	50
After five years	227	210
Total undiscounted cash flows	516	**531**
Less imputed interest	–75	–76
Total lease liability	441	**455**

As of 31 December 2023, undiscounted sublease cash flows over the next eight years were USD 53 million.

The discount rates used to determine the lease liability reflect the collateralised borrowing rates for the Group, where the underlying collateral is assumed to be real estate.

The weighted average discount rate for operating leases as of 31 December 2022 and 2023 was 2.8% and 3.1%, respectively. The weighted average remaining lease term for operating leases as of 31 December 2022 and 2023 was 10.7 years and 10.1 years, respectively.

Lease cost
The composition of total lease cost for all operating leases for the year ended 31 December was as follows:

USD millions	2022	**2023**
Fixed operating lease cost	80	70
Other lease cost[1]	5	6
Total operating lease cost	85	**76**
Less sublease income from operating leases	–4	–8
Total lease cost	81	**68**

[1] "Other lease cost" includes variable lease cost.

Other information
For the year ended 31 December 2022 and 2023, cash paid for amounts included in the measurement of operating lease liabilities was USD 82 million and USD 72 million, respectively. Right-of-use assets obtained in exchange for new operating lease liabilities in 2022 and 2023 were USD 72 million and USD 70 million, respectively.

13 Earnings per share

Earnings per share for the years ended 31 December were as follows:

USD millions (except share data)	2022	2023
Basic earnings per share		
Net income	480	3 228
Non-controlling interests	–8	–14
Net income attributable to common shareholders	472	**3 214**
Weighted average common shares outstanding	289 001 080	289 916 296
Net income per share in USD	1.63	**11.09**
Net income per share in CHF[1]	1.63	**9.94**
Effect of dilutive securities		
Change in income available to common shares due to convertible debt	14	14
Change in average number of shares due to convertible debt	13 763 879	16 494 769
Change in average number of shares due to employee options	323 651	1 450 546
Diluted earnings per share		
Net income assuming debt conversion and exercise of options	486	**3 228**
Weighted average common shares outstanding	303 088 610	307 861 611
Net income per share in USD	1.60	**10.49**
Net income per share in CHF[1]	1.60	**9.40**

[1] The translation from USD to CHF is shown for informational purposes only and has been calculated using the Group's average exchange rates.

Dividends were declared in Swiss francs until 31 December 2022. From 1 January 2023, dividends are declared in US dollars in line with the Group's reporting currency and are paid in Swiss francs. During the years ended 31 December 2022 and 2023, the parent company of the Group (Swiss Re Ltd) paid dividends per share of CHF 5.90 and CHF 5.69 (USD 6.40), respectively.

14 Income taxes

The Group is generally subject to corporate income taxes based on the taxable net income in various jurisdictions in which it operates. The components of the income tax expense were:

USD millions	2022	2023
Current taxes	372	323
Deferred taxes	–201	887
Income tax expense	171	**1 210**

Tax rate reconciliation

The following table reconciles the expected tax expense at the Swiss statutory tax rate to the actual tax expense in the accompanying income statement:

USD millions	2022	2023
Income tax at the Swiss statutory tax rate of 19.7%	128	872
Increase (decrease) in the income tax charge resulting from:		
Foreign income taxed at different rates	24	77
Impact of foreign exchange movements	–33	184
Tax exempt income/dividends received deduction	6	–3
Change in valuation allowance	21	49
Non-deductible expenses	36	84
Change in statutory rate	–1	7
Other income based taxes	–1	–14
Change in liability for unrecognised tax benefits including interest and penalties	21	17
Basis differences in subsidiaries	13	–5
Intra-entity transfers	–2	1
Other, net[1]	–41	–59
Total	171	**1 210**

[1] "Other, net" includes tax return to tax provision and other prior year adjustments from various jurisdictions in 2022 and 2023 of USD −73 million and USD −49 million, respectively.

For the year ended 31 December 2023, the Group reported a tax expense of USD 1 210 million on a pre-tax income of USD 4 438 million, compared to an expense of USD 171 million on a pre-tax income of USD 651 million for 2022. This translates into an effective tax rate in the current and prior-year reporting periods of 27.3% and 26.3%, respectively.

For the year ended 31 December 2023, the tax rate was driven by profits earned in higher tax jurisdictions, tax charges from non-deductible expenses, increases in valuation allowance on deferred tax assets and tax charges from foreign currency translation differences between statutory and US GAAP accounts, partially offset by tax benefits from prior-year adjustments. The tax rate in the year ended 31 December 2022 was largely driven by profits earned in higher tax jurisdictions, tax charges from non-deductible expenses, increases on valuation allowance on deferred tax assets and increases in unrecognised tax benefit liabilities, partially offset by tax benefits from foreign currency translation differences and prior year adjustments.

Deferred and other non-current taxes

The components of deferred and other non-current taxes were as follows:

USD millions	2022	2023
Deferred tax assets		
Benefit on loss carryforwards	3 091	2 875
Technical provisions	1 281	1 104
Unearned premium reserves	378	354
Deferred acquisition costs	134	137
Present value of future profits	133	125
Investment valuations in income	475	374
Unrealised gains on investments	1 825	1 303
Income accrued/deferred	198	298
Fixed assets	149	150
Pension provisions	182	197
Currency translation adjustments	463	459
Other	342	454
Gross deferred tax asset	8 651	7 830
Valuation allowance	–361	–419
Unrecognised tax benefits offsetting benefits on loss carryforwards	–6	–12
Total deferred tax assets	8 284	**7 399**
Deferred tax liabilities		
Technical provisions	–1 366	–1 723
Unearned premium reserves	–143	–188
Deferred acquisition costs	–1 155	–1 112
Present value of future profits	–140	–139
Investment valuations in income	–987	–914
Unrealised gains in income	–340	–295
Income accrued/deferred	–164	–169
Pension provisions	–191	–225
Foreign exchange provisions	–679	–830
Currency translation adjustments	–260	–251
Other	–403	–368
Total deferred tax liabilities	–5 828	**–6 214**
Liability for unrecognised tax benefits including interest and penalties	–183	–201
Total deferred and other non-current tax liabilities	–6 011	**–6 415**

The Group has not recognised deferred tax liabilities or additional foreign withholding tax liabilities for undistributed earnings of its foreign subsidiaries that arose in 2023 and prior where there are current plans to indefinitely reinvest those earnings. The Group has the intent and ability to control all distributions from foreign subsidiaries in a tax efficient manner. Deferred tax liabilities or additional foreign withholding tax liabilities will be recognised if the Group can no longer demonstrate that it plans to indefinitely reinvest the undistributed earnings. As of 31 December 2023, the US GAAP undistributed earnings of these subsidiaries was USD 7.9 billion. Due to the differences in US GAAP and local tax basis of undistributed earnings, it is not practicable to estimate the amount of additional tax liability if these earnings were not indefinitely reinvested.

As of 31 December 2023, the Group had USD 13 051 million net operating tax loss carryforwards, expiring as follows: USD 12 million in 2024, USD 43 million in 2025, USD 70 million in 2026, USD 512 million in 2027, USD 7 056 million in 2028 and beyond and USD 5 358 million never expire.

As of 31 December 2023, the Group had capital loss carryforwards of USD 721 million, expiring as follows: USD 12 million in 2025, USD 6 million in 2027, USD 140 million in 2028 and beyond, and USD 563 million never expire.

For the year ended 31 December 2023, net operating tax losses of USD 3 530 million and net capital tax losses of nil were utilised.

The valuation allowance for deferred tax assets as of 31 December 2022 and 2023 was USD 361 million and USD 419 million, respectively. The net change in the valuation allowance for the year ended 31 December 2023 was an increase of USD 58 million, with a USD 9 million increase driven by balance sheet translation recorded in equity and a USD 49 million net increase included as a tax charge in income tax from operations.

The valuation allowance as of 31 December 2023 was primarily related to loss carryforwards and intangible assets that, in the judgement of management, are not more likely than not to be realised. In assessing the realisability of deferred tax assets, management considers whether it is more likely than not that some or all of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets depends on the generation of future taxable income during the periods in which those temporary differences are deductible.

Management considers projections of future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods for which the deferred tax assets are deductible, management believes that is more likely than not that the Group will realise the benefits of these deductible differences, net of the existing valuation allowance as of 31 December 2023. The amount of the deferred tax asset considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carryforward periods are reduced.

Subsequently recognised tax benefits related to the valuation allowance for deferred tax assets as of 31 December 2023 will be allocated entirely to income tax from operations.

Income taxes paid in 2022 and 2023 were USD 419 million and USD 524 million, respectively.

Unrecognised tax benefits
A reconciliation of the opening and closing amount of gross unrecognised tax benefits (excluding interest and penalties) is as follows:

USD millions	2022	**2023**
Balance as of 1 January	143	152
Additions based on tax positions related to current year	14	13
Additions based on tax positions related to prior years	14	12
Reductions for tax positions of current year	–2	–2
Reductions for tax positions of prior years	–5	–4
Statute expiration		–3
Settlements	–7	
Other (including foreign currency translation)	–5	8
Balance as of 31 December	152	**176**

As of 31 December 2022 and 2023, the amount of gross unrecognised tax benefits within the tabular reconciliation that, if recognised, would affect the effective tax rate were approximately USD 152 million and USD 176 million, respectively.

Interest and penalties related to unrecognised tax benefits are recorded in income tax expense/benefit. For the years ended 31 December 2022 and 2023, such expenses were USD 4 million and nil respectively. For the years ended 31 December 2022 and 2023, USD 37 million and USD 37 million, respectively, were accrued for the payment of interest (net of tax benefits) and penalties. The accrued interest balance as of 31 December 2023 is included within the deferred and other non-current taxes section reflected above and in the balance sheet.

The balance of gross unrecognised tax benefits as of 31 December 2023 presented in the table above excludes accrued interest and penalties (USD 37 million).

During the year, certain tax positions and audits in Canada, India, Italy, Singapore and Switzerland were effectively settled.

The Group continually evaluates proposed adjustments by taxing authorities. The Group believes that it is reasonably possible (more than remote and less than likely) that the balance of unrecognised tax benefits could decrease by USD 121 million over the next 12 months due to settlements or expiration of statutes. It is also reasonably possible that the balance could increase as a result of proposed adjustments by taxing authorities. Quantification of an estimated range of increases cannot be made at this time.

The following table summarises jurisdictions and tax years that remain subject to examination:

Australia	2018–2023
Brazil	2014; 2017–2023
Canada	2017–2023
China	2013–2023
Colombia	2018–2023
Denmark	2019–2023
France	2020–2023
Germany	2017–2023
Hong Kong	2016–2023
India	2004; 2010–2023
Ireland	2018–2023
Israel	2018–2023
Italy	2017–2023
Japan	2019–2023

Korea	2017–2023
Luxembourg	2018–2023
Malaysia	2020–2023
Mexico	2018–2023
Netherlands	2017–2023
New Zealand	2018–2023
Nigeria	2017–2023
Singapore	2019–2023
Slovakia	2017–2023
South Africa	2019–2023
Spain	2018–2023
Switzerland	2017–2023
United Kingdom	2020–2023
United States	2017–2023

15 Benefit plans

Defined benefit pension plans and post-retirement benefits
The Group sponsors various funded defined benefit pension plans. Employer contributions to the plans are charged to income on a basis which recognises the costs of pensions over the expected service lives of employees covered by the plans. The Group's funding policy for these plans is to contribute annually at a rate that is intended to maintain a level percentage of compensation for the employees covered. A full valuation is prepared at least every three years.

The Group also provides certain healthcare and life insurance benefits for retired employees and their dependants. Generally employees become eligible for these benefits when they become eligible for pension benefits.

The measurement date of these plans is 31 December for each year presented.

2022 USD millions	Swiss plan	Foreign plans	Other benefits	Total
Benefit obligation as of 1 January	4 598	2 072	325	6 995
Service cost	122	6	3	131
Interest cost	9	41	5	55
Amendments	4			4
Actuarial gains/losses	–706	–528	–65	–1 299
Benefits paid	–172	–73	–16	–261
Employee contribution	38			38
Effect of settlement, curtailment and termination	1	–77		–76
Effect of foreign currency translation	–93	–115	–5	–213
Benefit obligation as of 31 December	3 801	1 326	247	5 374
Fair value of plan assets as of 1 January	4 872	2 181	0	7 053
Actual return on plan assets	–461	–570		–1 031
Company contribution	112	14	16	142
Benefits paid	–172	–73	–16	–261
Employee contribution	38			38
Effect of settlement, curtailment and termination	1	–77		–76
Effect of foreign currency translation	–90	–131		–221
Fair value of plan assets as of 31 December	4 300	1 344	0	5 644
Funded status	499	18	–247	270

2023 USD millions	Swiss plan	Foreign plans	Other benefits	Total
Benefit obligation as of 1 January	3 801	1 326	247	5 374
Service cost	114	4	2	120
Interest cost	79	61	8	148
Amendments				0
Actuarial gains/losses	121	51	13	185
Benefits paid	–62	–75	–17	–154
Employee contribution	40			40
Effect of settlement, curtailment and termination	–204			–204
Effect of foreign currency translation	383	41	13	437
Benefit obligation as of 31 December	**4 272**	**1 408**	**266**	**5 946**
Fair value of plan assets as of 1 January	4 300	1 344	0	5 644
Actual return on plan assets	341	69		410
Company contribution	118	11	17	146
Benefits paid	–62	–75	–17	–154
Employee contribution	40			40
Effect of settlement, curtailment and termination	–204			–204
Effect of foreign currency translation	443	45		488
Fair value of plan assets as of 31 December	**4 976**	**1 394**	**0**	**6 370**
Funded status	**704**	**–14**	**–266**	**424**

Amounts recognised in “Other assets” and “Accrued expenses and other liabilities” in the Group’s balance sheet as of 31 December were as follows:

2022 USD millions	Swiss plan	Foreign plans	Other benefits	Total
Non-current assets	499	164		663
Current liabilities		–3	–18	–21
Non-current liabilities		–143	–229	–372
Net amount recognised	499	18	–247	270

2023 USD millions	Swiss plan	Foreign plans	Other benefits	Total
Non-current assets	704	151		855
Current liabilities		–3	–18	–21
Non-current liabilities		–162	–248	–410
Net amount recognised	**704**	**–14**	**–266**	**424**

Amounts recognised in accumulated other comprehensive income, gross of tax, as of 31 December were as follows:

2022 USD millions	Swiss plan	Foreign plans	Other benefits	Total
Net gain/loss	366	316	–64	618
Prior service cost/credit	–38	2	–5	–41
Total	328	318	–69	577

2023 USD millions	Swiss plan	Foreign plans	Other benefits	Total
Net gain/loss	308	384	–45	647
Prior service cost/credit	–33	2	–3	–34
Total	**275**	**386**	**–48**	**613**

Components of net periodic benefit cost

The components of pension and post-retirement cost for the years ended 31 December were as follows:

2022 USD millions	Swiss plan	Foreign plans	Other benefits	Total
Service cost (net of participant contributions)	122	6	3	131
Interest cost	9	41	5	55
Expected return on assets	–109	–54		–163
Amortisation of:				
Net gain/loss	26	9	1	36
Prior service cost	–13		–15	–28
Effect of settlement, curtailment and termination		17		17
Net periodic benefit cost	35	19	–6	48

2023 USD millions	Swiss plan	Foreign plans	Other benefits	Total
Service cost (net of participant contributions)	114	4	2	120
Interest cost	79	61	8	148
Expected return on assets	–175	–76		–251
Amortisation of:				
Net gain/loss		2	–6	–4
Prior service cost	–5		–2	–7
Effect of settlement, curtailment and termination	19			19
Net periodic benefit cost	**32**	**–9**	**2**	**25**

Other changes in plan assets and benefit obligations recognised in other comprehensive income for the years ended 31 December were as follows:

2022 USD millions	Swiss plan	Foreign plans	Other benefits	Total
Net gain/loss	–136	96	–65	–105
Prior service cost/credit	4			4
Amortisation of:				
Net gain/loss	–26	–9	–1	–36
Prior service cost	13		15	28
Effect of settlement, curtailment and termination		–17		–17
Exchange rate gain/loss recognised during the year		–17		–17
Total recognised in other comprehensive income, gross of tax	–145	53	–51	–143
Total recognised in net periodic benefit cost and other comprehensive income, gross of tax	–110	72	–57	–95

2023 USD millions	Swiss plan	Foreign plans	Other benefits	Total
Net gain/loss	–45	58	13	26
Prior service cost/credit				0
Amortisation of:				
Net gain/loss		–2	6	4
Prior service cost	5		2	7
Effect of settlement, curtailment and termination	–13			–13
Exchange rate gain/loss recognised during the year		12		12
Total recognised in other comprehensive income, gross of tax	**–53**	**68**	**21**	**36**
Total recognised in net periodic benefit cost and other comprehensive income, gross of tax	**–21**	**59**	**23**	**61**

The accumulated benefit obligation (the current value of accrued benefits excluding future salary increases) for pension benefits was USD 5 108 million and USD 5 657 million as of 31 December 2022 and 2023, respectively.

Pension plans with a projected benefit obligation and an accumulated benefit obligation in excess of plan assets as of 31 December were as follows:

USD millions	2022	**2023**
Projected benefit obligation	805	843
Fair value of plan assets	659	678

USD millions	2022	**2023**
Accumulated benefit obligation	798	837
Fair value of plan assets	656	677

Principal actuarial assumptions

	Swiss plan		Foreign plans weighted average		Other benefits weighted average	
	2022	**2023**	2022	**2023**	2022	**2023**
Assumptions used to determine obligations at the end of the year						
Discount rate	2.1%	1.4%	4.7%	4.4%	3.5%	2.9%
Rate of compensation increase	2.0%	2.0%	3.1%	3.2%	3.0%	3.0%
Interest crediting rate	2.8%	2.4%				
Assumptions used to determine net periodic pension costs for the year ended						
Discount rate	0.2%	2.1%	2.1%	4.7%	1.5%	3.5%
Expected long-term return on plan assets	2.5%	3.8%	2.6%	4.5%		
Rate of compensation increase	1.8%	2.0%	2.9%	3.1%	2.1%	3.0%
Interest crediting rate	1.5%	2.8%				
Assumed medical trend rates at year end						
Medical trend – initial rate					4.8%	5.4%
Medical trend – ultimate rate					3.7%	3.7%
Year that the rate reaches the ultimate trend rate					2025	2028

The expected long-term rates of return on plan assets are based on long-term expected inflation, interest rates, risk premiums and targeted asset category allocations. The estimates take into consideration historical asset category returns.

Plan asset allocation by asset category

The actual asset allocation by major asset category for defined benefit pension plans as of the respective measurement dates in 2022 and 2023 was as follows:

	Swiss plan allocation			Foreign plans allocation		
	2022	**2023**	**Target allocation**	2022	**2023**	**Target allocation**
Asset category						
Equity securities	25%	25%	24%	5%	5%	5%
Fixed income securities	36%	37%	39%	64%	67%	87%
Real estate	22%	22%	26%	1%	1%	0%
Other	17%	16%	11%	30%	27%	8%
Total	100%	**100%**	**100%**	100%	**100%**	**100%**

Actual asset allocation is determined by a variety of current economic and market conditions and considers specific asset class risks.

Equity securities include Swiss Re shares of USD 2 million (0.04% of total plan assets) and USD 3 million (0.05% of total plan assets) as of 31 December 2022 and 2023, respectively.

The Group's pension plan investment strategy is to match the maturity profiles of the assets and liabilities in order to reduce the future volatility of pension expense and funding status of the plans. Tactical allocation decisions that reflect this strategy are made on a quarterly basis, including balancing the investment portfolios between equity and fixed income securities.

Assets measured at fair value
For a description of the different fair value levels and valuation techniques see Note 8 "Fair value disclosures".

Certain items reported as pension plan assets at fair value in the following table are not within the scope of Note 8, namely two positions: real estate and an insurance contract.

Real estate positions classified as level 1 and level 2 are exchange-traded real estate funds where a market valuation is readily available. Real estate reported on level 3 is property owned by the pension funds. These positions are accounted for at the capitalised income value. The capitalisation based on sustainable recoverable earnings is conducted at interest rates that are determined individually for each property, based on the property's location, age and condition. If properties are intended for disposal, the estimated selling costs and taxes are recognised in provisions. Sales gains or losses are allocated to income from real estate when the contract is concluded.

The fair value of the insurance contract is based on the fair value of the assets backing the contract.

As of 31 December, the fair values of pension plan assets were as follows:

	Fair value				
2022 USD millions	Quoted prices in active markets for identical assets (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)	Investments measured at net asset value as practical expedient	Total
Assets					
Fixed income securities:					
Government debt securities	119	833			952
Corporate debt securities		1 478	6		1 484
RMBS/CMBS/ABS		6			6
Equity securities	1 076	73			1 149
Real estate	11	9	919		939
Other assets		71		965	1 036
Cash and cash equivalents	78				78
Total plan assets	1 284	2 470	925	965	5 644

	Fair value				
2023 USD millions	Quoted prices in active markets for identical assets (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)	Investments measured at net asset value as practical expedient	Total
Assets					
Fixed income securities:					
Government debt securities	133	1 062			1 195
Corporate debt securities		1 543	7		1 550
RMBS/CMBS/ABS		10			10
Equity securities	1 267	74			1 341
Real estate	4	39	1 075		1 118
Other assets		110		984	1 094
Cash and cash equivalents	62				62
Total plan assets	**1 466**	**2 838**	**1 082**	**984**	**6 370**

Assets measured at fair value using significant unobservable inputs (level 3)
For the years ended 31 December, the reconciliation of fair value of pension plan assets using significant unobservable inputs were as follows:

2022 USD millions	Real estate	Other assets	Total
Balance as of 1 January	882	9	891
Realised/unrealised gains/losses:			
Relating to assets still held at the reporting date	6	−2	4
Relating to assets sold during the period			0
Purchases, issuances and settlements	6		6
Transfers in and/or out of level 3			0
Impact of foreign exchange movements	25	−1	24
Closing balance as of 31 December	919	6	925

2023 USD millions	Real estate	Other assets	Total
Balance as of 1 January	919	6	925
Realised/unrealised gains/losses:			
Relating to assets still held at the reporting date	58		58
Relating to assets sold during the period			0
Purchases, issuances and settlements	2		2
Transfers in and/or out of level 3			0
Impact of foreign exchange movements	96	1	97
Closing balance as of 31 December	**1 075**	**7**	**1 082**

Expected contributions and estimated future benefit payments
The employer contributions expected to be made in 2024 to the defined benefit pension plans are USD 144 million and to the post-retirement benefit plans are USD 19 million.

As of 31 December 2023, the projected benefit payments, which reflect expected future service, not adjusted for transfers in and for employees' voluntary contributions, are as follows:

USD millions	Swiss plan	Foreign plans	Other benefits	Total
2024	314	80	19	413
2025	304	84	19	407
2026	295	85	19	399
2027	281	86	19	386
2028	271	87	18	376
Years 2029–2033	1 225	438	88	1 751

Defined contribution pension plans
The Group sponsors a number of defined contribution plans to which employees and the Group make contributions. The accumulated balances are paid as a lump sum at the earlier of retirement, termination, disability or death. The amount expensed in 2022 and 2023 was USD 88 million and USD 89 million, respectively.

16 Share-based payments

As of 31 December 2022 and 2023, the Group had the share-based compensation plans as described below.

The total compensation cost for share-based compensation plans recognised in net income was USD 59 million and USD 101 million in 2022 and 2023, respectively. The related tax benefit was USD 12 million and USD 20 million, respectively.

Restricted shares
The Group granted 37 704 and 177 255 restricted share units to selected employees in 2022 and 2023, respectively. All restricted share units granted as of 2023 are entitled to a dividend equivalent (equal value to actual Swiss Re dividends), settled in shares at the end of the vesting period.

As part of the Deferred Share Plan (DSP), the Group granted 163 541 restricted share units in 2023. Each DSP grant is entitled to a dividend equivalent (equal value to actual Swiss Re dividends), accrued annually and settled in shares at the end of the vesting period. The DSP is a mandatory three-year deferral of a portion of the Annual Performance Incentive (API) when the total API amount for an employee equals or exceeds defined thresholds.

In addition, 41 855 and 34 162 restricted shares were delivered to members of the Board of Directors during 2022 and 2023, respectively, which are generally not subject to forfeiture risk.

A summary of the movements in shares relating to outstanding awards granted under the restricted share plans for the year ended 31 December 2023 is as follows:

	Weighted average grant date fair value in CHF[1]	Number of shares
Non-vested at 1 January	83	259 467
Granted	92	374 958
Forfeited	86	–15 014
Vested	89	–77 776
Outstanding as of 31 December	**88**	**541 635**

[1] Equal to the market price of the shares at grant.

Leadership Performance Plan/Leadership Share Plan
The Leadership Performance Plan (LPP)/Leadership Share Plan (LSP) awards are expected to be settled in shares, and the requisite service as well as the maximum contractual term are three years. For LPP 2020, LSP 2021, LSP 2022 and LSP 2023 awards, an additional two-year holding period applies for all members of the Group EC and other key executives. At grant date, LPP 2020 was split equally into three underlying components of Performance Share Units (PSUs). The ROE PSUs are measured against a return on equity performance condition and will vest within a range of 0–100%. The TSR PSUs are based on relative total shareholder return, measured against a pre-defined group of peers and will vest within a range of 0–200%. The ENW PSUs, being the third component, are measured against ENW growth performance and will vest within a range of 0–100%. As of 2021, the LSP succeeded the LPP, whereby depending on the corporate band of the participant, the plan consists of either non-performance based components in the form of Share Units (SUs), separate performance-based components in the form of PSUs, similar to LPP 2020, each vesting within a range of 0–150%, or a mix of both non-performance and performance based components. As of LSP 2023, the ENW performance-based component has been discontinued. Each SU is entitled to a dividend equivalent (equal value to actual Swiss Re dividends), accrued annually and settled in shares at the end of the vesting period. The fair values of all components are determined separately, based on stochastic models.

The fair value assumptions in the grant valuations include market estimates for dividends for all LPP and LSP awards, and the risk-free rate based on the average of the 10-year US Treasury bond taken monthly over each year in the performance period for LPP 2020 and LSP 2021. Risk-free rates range between 1.5% and 2.2%.

For the year ended 31 December 2023, the outstanding units were as follows:

ROE PSU	LPP 2020	LSP 2021	LSP 2022	LSP 2023
Non-vested at 1 January	195 330	114 528	124 355	
Granted			45	222 898
Forfeited	–6 198	–6 075	–7 251	–950
Vested	–189 132			
Outstanding as of 31 December	**0**	**108 453**	**117 149**	**221 948**
Grant date fair value in CHF	**78.81**	**74.20**	**69.44**	**75.64**

TSR PSU				
Non-vested at 1 January	319 865	206 684	309 721	
Granted			112	190 587
Forfeited	–10 151	–10 963	–18 064	–812
Vested	–309 714			
Outstanding as of 31 December	**0**	**195 721**	**291 769**	**189 775**
Grant date fair value in CHF	**48.12**	**53.67**	**67.57**	**66.45**

ENW PSU				
Non-vested at 1 January	180 860	111 207	137 809	
Granted			50	
Forfeited	–5 737	–5 899	–8 035	
Vested	–175 123			
Outstanding as of 31 December		**105 308**	**129 824**	
Grant date fair value in CHF	**85.17**	**74.20**	**69.44**	

SU				
Non-vested at 1 January		315 812	396 434	
Granted		17 705	24 008	428 600
Forfeited		–12 446	–16 628	–11 402
Vested				
Outstanding as of 31 December		**321 071**	**403 814**	**417 198**
Grant date fair value in CHF		**93.50**	**87.90**	**93.84**

Unrecognised compensation cost
As of 31 December 2023, the total unrecognised compensation cost (net of forfeitures) related to non-vested, share-based compensation awards was USD 125 million and the weighted average period over which that cost is expected to be recognised is 1.9 years.

The number of shares authorised for the Group's share-based payments to employees was 4 173 139 and 4 167 912 as of 31 December 2022 and 2023, respectively. The Group's policy is to ensure that sufficient treasury shares are available at all times to settle future share-based compensation plans.

Global Share Participation Plan
Swiss Re has a Global Share Participation Plan, which is a share purchase plan available to employees of companies within the Group. Swiss Re makes a financial contribution to participants in the plan, by matching the commitment that they make during the plan cycle with additional Swiss Re shares.

If the employee is still employed by Swiss Re at the end of a plan cycle, the employee will receive an additional number of shares equal to 30% of the total number of purchased and dividend shares held at that time. In 2022 and 2023, Swiss Re contributed USD 15 million and USD 13 million to the plans and authorised 228 499 and 184 002 shares as of 31 December 2022 and 2023, respectively.

17 Compensation, participations and loans of members of governing bodies

The disclosure requirements under Swiss law in respect of compensation, participations, and loans of the members of the Board of Directors and of the Group Executive Committee, as well as closely related persons, are detailed in the Compensation Report on pages 117–125 of the Financial Report of the Swiss Re Group.

18 Related parties

The Group defines the following as related parties to the Group: subsidiaries of Swiss Re Ltd, entities in which the Group has significant influence, pension plans, members of the Board of Directors (BoD) and the Group Executive Committee (EC) and their close family members, and entities which are directly and indirectly controlled by members of governing bodies of the Group and their close family members.

As part of the consolidation process, transactions between Swiss Re Ltd and subsidiaries are eliminated in consolidation and are not disclosed in the notes.

Contributions made to defined benefit pension plans and post-retirement benefit plans are disclosed in Note 15 "Benefit plans". Plan assets of the defined benefit pension plans include Swiss Re common stock of USD 2 million (0.04% of total plan assets) and USD 3 million (0.05% of total plan assets) as of 31 December 2022 and 2023, respectively.

The total number of shares, options and related instruments held by members of the BoD and the Group EC and persons closely related to, amounts to less than 1% of the shares issued by Swiss Re Ltd.

None of the members of the Board of Directors and the Group EC has any significant business connection with Swiss Re Ltd or any of its Group companies. The Board member Joachim Oechslin served on an interim basis as a member of the Executive Boards of Credit Suisse Group AG and Credit Suisse AG in 2021 and since 1 January 2022 serves as a Senior Advisor to Credit Suisse AG. Swiss Re has a business relationship with Credit Suisse. It is also a credit provider, and a named dealer under Swiss Re's Debt Issuance Programme. The Board member Pia Tischhauser is Managing Director and Senior Partner at Boston Consulting Group. Since November 2022, she has no longer been working on any Swiss Re mandate. Boston Consulting Group occasionally performs advisory/consulting services to Swiss Re.

Share in earnings and dividends received from equity-accounted investees for the years ended 31 December, were as follows:

USD millions	2022	**2023**
Share in earnings of equity-accounted investees	–44	68
Dividends received from equity-accounted investees	214	89

19 Commitments and contingent liabilities

As a participant in limited and other investment partnerships, the Group commits itself to making available certain amounts of investment funding, callable by the partnerships for periods of up to ten years. The total commitments remaining uncalled as of 31 December 2023 were USD 1 575 million.

The Group has entered into various real estate construction contracts. The commitments under the contracts amount to USD 144 million over the next six years.

The Group enters into a number of contracts in the ordinary course of re/insurance and financial services business which, if the Group's credit rating and/or defined statutory measures decline to certain levels, would require the Group to post collateral or obtain guarantees. The contracts typically provide alternatives for recapture of the associated business.

Legal proceedings
In the normal course of business operations, the Group is involved in various claims, lawsuits and regulatory matters. In the opinion of management, the resolution of these matters is not expected to have a material adverse effect on the Group's business, consolidated financial position, results of operations or cash flows.

20 Significant subsidiaries and equity investees

		Share capital (millions)	Affiliation in % as of 31.12.2023	Method of consolidation
Europe				
Germany				
Swiss Re Germany GmbH, Munich	EUR	45	100%	f
Liechtenstein				
Elips Versicherungen AG, Vaduz	EUR	4	100%	f
Luxembourg				
iptiQ Life S.A., Luxembourg	EUR	6	100%	f
Swiss Pillar Investments Europe SARL, Luxembourg	EUR	0.01	100%	f
Swiss Re Europe Holdings S.A., Luxembourg	EUR	105	100%	f
Swiss Re Europe S.A., Luxembourg	EUR	350	100%	f
Swiss Re Finance (Luxembourg) S.A., Luxembourg	EUR	0.2	100%	f
Swiss Re Funds (Lux) I, Senningerberg[1]	EUR	16 493	100%	f
Swiss Re International SE, Luxembourg	EUR	187	100%	f
Ares ECSF XI (S) Holdings S.À R.L., Luxembourg	EUR	336	100%	f
iptiQ EMEA P&C S.A., Luxembourg	EUR	6	100%	f
Swiss Re Capital Markets Europe S.A., Luxembourg	EUR	1	100%	f
Netherlands				
Swiss Re Life Capital EMEA Holding B.V., Hoofddorp	EUR	0.0001	100%	f
iptiQ EMEA P&C Holding B.V., Hoofddorp	EUR	0.0001	100%	f
Switzerland				
Swiss Pillar Investments AG (Swiss Pillar Investments Ltd), Zurich	CHF	0.1	100%	f
Swiss Re Direct Investments Company Ltd, Zurich	CHF	0.1	100%	f
Swiss Re Investments Company Ltd, Zurich	CHF	0.1	100%	f
Swiss Re Investments Ltd, Zurich	CHF	1	100%	f
iptiQ Group Holding Ltd, Zurich	CHF	0.1	100%	f
Swiss Re Nexus Reinsurance Company Ltd, Zurich	CHF	10	100%	f
Swiss Re Management Ltd, Adliswil	CHF	0.1	100%	f
Swiss Re Reinsurance Holding Company Ltd, Zurich	CHF	0.1	100%	f
Swiss Reinsurance Company Ltd, Zurich	CHF	34	100%	f
Swiss Re Investments Holding Company Ltd, Zurich	CHF	0.1	100%	f
Swiss Re Corporate Solutions Holding Company Ltd, Zurich	CHF	0.1	100%	f
United Kingdom				
Swiss Re Finance (UK) Plc, London	GBP	1	100%	f
Swiss Re Services Limited, London	GBP	2	100%	f

[1] Net asset value instead of share capital.

		Share capital (millions)	Affiliation in % as of 31.12.2023	Method of consolidation
Americas and Caribbean				
Brazil				
Swiss Re Brasil Resseguros S.A., São Paulo	BRL	472	100%	f
Swiss Re Corporate Solutions Brasil Seguros S.A., Sao Paulo	BRL	390	60%	f
Cayman Islands				
SRE HL PE 1 LP, George Town	EUR	448	99.8%	f
SREH HL PE 1 LP, George Town	EUR	643	99.8%	f
SRZ HL PE 1 LP, George Town	USD	496	99.8%	f
Swiss Pillar Investments UK Limited, George Town	GBP	0.1	100%	f
Ares European Credit Strategies Fund XI (S), L.P., George Town	EUR	350	100%	f
Canada				
Definity Financial Corporation, Waterloo	CAD	2 282	9.9%	e
Colombia				
Compañía Aseguradora de Fianzas S.A. Confianza, Bogota	COP	234 202	51%	f
United States				
Swiss Re Corporate Solutions Capacity Insurance Corporation, Jefferson City	USD	5	100%	f
iptiQ Americas Inc., Wilmington	USD	0.0001	100%	f
Lumico Life Insurance Company, Jefferson City	USD	0	100%	f
North American Capacity Insurance Company, Manchester	USD	4	100%	f
Swiss Re Corporate Solutions Elite Insurance Corporation, Kansas City	USD	4	100%	f
Swiss Re Corporate Solutions America Insurance Corporation, Kansas City	USD	5	100%	f
Pillar RE Holdings LLC, Wilmington	USD	0.001	100%	f
SR Corporate Solutions America Holding Corporation, Wilmington	USD	0.00001	100%	f
SRE HL PE 1 (Master) LP, Wilmington	EUR	445	99.8%	f
SREH HL PE 1 (Master) LP, Wilmington	EUR	640	99.8%	f
SRZ HL PE 1 (Master) LP, Wilmington	USD	493	99.8%	f
Swiss Re America Holding Corporation, Wilmington	USD	0.1	100%	f
Swiss Re Corporate Solutions Global Markets Inc., Wilmington	USD	0	100%	f
Swiss Re Financial Markets Corporation, Wilmington	USD	0	100%	f
Swiss Re Financial Products Corporation, Wilmington	USD	0.00001	100%	f
Swiss Re Life & Health America Holding Company, Wilmington	USD	0.001	100%	f
Swiss Re Life & Health America Inc., Jefferson City	USD	4	100%	f
Swiss Re Management (US) Corporation, Wilmington	USD	0.0001	100%	f
Swiss Re Property & Casualty America Inc., Kansas City	USD	1	100%	f
Swiss Re Treasury (US) Corporation, Wilmington	USD	0.00001	100%	f
Swiss Reinsurance America Corporation, Armonk	USD	10	100%	f
Swiss Re Corporate Solutions Premier Insurance Corporation, Jefferson City	USD	4	100%	f
Westport Insurance Corporation, Jefferson City	USD	6	100%	f
Wing Re Inc., Jefferson City	USD	0.3	100%	f
Wing Re II Inc., Jefferson City	USD	0.3	100%	f
Bermuda				
1997 Fund Ltd, Hamilton	USD	1 450	95,3%	f
Mexico				
Swiss Re Corporate Solutions México Seguros, S.A. de C.V., Mexico City	MXN	400	100%	f

		Share capital (millions)	Affiliation in % as of 31.12.2023	Method of consolidation
Africa				
South Africa				
Swiss Re Africa Limited, Cape Town	ZAR	172	100%	f
Asia-Pacific				
Australia				
Swiss Re Australia Ltd, Sydney	AUD	845	100%	f
Swiss Re Life & Health Australia Limited, Sydney	AUD	980	100%	f
China				
Swiss Re Corporate Solutions Insurance China Ltd, Shanghai	CNY	770	100%	f
Singapore				
Swiss Re Asia Holding Pte. Ltd., Singapore	USD	0.1	100%	f
Swiss Re Asia Pte. Ltd., Singapore	USD	3 002	100%	f
Swiss Re Principal Investments Company Asia Pte. Ltd., Singapore	USD	0.1	100%	f
India				
Swiss Re Global Business Solutions India Private Limited, Bangalore	INR	150	100%	f

Significance is defined by the total assets of the subsidiaries and the carrying value of the equity investees in relation to the total assets of the Group. The threshold is set at 0.05%.

Subsidiaries with share capital of less than 1 million (local currency) have been disclosed to the nearest decimal place.

Method of consolidation

f full
e equity

21 Variable interest entities

The Group enters into arrangements with variable interest entities (VIEs) in the normal course of business. The involvement ranges from being a passive investor to designing, structuring and managing the VIEs. The variable interests held by the Group arise primarily as a result of the Group's involvement in certain insurance-linked securitisations, life and health funding transactions, swaps in trusts, debt financing, investment, senior commercial mortgage and infrastructure loans as well as other entities, which meet the definition of a VIE.

When analysing whether the entity is a VIE, the Group mainly assesses if (1) the equity is sufficient to finance the entity's activities without additional subordinated financial support, (2) the equity holders have the right to make significant decisions affecting the entity's operations and (3) the holders of the voting rights substantively participate in the gains and losses of the entity.

When one of these criteria is not met, the entity is considered a VIE and is assessed for consolidation under the VIE section of the Consolidation Topic.

The party that has a controlling financial interest is called a primary beneficiary and consolidates the VIE. The party is deemed to have a controlling financial interest if it has both:

- the power to direct the activities of the VIE that most significantly impact the entity's economic performance; and
- the obligation to absorb the entity's losses that could potentially be significant to the VIE or the right to receive benefits from the entity that could potentially be significant to the VIE.

For all its variable interests in VIEs, the Group assesses whether it has a controlling financial interest in these entities and, thus, is the primary beneficiary. The Group identifies the activities that most significantly impact the entity's performance and determines whether the Group has the power to direct those activities. In conducting the analysis, the Group considers the purpose, the design and the risks that the entity was designed to create and pass through to its variable interest holders. Additionally, the Group assesses if it has the obligation to absorb losses or if it has the right to receive benefits of the VIE that could potentially be significant to the entity. If both criteria are met, the Group has a controlling financial interest in the VIE and consolidates the entity.

The Group monitors changes to the facts and circumstances of the existing involvement with legal entities to determine whether they require reconsideration of the entity's designation as a VIE or voting interest entity. For VIEs, the Group regularly reassesses the primary beneficiary determination.

Insurance-linked securitisations
The insurance-linked securitisations transfer pre-existing insurance risk to investors through the issuance of insurance-linked securities. In insurance-linked securitisations, the securitisation vehicle assumes the insurance risk from a sponsor through insurance or derivative contracts. The securitisation vehicle generally retains the issuance proceeds as collateral, which consists of investment-grade securities. The Group does not have potentially significant variable interest in these vehicles and therefore is not a primary beneficiary.

Typically, the variable interests held by the Group arise through ownership of insurance-linked securities, in which case the Group's maximum loss equals the principal amount of the securities held by the Group.

Life and health funding vehicles
The Group participates in certain structured transactions that retrocede longevity and mortality risks to captive reinsurers with an aim to provide regulatory capital credit to a transaction sponsor through the creation of funding notes by a separate funding vehicle which is generally considered a VIE. The Group's participation in these transactions is generally limited to providing contingent funding support via a financial contract with a funding vehicle, which represents a potentially significant variable interest in the funding vehicle. The Group does not have power to direct activities of the funding vehicles and therefore is not a primary beneficiary of the funding vehicles in these transactions. The Group's maximum exposure in these transactions equals either the total contract notional or outstanding balance of the funding notes issued by the vehicle, depending on the specific contractual arrangements.

Swaps in trusts
The Group provides interest rate and foreign exchange risk hedges to certain asset securitisation trusts which qualify as VIEs. As the Group's involvement is limited to interest rate and foreign exchange derivatives, it does not have the power to direct any activities of the trusts and therefore does not qualify as primary beneficiary of any of these trusts. These activities are in run-off.

Investment vehicles
The Group's variable interests in investment partnerships arise through ownership of the limited partner interests. Many investment partnerships are VIEs because the limited partners as a group lack kick-out or participating rights. The Group does not hold the general partner interest in the limited partnerships and therefore does not direct investment activities of the entity. Therefore, the Group lacks power over the relevant activities of the vehicles and, consequently, does not qualify as the primary beneficiary. The Group is exposed to losses when the values of the investments held by the investment vehicles decrease. The Group's maximum exposure to loss equals the Group's share of the investment.

The Group is a passive investor in structured securitisation vehicles issuing residential and commercial mortgage-backed securities (RMBS and CMBS, respectively) and other asset-backed securities (ABS). The Group's investments in RMBS, CMBS and other ABS are passive in nature and do not obligate the Group to provide any financial or other support to the issuer entities. By design, RMBS, CMBS and ABS securitisation entities are not adequately capitalised and therefore considered VIEs. The Group is not the primary beneficiary, because it does not have power to direct most significant activities. These investments are accounted for as available-for-sale as described in the investment note and not included in the tables on the following pages.

The Group consolidates an investment vehicle, because the Group holds the entire interest in the entity and makes investment decisions related to the entity. The investment vehicle is a VIE because it is structured as an umbrella company comprised of multiple sub-funds. The majority of the investments held in this vehicle are accounted for as available-for-sale and are disclosed in the investment note and not included in the tables on the following pages.

Investment vehicles for unit-linked business
Additionally, the Group invests on behalf of the policyholders as a passive investor in a variety of investment funds across various jurisdictions. By design, many of these funds meet a VIE definition. While the Group may have a potentially significant variable interest in some of these entities due to its share of the fund's total net assets, it does not have power over the fund's investment decisions or unilateral kick-out rights relative to the decision maker.

The Group is not exposed to losses in the aforementioned investment vehicles, as the investment risk is borne by the policyholder.

Senior commercial mortgage and infrastructure loans
The Group also invests in structured commercial mortgage and infrastructure loans, which are held for investment.

The commercial mortgage loans are made to non-recourse special purpose entities collateralised with commercial real estate. The entities are adequately capitalised and generally structured as voting interest entities. Occasionally, the borrower entities can be structured as limited partnerships where the limited partners do not have kick-out or participating rights, which results in the VIE designation.

The infrastructure loans are made to non-recourse special purpose entities collateralised with infrastructure project assets. Some borrower entities may have insufficient equity investment at risk, which results in the VIE designation.

The Group does not have power over the activities most significant to the aforementioned borrower entities designated as VIEs and therefore does not consolidate them.

The Group's maximum exposure to loss from its investments equals the loan outstanding amount.

Other
The Group did not provide financial or other support to any VIEs during 2023 that it was not previously contractually required to provide.

Consolidated VIEs

The following table shows the total assets and liabilities in the Group's balance sheet related to VIEs of which the Group is the primary beneficiary as of 31 December:

USD millions	2022	2023
Fixed income securities available-for-sale	2 006	2 032
Policy loans, mortgages and other loans		113
Short-term investments	130	132
Cash and cash equivalents	84	87
Accrued investment income	26	29
Premiums and other receivables	64	64
Funds held by ceding companies	11	14
Deferred acquisition costs	8	11
Deferred tax assets	249	215
Other assets	20	9
Total assets	2 598	**2 706**
Unpaid claims and claim adjustment expenses	139	138
Unearned premiums	25	30
Funds held under reinsurance treaties	14	14
Reinsurance balances payable	21	33
Deferred and other non-current tax liabilities	248	208
Accrued expenses and other liabilities	6	2
Long-term debt	1 587	1 644
Total liabilities	2 040	**2 069**

The assets of the consolidated VIEs may only be used to settle obligations of these VIEs and to settle any investors' ownership liquidation requests. There is no recourse to the Group for the consolidated VIEs' liabilities. The assets of the consolidated VIEs are not available to the Group's creditors.

Non-consolidated VIEs
The following table shows the total assets and liabilities on the Group's balance sheet related to VIEs in which the Group held a variable interest but was not the primary beneficiary as of 31 December:

USD millions	2022	2023
Fixed income securities available-for-sale	1 671	2 618
Equity securities at fair value through earnings	64	59
Policy loans, mortgages and other loans	1 726	2 117
Other invested assets	3 082	3 355
Investments for unit-linked business	104	111
Total assets	6 647	**8 260**
Accrued expenses and other liabilities	35	30
Total liabilities	35	**30**

The following table shows the Group's assets, liabilities and maximum exposure to loss related to VIEs in which the Group held a variable interest but was not the primary beneficiary as of 31 December:

			2022			**2023**
USD millions	Total assets	Total liabilities	Maximum exposure to loss[1]	Total assets	Total liabilities	Maximum exposure to loss[1]
Insurance-linked securitisations	893		987	1 546		1 568
Life and health funding vehicles	15		2 212	10		2 226
Swaps in trusts	82	35	–[2]	55	30	–[2]
Investment vehicles	3 049		3 049	3 287		3 287
Investment vehicles for unit-linked business	104			111		
Senior commercial mortgage and infrastructure loans	2 504		2 504	3 251		3 251
Total	6 647	35	–[2]	**8 260**	**30**	**–[2]**

[1] Maximum exposure to loss is the loss the Group would absorb from a variable interest in a VIE in the event that all of the assets of the VIE are deemed worthless.
[2] The maximum exposure to loss for swaps in trusts cannot be meaningfully quantified due to their derivative character.

The assets and liabilities for the swaps in trusts represent the positive and negative fair values of the derivatives the Group has entered into with the trusts.

Statutory Auditor's Report

To the General Meeting of Swiss Re Ltd, Zurich

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Swiss Re Ltd and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, and the related consolidated income statement, statement of comprehensive income, statement of shareholders' equity and statement of cash flows for the year then ended, and related notes to the consolidated financial statements, including a summary of accounting policies.

In our opinion, the accompanying consolidated financial statements (pages 140 to 239) present fairly, in all material respects, the financial position of the Group as of 31 December 2023, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, and have fulfilled our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit, which include relevant ethical requirements in the United States of America, with the provisions of Swiss law and the requirements of the Swiss audit profession.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

VALUATION OF FIXED INCOME SECURITIES

VALUATION OF LIFE AND HEALTH RESERVES

VALUATION OF PROPERTY AND CASUALTY RESERVES

VALUATION OF DEFERRED TAX ASSETS ON LOSS CARRYFORWARDS

Key audit matters are those matters that were communicated with those charged with governance and, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG AG
Zurich, 12 March 2024

KPMG

VALUATION OF FIXED INCOME SECURITIES

Key Audit Matter

The Group has recorded $77,212 million of fixed income securities as of 31 December 2023. This balance is comprised of debt securities issued by governments and government agencies, corporations, and mortgage- and asset-backed securities. This amount is included in the fixed income securities line item on the consolidated balance sheet.

The determination of the fair value of these investments is based on assumptions, including credit and valuation spreads. The determination of assumptions requires subjectivity and judgment as the assumptions are based on internal estimates. The valuation of fixed income securities has been designated as a key audit matter given changes in the estimate could have a material impact on consolidated balance sheet. Auditing this balance involved an increased extent of audit effort, including the involvement of specialized skills and knowledge, due to the estimate uncertainty associated with the assumptions.

Our response

As part of our audit, we gained an understanding of the process related to the valuation of fixed income securities.

We tested the completeness, and accuracy of the data used in the fair value estimation by reconciling to source information.

We involved our valuation specialists with specialized skills and knowledge, as applicable, who assisted the audit team in:

- Assessing the pricing methodologies with reference to relevant accounting standards, and industry practice.
- Developing an independent estimate for a selection of securities, and comparison of the independent estimate to the Group's fair value estimate.

For further information on the Valuation of Fixed Income Securities refer to the following:

— Note 1

— Note 7

— Note 8

VALUATION OF LIFE AND HEALTH RESERVES

Key Audit Matter

The Group has recorded life and health reserves of $43,471 million as of 31 December 2023. Life, and health reserves are included in the life and health related unpaid claims and claim adjustment expenses, liabilities for life and health policy benefits, and policyholder account balances line items on the consolidated balance sheet (collectively, life and health reserves).

The determination or revision of assumptions requires subjectivity and judgment as these assumptions are generally not based on observable market inputs.

These assumptions include mortality, morbidity, withdrawals, persistency (lapse), benefit termination rates and lag factors. Additional uncertainties related to the mortality assumption have arisen due to the on-going Coronavirus pandemic.

The valuation of life and health reserves has been designated as a key audit matter given the material nature of the balance and the significant estimation

Our response

As part of our audit, we gained an understanding of the process related to the valuation of life and health reserves. Further, we tested the design and implementation of certain key controls within the process, including the independent actuarial peer review and reserving committee level reviews.

We tested the completeness, and accuracy of the underlying policyholder contract data by reconciling to source information.

We involved our actuarial specialists with specialized skills, and knowledge, as applicable, who assisted the audit team in:

- Evaluating the methods applied to select the mortality, morbidity, persistency (lapse), benefit termination rates and lag factor assumptions by comparing them to generally accepted actuarial techniques;
- Challenging the selected mortality, morbidity, persistency (lapse), benefit termination rates and

uncertainty and complexity of the mortality, morbidity, withdrawals, persistency (lapse), benefit termination rates and lag factors. Auditing the estimate involved a high degree of auditor judgment and increased extent of audit effort, including the involvement of specialists with specialized skills and knowledge.

lag factor assumptions where deviations from Group or industry experience were observed;

- Recalculating the liabilities for a risk-based sample and comparing the results of the recalculations to the Group's estimates.

For further information on the Valuation of Life and Health Reserves refer to the following:

— Note 1

— Note 5

VALUATION OF PROPERTY AND CASUALTY RESERVES

Key Audit Matter

The Group has recorded property and casualty reserves of $69,440 million as of 31 December 2023. Property and casualty reserves is included in the property and casualty related unpaid claims and claim adjustment expenses line item on the consolidated balance sheet.

The determination of assumptions used to develop the estimate requires subjectivity and judgment as these assumptions are generally not based on observable market inputs. Among the most significant assumptions are the initial estimates of loss ratios, which are used to estimate liabilities in the most recent accident years. Other assumptions include but are not limited to changes in exposure, inflation trends, claims emergence trends, and other legal or regulatory decisions.

Property and casualty reserves associated with long-tail lines of business, such as Liability, Asbestos and Environmental and Motor, generally require more subjectivity, and judgment due to the length of the claim reporting period resulting in increased volatility of claims frequency, and severity trends.

The valuation of property and casualty reserves has been designated as a key audit matter given the material nature of the balance and the significant estimation uncertainty and complexity of the actuarial assumptions. Auditing the estimate involved a high degree of auditor judgment and increased extent of audit effort, including the involvement of specialists with specialized skills and knowledge.

Our response

As part of our audit, we gained an understanding of the process related to the valuation of property and casualty reserves. Further, we tested the design, and implementation of certain key controls within the process, including the independent peer review and committee level reviews.

We tested the completeness, and accuracy of the underlying data by reconciling to source information, and validating the appropriateness of claims triangles.

We involved our actuarial specialists with specialized skills, and knowledge, as applicable, who assisted the audit team in:

- Evaluating the methods applied to select the actuarial assumptions by comparing them to generally accepted actuarial techniques;

- Evaluating the Group's estimates by performing independent calculations of property and casualty reserves for certain lines of business;

- For certain lines of business where we performed independent calculations, developing a range of reserve estimates, and assessing the position of the Group's recorded reserve relative to the range;

- Assessing the Group's internally prepared actuarial analyses in comparison to internal experience, and related industry trends for certain lines of business.

For further information on the Valuation of Property and Casualty Reserves refer to the following:

— Note 1

— Note 5

VALUATION OF DEFERRED TAX ASSETS ON LOSS CARRYFORWARDS

Key Audit Matter

The Group has recorded deferred tax assets of $7,399 million (net of a valuation allowance of $419 million) as of 31 December 2023.

The recoverability of deferred tax assets, resulting from net operating losses, and temporary differences, is based on assumptions, including future profitability and tax planning measures. The determination of assumptions requires subjectivity and judgment as the assumptions are based on internal estimates.

The valuation of deferred tax assets has been designated as a key audit matter given changes in the estimate could have a material impact on net income (through income tax expense). Auditing the estimate involved an increased extent of audit effort, including the involvement of specialized skills and knowledge, due to the estimation uncertainty associated with the assumptions.

Our response

As part of our audit, we gained an understanding of the process related to the valuation of deferred tax assets. Further, we tested the design, and implementation of certain key controls within the process, including independent review of items for valuation and recognition.

We tested the completeness, and accuracy of the underlying data by reconciling to source information.

We involve our tax specialists with specialized skills, and knowledge, as applicable, who assisted the audit team in:

- Assessing the future profitability assumption by performing sensitivity analyses, and the feasibility of the tax planning measures.

For further information on the Valuation of Deferred Tax Assets on Loss Carryforwards refer to the following:

- Note 1
- Note 14

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and the fair presentation of the consolidated financial statements in accordance with U.S. generally accepted accounting principles and the provisions of Swiss law, and for the design, implementation, and maintenance of internal control as the Board of Directors determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Group's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued; to disclose, as applicable, matters related to going concern; and to use the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment or economic decisions made by a reasonable user based on these consolidated financial statements.

In performing an audit in accordance with GAAS, Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. Accordingly, no such opinion is expressed.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

— Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Group's ability to continue as a going concern for a reasonable period of time.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We are required to communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, and certain internal control related matters, including any significant deficiencies that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Information in the Annual Report

The Board of Directors is responsible for the other information included in the annual report. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether a material inconsistency exists between the other information and the consolidated financial statements, or our knowledge obtained in the audit or the other information otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe in our report. We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Dr. Frank Pfaffenzeller
Licensed Audit Expert
Auditor in Charge

Eric James Elman

Zurich, 12 March 2024

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

Group financial years 2014–2023

USD millions	2014	2015	2016
Income statement			
Revenues			
Premiums earned	30 756	29 751	32 691
Fee income	506	463	540
Net investment income	4 992	4 236	4 740
Net realised investment gains/losses	1 059	1 220	5 787
Other revenues	34	44	28
Total revenues	37 347	35 714	43 786
Expenses			
Claims and claim adjustment expenses	–10 577	–9 848	–12 564
Life and health benefits	–10 611	–9 080	–10 859
Return credited to policyholders	–1 541	–1 166	–5 099
Acquisition costs	–6 515	–6 419	–6 928
Other operating costs and expenses	–3 876	–3 882	–3 964
Total expenses	–33 120	–30 395	–39 414
Income/loss before income tax expense/benefit	4 227	5 319	4 372
Income tax expense/benefit	–658	–651	–749
Net income/loss before attribution of non-controlling interests	3 569	4 668	3 623
Income/loss attributable to non-controlling interests		–3	3
Net income/loss after attribution of non-controlling interests	3 569	4 665	3 626
Interest on contingent capital instruments, net of tax	–69	–68	–68
Net income/loss attributable to common shareholders	3 500	4 597	3 558
Balance sheet			
Assets			
Investments	143 987	137 810	155 016
Other assets	60 474	58 325	60 049
Assets held for sale			
Total assets	204 461	196 135	215 065
Liabilities			
Unpaid claims and claim adjustment expenses	57 954	55 518	57 355
Liabilities for life and health policy benefits	33 605	30 131	41 176
Unearned premiums	10 576	10 869	11 629
Other liabilities	53 670	55 033	59 402
Long-term debt	12 615	10 978	9 787
Liabilities held for sale			
Total liabilities	168 420	162 529	179 349
Shareholders' equity	35 930	33 517	35 634
Non-controlling interests	111	89	82
Total equity	36 041	33 606	35 716
Earnings per share in USD	10.23	13.44	10.72
Earnings per share in CHF	9.33	12.93	10.55

2017	2018	2019	2020	2021	2022[1]	**2023**
33 119	33 875	37 974	40 321	42 467	42 868	**44 756**
586	586	620	449	259	250	**247**
4 702	5 077	5 175	3 503	3 395	2 890	**4 018**
4 048	–2 530	5 515	–972	578	–67	**717**
32	39	30	37	40	57	**62**
42 487	37 047	49 314	43 338	46 739	45 998	**49 800**
–16 730	–14 855	–18 683	–19 838	–17 181	–19 607	**–18 646**
–11 083	–11 769	–13 087	–13 929	–14 992	–13 721	**–13 695**
–3 298	1 033	–4 633	1 760	–431	–280	**–364**
–6 977	–6 919	–7 834	–8 236	–8 228	–7 800	**–8 364**
–3 874	–3 987	–4 168	–4 185	–4 076	–3 939	**–4 293**
–41 962	–36 497	–48 405	–44 428	–44 908	–45 347	**–45 362**
525	550	909	–1 090	1 831	651	**4 438**
–132	–69	–140	266	–394	–171	**–1 210**
393	481	769	–824	1 437	480	**3 228**
5	–19	–42	–54		–8	**–14**
398	462	727	–878	1 437	472	**3 214**
–67	–41					
331	421	727	–878	1 437	472	**3 214**
161 897	147 302	103 746	120 693	116 586	101 992	**107 073**
60 629	60 268	60 382	61 929	64 981	68 684	**72 503**
		74 439				
222 526	207 570	238 567	182 622	181 567	170 676	**179 576**
66 795	67 446	72 373	81 258	84 096	85 418	**87 513**
42 561	39 593	19 836	22 456	22 196	20 925	**20 624**
11 769	11 721	13 365	13 309	14 134	14 747	**15 488**
56 959	51 581	23 232	26 757	27 140	26 525	**31 054**
10 148	8 502	10 138	11 584	10 323	10 252	**8 526**
		68 586				
188 232	178 843	207 530	155 364	157 889	157 867	**163 205**
34 124	27 930	29 251	27 135	23 568	12 699	**16 146**
170	797	1 786	123	110	110	**225**
34 294	28 727	31 037	27 258	23 678	12 809	**16 371**
1.03	1.37	2.46	–3.04	4.97	1.63	**11.09**
1.02	1.34	2.46	–2.97	4.52	1.63	**9.94**

[1] The Group has revised the presentation of the medical business of Elips Versicherungen AG and starting 2023 reports it under claims and claim adjustment expenses instead of life and health benefits. Comparative information for 2022 was adjusted accordingly.

Annual Report Swiss Re Ltd

Swiss Re Ltd (the Company), domiciled in Zurich, Switzerland, is the ultimate holding company of the Swiss Re Group (the Group). Its principal activity is the holding of investments in Swiss Re Group companies.

Income statement
Net income for 2023 amounted to CHF 1 193 million (2022: CHF 1 295 million).

Revenues were mainly driven by cash dividends from subsidiaries and affiliated companies of CHF 1 202 million, trademark licence fees of CHF 454 million, interest on loans to subsidiaries and affiliated companies of CHF 206 million, valuation adjustments on derivative financial instruments of CHF 80 million and realised gains on investments of CHF 65 million.

Expenses were mainly driven by administrative expenses of CHF 387 million, interest on loans of CHF 193 million, remeasurement of foreign currencies of CHF 119 million, valuation adjustment to the carrying amount of investments in subsidiaries and affiliated companies of CHF 88 million and realised loss on investments of CHF 62 million.

Assets
Total assets decreased from CHF 24 543 million as of 31 December 2022 to CHF 24 033 million as of 31 December 2023.

Current assets increased by CHF 51 million to CHF 4 132 million as of 31 December 2023, mainly driven by an increase in receivables from subsidiaries and affiliated companies partially offset by a decrease in loans to subsidiaries and affiliated companies.

Non-current assets decreased by CHF 561 million to CHF 19 901 million as of 31 December 2023, mainly driven by a decrease in loans to subsidiaries and affiliated companies.

Liabilities
Total liabilities decreased from CHF 3 557 million as of 31 December 2022 to CHF 3 390 million as of 31 December 2023.

Short-term liabilities increased by CHF 543 million to CHF 1 726 million as of 31 December 2023, mainly driven by the reclassification of a convertible debt with maturity in 2024.

Long-term liabilities decreased by CHF 710 million to CHF 1 664 million as of 31 December 2023, mainly due to the repurchase of subordinated debts and reclassification of a convertible debt partially offset by a drawdown of an uncommitted subordinated funding facility.

Shareholders' equity
Shareholders' equity decreased from CHF 20 986 million as of 31 December 2022 to CHF 20 643 million as of 31 December 2023, mainly due to dividends to shareholders of CHF 1 644 million partially offset by net income of CHF 1 193 million.

Note on risk factors
Macroeconomic events or developments including increased volatility in global markets, inflation, the ongoing military conflicts in Ukraine as well as in the Middle East, or losses associated with insured claim events, particularly natural catastrophes, pandemics or man-made disasters, could adversely affect the Company's results or operations. The Group continues to monitor these developments and their impacts on its operations and its investments.

Income statement Swiss Re Ltd

For the years ended 31 December

CHF millions	Notes	2022	2023
Revenues			
Investment income	2	1 803	**1 627**
Trademark licence fees		469	**454**
Other revenues		28	**1**
Total revenues		2 300	**2 082**
Expenses			
Administrative expenses	3	–241	**–387**
Investment expenses	2	–727	**–344**
Other expenses		–11	**–131**
Total expenses		–979	**–862**
Income before income tax expense		1 321	**1 220**
Income tax expense		–26	**–27**
Net income		1 295	**1 193**

The accompanying notes are an integral part of Swiss Re Ltd’s financial statements.

Balance sheet Swiss Re Ltd

As of 31 December
Assets

CHF millions	Notes	2022	2023
Current assets			
Cash and cash equivalents		1	**0**
Short-term investments	4, 5	52	**46**
Receivables from subsidiaries and affiliated companies	5	1 483	**2 122**
Other receivables and accrued income		124	**75**
Loans to subsidiaries and affiliated companies		2 421	**1 889**
Total current assets		4 081	**4 132**
Non-current assets			
Loans to subsidiaries and affiliated companies		1 907	**1 430**
Investments in subsidiaries and affiliated companies	6	18 555	**18 471**
Total non-current assets		20 462	**19 901**
Total assets		24 543	**24 033**

The accompanying notes are an integral part of Swiss Re Ltd's financial statements.

Liabilities and shareholders' equity

CHF millions	Notes	2022	2023
Liabilities			
Short-term liabilities			
Payables to subsidiaries and affiliated companies		337	**507**
Other liabilities and accrued expenses		106	**101**
Loans from subsidiaries and affiliated companies		740	**697**
Short-term debt	8	–	**421**
Total short-term liabilities		1 183	**1 726**
Long-term liabilities			
Provisions		154	**–**
Long-term debt	8	2 220	**1 664**
Total long-term liabilities		2 374	**1 664**
Total liabilities		3 557	**3 390**
Shareholders' equity	9		
Share capital	11	32	**32**
Other legal capital reserves		6	**20**
Legal profit reserves		4 311	**4 330**
Reserve for own shares (indirectly held by subsidiaries)		18	**–**
Voluntary profit reserves		16 396	**16 047**
Retained earnings brought forward		–	**–**
Net income for the financial year		1 295	**1 193**
Own shares (directly held by the Company)	10	–1 072	**–979**
Total shareholders' equity		20 986	**20 643**
Total liabilities and shareholders' equity		24 543	**24 033**

The accompanying notes are an integral part of Swiss Re Ltd's financial statements.

Notes Swiss Re Ltd

1 Significant accounting principles

Basis of presentation
The financial statements are prepared in accordance with Swiss Law.

Time period
The financial year 2023 comprises the accounting period from 1 January 2023 to 31 December 2023.

Use of estimates in the preparation of annual accounts
The preparation of the annual accounts requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as well as the related disclosures. Actual results could differ from these estimates.

Foreign currency translation
Assets and liabilities denominated in foreign currencies are converted into Swiss francs at year-end exchange rates, with the exception of participations, which are reported in Swiss francs at historical exchange rates. Income and expenses in foreign currencies are converted into Swiss francs using the exchange rate prevailing at the date of transaction.

Cash and cash equivalents
Cash and cash equivalents include cash at bank, short-term deposits and certain investments in money market funds with an original maturity of three months or less. Such current assets are held at nominal value.

Short-term investments
Short-term investments contain investments with an original maturity between three months and one year. Such investments are carried at cost, less necessary and legally permissible depreciation.

Receivables from subsidiaries and affiliated companies/Other receivables
These assets are generally carried at nominal value. Value adjustments are recorded where the expected recovery value is lower than the nominal value.

Receivables from subsidiaries and affiliated companies/Other receivables also include derivative financial instruments. Derivative financial instruments which have an observable market price and are traded in an active and liquid market are recorded at market value. Derivative financial instruments are traded with subsidiaries and affiliated companies.

Accrued income
Accrued income consists of both other expenditures incurred during the financial year but relating to a subsequent financial year, and revenues relating to the current financial year but receivable in a subsequent financial year.

Loans to subsidiaries and affiliated companies
Loans to subsidiaries and affiliated companies are carried at nominal value.

Investments in subsidiaries and affiliated companies
These assets are carried at cost less necessary value adjustments to reflect other than temporary decreases in the value in use.

In 2023, the direct subsidiary Swiss Re Finance UK plc was transferred to the direct subsidiary Swiss Reinsurance Company Ltd in the form of a contribution in kind with effective date of 16 May 2023. As a result, the Company increased the carrying amount of the investment in Swiss Reinsurance Company Ltd by the carrying amount of the investment in Swiss Re Finance UK plc. The contribution in kind had no impact on the Company's total assets, total liabilities or total shareholders' equity. Further details are provided in Note 6 "Investments in subsidiaries and affiliated companies".

Payables to subsidiaries and affiliated companies/Other liabilities
These liabilities are generally carried at nominal value.

Payables to subsidiaries and affiliated companies/Other liabilities also include derivative financial instruments. Derivative financial instruments which have an observable market price and are traded in an active and liquid market are recorded at market value. Derivative financial instruments are traded with subsidiaries and affiliated companies.

Accrued expenses
Accrued expenses consist of both income received before the balance sheet date but relating to a subsequent financial year, and charges relating to the current financial year but payable in a subsequent financial year.

Loans from subsidiaries and affiliated companies
Loans from subsidiaries and affiliated companies are carried at nominal value.

Provisions
Provisions contain provision for currency fluctuation and provision for taxation.

The provision for currency fluctuation comprises the net effect of foreign exchange gains and losses arising from the revaluation of the balance sheet at year-end. These net impacts are recognised in the income statement over a period of up to three years. Where the provision for currency fluctuation is insufficient to absorb net foreign exchange losses for the financial year, the provision for currency fluctuation is reduced to zero and the excess foreign exchange loss is recognised in the income statement.

The provision for taxation represents an estimate of taxes payable in respect of the reporting year.

Debt
Debt is held at redemption value.

Other legal capital reserves
Other legal capital reserves reflect gains and losses from sale of own shares (directly held by the Company).

Reserve for own shares (indirectly held by subsidiaries)
Reserve for own shares is accounted for at the book value of those shares in the statutory financial statements of the respective subsidiary.

Own shares (directly held by the Company)
Own shares are carried at cost and presented as a deduction in shareholders' equity.

Foreign exchange transaction gains and losses
Foreign exchange gains and losses arising from foreign exchange transactions are recognised in the income statement and reported in other revenues or other expenses, respectively.

Dividends from subsidiaries and affiliated companies
Dividends from subsidiaries and affiliated companies are recognised as investment income in the year in which they are declared.

Trademark licence fees
Trademark licence fees are charged by the Company to its direct and indirect subsidiaries and their branches that benefit from the use of the Swiss Re brand.

Capital and indirect taxes
Capital and indirect taxes related to the financial year are included in other expenses. Value-added taxes are included in the respective expense lines in the income statement.

Income tax expense
Swiss Re Ltd is subject to ordinary income taxation at cantonal/communal and federal level.

Dividends from subsidiaries and affiliated companies are indirectly exempt from income taxation (participation relief).

Subsequent events
Subsequent events for the current reporting period have been evaluated up to 12 March 2024. This is the date on which the financial statements are available to be issued.

2 Investment income and expenses

CHF millions	2022	2023
Cash dividends from subsidiaries and affiliated companies	1 524	**1 202**
Realised gains on sale of investments	66	**65**
Valuation adjustments on derivative financial instruments	1	**80**
Income from short-term investments	1	**4**
Income from loans to subsidiaries and affiliated companies	152	**206**
Investment management income	0	**0**
Other interest revenues	59	**70**
Investment income	1 803	**1 627**

CHF millions	2022	2023
Realised losses on sale of investments	71	**62**
Valuation adjustments on derivative financial instruments	200	**1**
Valuation adjustments on investments in subsidiaries and affiliated companies	286	**88**
Investment management expenses	–	**0**
Other interest expenses	170	**193**
Investment expenses	727	**344**

3 Administrative expenses and personnel information

Swiss Re Ltd receives management and other services from Swiss Re Management Ltd and Swiss Reinsurance Company Ltd and has no employees of its own.

4 Securities lending

As of 31 December 2023, securities with a carrying amount of CHF 8 million (2022: CHF 0 million) were lent to Group companies or third parties under securities lending agreements.

5 Derivative financial instruments

As of 31 December 2023, the Company's assets for derivative financial instruments carried at market value amounted to CHF 101 million (2022: CHF 57 million).

To secure the net position of certain derivative financial assets and liabilities, securities with a carrying amount of CHF 26 million (2022: CHF 35 million) were deposited in favour of Group companies.

6 Investments in subsidiaries and affiliated companies

As of 31 December 2023 and 2022, Swiss Re Ltd held directly the following investments in subsidiaries and affiliated companies:

As of 31 December 2023[1]	Domicile	Currency	Share capital (millions)	Affiliation in %	Voting interest in %
Swiss Reinsurance Company Ltd	Zurich	CHF	34.4	100	100
Swiss Re Principal Investments Company Ltd	Zurich	CHF	0.1	100	100
Swiss Re Management Ltd	Zurich	CHF	0.1	100	100
Swiss Re Insurance-Linked Investment Management AG	Zurich	CHF	1.5	100	100

As of 31 December 2022	Domicile	Currency	Share capital (millions)	Affiliation in %	Voting interest in %
Swiss Reinsurance Company Ltd	Zurich	CHF	34.4	100	100
Swiss Re Principal Investments Company Ltd	Zurich	CHF	0.1	100	100
Swiss Re Management Ltd	Zurich	CHF	0.1	100	100
Swiss Re Insurance-Linked Investment Management AG	Zurich	CHF	1.5	100	100
Swiss Re Finance (UK) plc	London	GBP	1.0	100	100

[1] The subsidiary Swiss Re Finance (UK) plc was transferred to the direct subsidiary Swiss Reinsurance Company Ltd in the form of a contribution in kind with effective date of 16 May 2023.

Further disclosures in respect of investments in significant indirect subsidiaries and affiliated companies are detailed in Note 20 "Significant subsidiaries and equity investees" on pages 233 to 235 in the notes to the Group's 2023 financial statements, where the voting interests are equal to the affiliations disclosed.

7 Commitments

The Company has established subordinated debt facilities which allow the Company to issue subordinated callable notes at any time. The Company pays a fee on the available commitment under the facility and an interest rate on issued notes. Notes, issued under the facilities, are classified as subordinated debt.

On 17 October 2023, the Company partially repurchased subordinated notes in the amount of CHF 566 million, representing a nominal value of USD 673 million (2022: CHF 0 million). The maximum commitment under the repurchased subordinated debt facilities for both drawn and undrawn amounts were subsequently reduced by the same amount.

As of 31 December 2023, subordinated notes in the amount of CHF 1 664 million (2022: CHF 1 758 million) were issued under the facilities.

The following tables provide an overview of the subordinated debt facilities as of 31 December 2023 and 2022, respectively:

As of 31 December 2023	Issued in	Currency	Nominal value in millions	Nominal value in millions drawn[3]	Commitment fee (paid on undrawn amount)	Interest rate on issued notes[1]	Facility next termination date	Issued notes' scheduled maturity date
Dated subordinated fixed-to-floating rate callable notes facility	2015	USD	700	700	3.53%	5.75%	2025	2050
Dated subordinated fixed rate callable notes facility[4]	2016	USD	23	23	3.92%	6.05%	2031	2056
Dated subordinated fixed-to-floating rate callable notes facility	2016	USD	800	800	3.67%	5.625%	2027	2052
Perpetual subordinated fixed spread callable notes facility[4]	2017	USD	454	454	2.73%	5.524%	2027	Perpetual[2]

[1] Until next optional redemption date.
[2] Next optional redemption date in 2027 and every five years thereafter.
[3] Details on drawn amounts available in Note 8 Debt.
[4] Nominal values after partial repurchase of subordinated notes on 17 October 2023 in the total amount of CHF 566 million.

As of 31 December 2022	Issued in	Currency	Nominal value in millions	Nominal value in millions drawn	Commitment fee (paid on undrawn amount)	Interest rate on issued notes[1]	Facility first termination date	Issued notes' scheduled maturity date
Dated subordinated fixed-to-floating rate callable notes facility	2015	USD	700	700	3.53%	5.75%	2025	2050
Dated subordinated fixed rate callable notes facility	2016	USD	400	400	3.92%	6.05%	2031	2056
Dated subordinated fixed-to-floating rate callable notes facility	2016	USD	800	800	3.67%	5.625%	2027	2052
Perpetual subordinated fixed spread callable notes facility	2017	USD	750	–	2.73%[3]	5.524%[3]	2022	Perpetual[2]

[1] Until next optional redemption date.
[2] Next optional redemption date in 2027 and every five years thereafter.
[3] The interest rate on issued notes was reset in 2022 resulting in a small reduction in the commitment fee, but the new values were not shown in the 2022 Swiss Re Ltd Annual Report. Therefore the two correct rates as of 31 December 2022 are restated in the table above.

In 2015 and 2016, the Company entered into subordinated funding facilities with its subsidiary Swiss Reinsurance Company Ltd under which Swiss Reinsurance Company Ltd has the right, among others, to issue subordinated notes to the Company at any time.

Until 10 May 2022, the facilities were undrawn and for its various rights, Swiss Reinsurance Company Ltd owed the Company an unconditional fixed commitment fee on the total facility amount, payable in annual instalments. Annually, Swiss Reinsurance Company Ltd received a partial reimbursement of the commitment fee on the undrawn facility amount.

On 11 May 2022, the facilities were fully drawn and turned into subordinated loans. Therefore, the commitment fee and the related reimbursement ceased on the drawdown date and in return, the Company received an annual interest payment from Swiss Reinsurance Company Ltd.

On 7 December 2023, the subordinated funding facilities with Swiss Reinsurance Company Ltd were terminated.

The following table provides an overview of the subordinated funding facilities as of 31 December 2022:

As of 31 December 2022	Borrower	Issued in	Currency	Nominal value in millions	Nominal value in millions drawn	Total commitment fee on nominal value	Reimbursement fee on undrawn amount	Net commitment fee on undrawn amount	Maturity
Subordinated funding facility	Swiss Reinsurance Company Ltd	2015	USD	700	700	5.80%	2.22%	3.58%	2030
Subordinated funding facility	Swiss Reinsurance Company Ltd	2016	USD	400	400	6.10%	2.13%	3.97%	2036
Subordinated funding facility	Swiss Reinsurance Company Ltd	2016	USD	800	800	5.68%	1.95%	3.73%	2032

8 Debt

In 2023, the Company issued notes under the subordinated debt facilities in a total amount of CHF 631 million (2022: CHF 1 758 million). In addition, the Company repurchased notes under the subordinated facilities in a total amount of CHF 566 million (2022: CHF 0 million). As of 31 December 2023, Swiss Re Ltd had outstanding external debt of CHF 2 085 million (2022: CHF 2 220 million), whereof CHF 19 million (2022: CHF 370 million) are due after five years.

Instrument	Issued in	Currency	Nominal in millions	Interest rate	Maturity	Book value CHF millions
Convertible debt	2018	USD	500	3.25%	2024	421
Subordinated debt	2022	USD	700	5.75%	2025[1]	589
Subordinated debt	2022	USD	800	5.63%	2027[1]	673
Subordinated debt[2]	2022	USD	23	6.05%	2031[1]	19
Perpetual subordinated debt[2]	2023	USD	454	5.52%	2027[1]	383

[1] First call date.
[2] Nominal values after partial repurchase of subordinated notes on 17 October 2023 in the total amount of CHF 566 million (reference to Note 7 Commitments).

9 Change in shareholders' equity

CHF millions	Share capital	Legal capital reserves	Legal profit reserves	Reserves for own shares	Voluntary profit reserves	Retained earnings brought forward	Net income for the financial year	Own shares	Total shareholders' equity
Shareholders' equity 1.1.2023	32	6	4 311	18	16 396	–	1 295	–1 072	20 986
Allocation of net income					1 295		–1 295		–
Dividend for the financial year 2022					–1 644				–1 644
Net income for the financial year							1 193		1 193
Other movements in own shares		14	19	–18				93	108
Shareholders' equity 31.12.2023	**32**	**20**	**4 330**	**0**	**16 047**	**–**	**1 193**	**–979**	**20 643**

CHF millions	Share capital	Legal capital reserves	Legal profit reserves	Reserves for own shares	Voluntary profit reserves	Retained earnings brought forward	Net income for the financial year	Own shares	Total shareholders' equity
Shareholders' equity 1.1.2022	32	5	4 311	18	17 491	–	610	–1 077	21 390
Allocation of net income					610		–610		–
Dividend for the financial year 2021					–1 705				–1 705
Net income for the financial year							1 295		1 295
Other movements in own shares		1	0	0				5	6
Shareholders' equity 31.12.2022	32	6	4 311	18	16 396	–	1 295	–1 072	20 986

10 Own shares (directly and indirectly held by the Company)

Number of own shares	2022	**2023**
Own shares held by subsidiaries	*199 569*	***228 498***
Own shares held by Swiss Re Ltd directly	*28 344 543*	***28 280 738***
Opening balance own shares	28 544 112	**28 509 236**
Purchase of own shares[1]	521 690	**225 296**
Sale of own shares[2]	–556 566	**–1 642 596**
Own shares as of 31 December	28 509 236	**27 091 936**

[1] Purchased at average price of CHF 91.34 (2022: CHF 80.26).
[2] Sold at average price of CHF 89.76 (2022: CHF 81.85).

11 Major shareholders

As of 31 December 2023, there were two shareholders with their participations exceeding the 3% threshold of Swiss Re Ltd's share capital:

Shareholder	Number of shares	% of voting rights and share capital[1]	Creation of the obligation to notify
BlackRock, Inc	16 477 986	5.19	10 November 2021
UBS Fund Management (Switzerland) AG	9 534 424	3.00	5 July 2022

[1] The percentage of voting rights is calculated at the date the obligation was created and notified.

Further information in respect of major shareholders is detailed in "Group structure and shareholders" on pages 74 to 75 of the Group's 2023 Financial Report.

In addition, Swiss Re Ltd held, as of 31 December 2023, directly and indirectly 27 091 936 (2022: 28 509 236) own shares, representing 8.53% (2022: 8.98%) of voting rights and share capital. Swiss Re Ltd cannot exercise the voting rights of own shares held.

12 Release of undisclosed reserves

In 2023 and 2022, no net undisclosed reserves were released.

13 Contingent liabilities

Swiss Re Ltd has issued guarantees to its subsidiaries and affiliated companies in support of their business activities by securing their overall capital positions or specific transactions. As of 31 December 2023, the Company has guaranteed CHF 967 million (2022: CHF 1 770 million), of which no amount was utilised as of 31 December 2023 and 2022, respectively.

14 Capital band

The Company has a capital band ranging from CHF 28 579 730.60 (lower limit) to CHF 40 249 730.60 (upper limit). The Board of Directors is authorised within the capital band to increase or reduce the share capital of the Company until 12 April 2025 subject to further conditions. In 2023, there were no such changes in the share capital.

Proposal for allocation of disposable profit

The Board of Directors proposes to the Annual General Meeting to be held in Zurich on 12 April 2024 to approve the following allocations and dividend payment:

CHF millions	2022	2023
Retained earnings brought forward	–	**–**
Net income for the financial year	1 295	**1 193**
Disposable profit	1 295	**1 193**
Allocation to voluntary profit reserves	–1 295	**–1 193**
Retained earnings after allocation	–	**–**

CHF millions	2022	2023
Voluntary profit reserves brought forward	16 396	**16 047**
Allocation from retained earnings	1 295	**1 193**
Ordinary dividend payment out of voluntary profit reserves	–1 644[1]	**–1 662**[2]
Voluntary profit reserves after allocation and dividend payment	16 047	**15 578**

[1] Since the Board of Directors' proposal for allocation of disposable profit, included in the Annual Report 2022, the number of registered shares eligible for dividend, at the dividend payment date of 18 April 2023, increased due to the transfer of 69 443 shares for employee participation purposes from not eligible to eligible for dividend. The published USD/CHF exchange rate as of 13 April 2023 was 0.88875 compared to 0.92505 as of 31 December 2022. This resulted in a lower dividend of CHF 67 million, compared to the Board of Directors' proposal, and higher voluntary profit reserves by the same amount.

[2] The Board of Directors' proposal to the Annual General Meeting of 12 April 2024 is based on the number of shares eligible for dividend and the USD/CHF exchange rate of 0.84151, both as of 31 December 2023. The actual dividend payment in CHF will depend on the number of shares eligible for dividend and a published USD/CHF exchange rate as of 15 April 2024. In order to comply with the Swiss Code of Obligations, the proposed ordinary dividend payment out of voluntary profit reserves, translated into CHF on 15 April 2024, must not exceed CHF 3 500 million.

Dividend

If the Board of Directors' proposal for allocations and dividend payment is accepted, an ordinary dividend of USD 6.80 per share will be paid on 18 April 2024 from voluntary profit reserves.

Share structure per 31 December 2023	Number of registered shares	Nominal capital in CHF
Eligible for dividend[1]	290 405 370	**29 040 537**
Not eligible for dividend	27 091 936	**2 709 194**
Total shares issued	317 497 306	**31 749 731**

[1] The Board of Directors' proposal to the Annual General Meeting of 12 April 2024 is based on the number of shares eligible for dividend and the USD/CHF exchange rate of 0.84151, both as of 31 December 2023. The actual dividend payment in CHF will depend on the number of shares eligible for dividend and a published USD/CHF exchange rate as of 15 April 2024. In order to comply with the Swiss Code of Obligations, the proposed ordinary dividend payment out of voluntary profit reserves, translated into CHF on 15 April 2024, must not exceed CHF 3 500 million.

Zurich, 12 March 2024

KPMG

Statutory Auditor's Report

To the General Meeting of Swiss Re Ltd, Zurich

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Swiss Re Ltd (the Company), which comprise the balance sheet as at 31 December 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 249 to 258) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

IMPAIRMENT ASSESSMENT OF INVESTMENTS IN SUBSIDIARIES AND AFFILIATED COMPANIES

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

IMPAIRMENT ASSESSMENT OF INVESTMENTS IN SUBSIDIARIES AND AFFILAITED COMPANIES

Key Audit Matter

The Company has recorded investments in subsidiaries and affiliated companies of CHF 18 471 million and a valuation adjustment on these investments of CHF 88.5 million as of 31 December 2023. Investments in subsidiaries and affiliated companies are recognised at acquisition cost or, in the case of expected permanent impairment, at the lower fair value. The investments in subsidiaries and affiliated companies are not listed on an active market. The company determines the fair value of investments in subsidiaries and affiliated companies, representing the difference between the fair value of
assets and liabilities, using the internal established valuation method.

Our response

As part of our audit, we gained an understanding of the process related to the impairment assessment of investments in subsidiaries and affiliated companies. We performed a risk assessment to determine the amount of the headroom which would give us the scope of the investments in subsidiaries and affiliated companies with a higher risk on recoverability. For these investments in subsidiaries and affiliated companies we performed the following audit procedures:

- Assessing the appropriateness of the valuation method used against recognised accounting methods and Swiss Law.

KPMG AG
Zurich, 12 March 2024

The recoverability of investments in subsidiaries and affiliated companies is supported by an impairment assessment by comparing the book value against the Company's determined fair value. Depending on the amount of the headroom between the book value and the determined fair value, the recoverability represents a higher risk.

The applied valuation method for the valuation of certain assets and liabilities uses assumptions which are partially based on internal estimate and therefore require subjectivity and judgment.

The impairment assessment for investments in subsidiaries and affiliated companies has been designated as a key audit matter given an increased extent of audit effort, including the involvement of specialized skills and knowledge, due to the valuation method used and estimate uncertainty associated with the assumptions.

- Assessing the client's fair value by using an alternative valuation method.
- Assessing the accuracy of the valuation allowance by comparing the valuation allowance calculated and the booked amount.

We involved our valuation specialists who supported the audit team in:

- Assessing the valuation methodologies in light of market knowledge and experience.
- Assessing the assumptions which have been used for the purpose of the impairment test.

For the investments in subsidiaries and affiliated companies with reinsurance or corporate solutions business, we involved our actuarial specialists who supported the audit team in:

- Performing a comparison of the used actuarial methods, models and assumptions across the liabilities for life and health policy benefits reserves between the internal valuation method and Swiss law.
- Challenging the applied discount rates for unpaid claims by comparing to external market information.

For further information on impairment assessment of investments in subsidiaries and affiliated companies refer to the following:

- Note 1
- Note 2
- Note 6

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Dr. Frank Pfaffenzeller Licensed Audit Expert Auditor in Charge	Elina Monsch Licensed Audit Expert

Zurich, 12 March 2024

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

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General information

Headquartered in Zurich, Switzerland, Swiss Re has operations across the globe. Our success is built on our solid client relationships, capital strength and risk knowledge company approach. We make the world more resilient.

Glossary

Acquisition costs	That portion of an insurance premium which represents the cost of obtaining the insurance business: it includes the intermediaries' commission, the company's sales expense and other related expenses.
Asset-backed securities	Securities backed by notes or receivables against financial assets such as auto loans, credit cards, royalties, student loans and insurance profits.
Asset-liability management (ALM)	Management of an insurance business in a way that coordinates investment-related decisions on assets and liabilities. Specifically, the ongoing process of formulating, implementing, monitoring and revising investment strategies related to assets and liabilities in an attempt to achieve financial objectives, while managing exposure to financial market risks, such as interest rates, credit spreads and currency movements.
Aviation insurance	Insurance of accident and liability risks, as well as hull damage, connected with the operation of aircraft.
Benchmark investment result	Includes changes in the economic value of liabilities (as represented by the replicating portfolio) as a result of movements in risk-free discount rates, the passage of time, changes in credit spreads, changes in equity prices or changes in the economic value of embedded options and guarantees.
Book value per share	The ratio of ordinary shareholders' equity to the number of common shares entitled to dividend.
Business interruption	Insurance covering the loss of earnings resulting from, and occurring after, destruction of property; also known as "loss of profits" or "business income protection insurance".
Capacity	Maximum amount of risk that can be accepted in insurance. Capacity also refers to the amount of insurance coverage allocated to a particular policyholder or in the marketplace in general.
Catastrophe bonds	Securities used by insurance and reinsurance companies to transfer peak insurance risks, including natural catastrophes, to the capital markets. Catastrophe bonds help to spread peak exposures (see insurance-linked securities).
Cession	Insurance that is reinsured: the passing of the insurer's risks to the reinsurer against payment of a premium. The insurer is referred to as the ceding company or cedent.
Claim	Demand by an insured for indemnity under an insurance contract.
Claims and benefits	Claims and benefits in the EVM income statement represent the present value of all estimated future claims and benefits on contracts written during the year. Changes in estimates of claims and benefits payable on contracts written in prior years are reflected in previous years' business profit, along with changes in other underwriting cash flows relating to previous years.
Claims handling	Activities in connection with the investigation, settlement and payment of claims from the time of their occurrence until settlement.
Claims incurred and claim adjustment expenses	All claims payments plus the adjustment in the outstanding claims provision of a business year and claim adjustment expenses.
Claims ratio	Sum of claims paid and change in the provisions for unpaid claims and claim adjustment expenses in relation to premiums earned.
Coinsurance	Arrangement by which a number of insurers and/or reinsurers share a risk.
Combined ratio	The ratio is a combination of the non-life claims ratio and the expense ratio.

Commission	Remuneration paid by the insurer to its agents, brokers or intermediaries, or by the reinsurer to the insurer, for costs in connection with the acquisition and administration of insurance business.
Commutation	The termination of a reinsurance contract by agreement of the parties on the basis of one or more lump sum payments by the reinsurer which extinguish its liability under the contract. The payment made by the reinsurer commonly relates to incurred losses under the contract.
Cover	Insurance and reinsurance protection of one or more specific risk exposures based on a contractual agreement.
Credit insurance	Insurance against financial losses sustained through the failure, for commercial reasons, of policyholders' clients to pay for goods or services supplied to them.
Credit spreads	Difference in yield between a fixed income security which has default risk and one which is considered to be risk-free, such as U.S. Treasury securities.
Directors' and officers' liability insurance (D&O)	Liability insurance for directors and officers of an entity, providing cover for their personal legal liability towards shareholders, creditors, employees and others arising from wrongful acts such as errors and omissions.
Disability insurance	Insurance against the incapacity to exercise a profession as a result of sickness or other infirmity.
Earnings per share (EPS)	Portion of a company's profit allocated to each outstanding share of common stock. Earnings per share is calculated by dividing net income by the weighted average number of common shares outstanding during the period.
Economic net worth	Economic net worth (ENW) is defined as the difference between the market-consistent value of assets and liabilities. ENW is an economic measure of shareholders' equity and the starting point in determining available capital under the Swiss Solvency Test (SST).
EVM	Economic Value Management (EVM) is Swiss Re Group's proprietary integrated economic valuation and accounting framework for planning, pricing, reserving, and steering our business.
EVM capital	EVM capital is the capital required to support uncertainty related to estimated cash flows arising from existing underwriting and investment activities.
EVM profit	EVM profit is a risk-adjusted measure of performance that can be compared across all business activities.
Expense ratio	Sum of acquisition costs and other operating costs and expenses, in relation to premiums earned.
G-SIIs	Globally systemically important insurers.
Gross outperformance	Defined as the difference between the mark-to-market investment result and the benchmark investment result.
Gross underwriting result – new business	Gross underwriting result from new business is defined as present value of new business underwriting cash flows (eg premiums, claims, commissions, etc) before internal expenses, taxes and capital costs.
Guaranteed minimum death benefit (GMDB)	A feature of variable annuity business. The benefit is a predetermined minimum amount that the beneficiary will receive upon the death of the insured.

Health insurance
Generic term applying to all types of insurance indemnifying or reimbursing for losses caused by bodily injury or sickness or for expenses of medical treatment necessitated by sickness or accidental bodily injury.

Incurred but not reported (IBNR)
Provision for claims incurred but not reported by the balance sheet date. In other words, it is anticipated that an event will affect a number of policies, although no claims have been made so far, and is therefore likely to result in liability for the insurer.

Insurance-linked securities (ILS)
Security for which the payment of interest and/or principal depends on the occurrence or severity of an insurance event. The underlying risk of the security is a peak or volume insurance risk.

Layer
Section of cover in a non-proportional reinsurance programme in which total coverage is divided into a number of consecutive layers starting at the retention or attachment point of the ceding company up to the maximum limit of indemnity. Individual layers may be placed with different insurers or reinsurers.

Liability insurance
Insurance for damages that a policyholder is obliged to pay because of bodily injury or property damage caused to another person or entity based on negligence, strict liability or contractual liability.

Life insurance
Insurance that provides for the payment of a sum of money upon the death of the insured, or upon the insured surviving a given number of years, depending on the terms of the policy. In addition, life insurance can be used as a means of investment or saving.

Longevity risk
The risk to which a pension fund or life insurance company could be exposed as a result of higher-than-expected payout ratios. Increasing life expectancy trends among policyholders and pensioners can result in payout levels that are higher than originally expected.

Marine insurance
Line of insurance which includes coverage for property in transit (cargo), means of transportation (except aircraft and motor vehicles), offshore installations and valuables, as well as liabilities associated with marine risks and professions.

Mark-to-market
Adjustment of the book value or collateral value of a security, portfolio or account to current fair market value.

Mark-to-market investment result
Includes net investment income, realised gains and losses and changes in unrealised gains and losses reported under the accounting principles generally accepted in the United States of America (US GAAP). In addition, it includes changes in market value of investment positions carried at amortised cost under US GAAP. It excludes the following US GAAP items: investment income from cedants, unit-linked and with-profit business and certain loans as well as minority interest and depreciation on real estate.

Market conform valuation
Financial instruments that have a market price must be recognised in the balance sheet at market price. Positions without a market price must be valued with the help of a model that is based on market prices.

Market value margin
The market value margin (MVM) represents the minimum cost of holding capital after the one-year SST period until the end of a potential run-off period.

Motor insurance
Line of insurance which offers coverage for property, accident and liability losses involving motor vehicles.

Net outperformance
Defined as the gross outperformance after deducting the actual costs incurred by managing our actual investment portfolio in excess of the internal fee paid by underwriting for the purchase and maintenance of the investment portfolio replicating the best-estimate liability and backing the associated capital requirements.

Net reinsurance assets
Receivables related to deposit accounting contracts (contracts which do not meet risk transfer requirements) less payables related to deposit contracts.

Net underwriting result – new business	Net underwriting result from new business is defined as the gross underwriting result from new business net of the present value of internal expenses allocated to new business but before taxes and capital costs.
Non-life insurance	All classes of insurance business excluding life insurance.
Non-proportional reinsurance	Form of reinsurance in which coverage is not in direct proportion to the original insurer's loss; instead the reinsurer is liable for a specified amount which exceeds the insurer's retention; also known as "excess of loss reinsurance".
Operating margin ratio	The operating margin is calculated as operating result divided by total operating revenues. The operating result is before interest expenses, taxes and net realised gains/losses.
Operating revenues	Premiums earned plus net investment income plus other revenues.
Operational risk	Risk arising from failure of operational processes, internal procedures and controls leading to financial loss.
Premium	The payment, or one of the periodical payments, a policyholder agrees to make for an insurance policy.
Premiums and fees	Premiums and fees in the EVM income statement represent the present value of all estimated future premiums and fees on contracts written during the year. Gross premiums and fees represent premiums and fees before external retrocessions. Gross premiums and fees in the EVM income statement of the business segments also exclude retrocessions to other segments of the Group.
Premiums earned	Premiums an insurance company has recorded as revenues during a specific accounting period.
Premiums written	Premiums for all policies sold during a specific accounting period.
Present value of future profits (PVFP)	Intangible asset primarily arising from the purchase of life and health insurance companies or portfolios.
Principal Investments and Acquisitions	Principal Investments and Acquisitions is a unit of Swiss Re that manages all strategic acquisition activities of the Group as well as a portfolio of minority holdings in primarily insurance and insurance-related businesses with the goal of generating long-term value.
Product liability insurance	Insurance covering the liability of the manufacturer or supplier of goods for damage caused by their products.
Professional indemnity insurance	Liability insurance cover which protects professional specialists such as physicians, architects, engineers, lawyers, accountants and others against third-party claims arising from activities in their professional field; policies and conditions vary according to profession.
Profit margin	Profit margin is calculated for new business, previous years' business and investment activities. The new business profit margin is the ratio of new business profit/loss to EVM capital allocated to new business over the lifetime of the business. The previous years' business profit margin is the ratio of previous years' business profit/loss to EVM capital allocated to previous years' business in the current year. Investment profit margin is the ratio of investment profit/loss to EVM capital allocated to investment activities in the current year. These ratios can be used to compare profitability across all underwriting and investment activities on a consistent, risk-adjusted basis.
Property insurance	Collective term for fire and business interruption insurance as well as burglary, fidelity guarantee and allied lines.
Proportional reinsurance	Form of reinsurance arrangement in which the premiums earned and the claims incurred of the cedent are shared proportionally by the cedent and the reinsurer.

Provision for capital costs	Frictional capital costs provide compensation to shareholders for agency costs, costs for potential financial distress and regulatory (illiquidity) costs. Frictional capital costs include risk capital costs and funding costs. Risk capital costs are charged at 4.5% of eligible economic capital which consists of ENW and eligible hybrid debt. Funding costs are charged or credited at the legal entity level depending on the liquidity the respective legal entity uses or generates. In addition, the provision for capital costs includes an allowance for double taxation on the risk free return on capital allocated to underwriting activities.
Quota share reinsurance	Form of proportional reinsurance in which a defined percentage of the premiums earned and the claims incurred by the cedent in a specific line is reinsured for a given period. Quota share reinsurance arrangements represent a sharing of business in a fixed ratio or proportion.
Reinsurance	Insurance which lowers the risk carried by primary insurance companies. Reinsurance includes various forms such as facultative, financial, non-proportional, proportional, quota share, surplus and treaty reinsurance.
Reserves	Amount required to be carried as a liability in the financial statements of an insurer or reinsurer to provide for future commitments under outstanding policies and contracts.
Retention	Amount of risk which the policyholder or insurer does not insure or reinsure but keeps for its own account.
Retrocession	Amount of the risk accepted by the reinsurer which is then passed on to other reinsurance companies.
Return on equity	Net income as a percentage of time-weighted shareholders' equity.
Return on investments	Investment-related operating income as a percentage of invested assets. Invested assets include investments, securities in transit, certain financial liabilities and exclude policy loans, cash and cash equivalents, as well as assets related to securities lending, repurchase agreements and collateral balances.
Risk	Condition in which there is a possibility of injury or loss; also used by insurance practitioners to indicate the property insured or the peril insured against.
Risk management	Management tool for the comprehensive identification and assessment of risks based on knowledge and experience in the fields of natural sciences, technology, economics and statistics.
Running yield	Net investment income on long-term fixed income positions and loan investments, including coupon income and amortisation, as a percentage of the average market value of the long-term fixed income portfolio and carrying value of loan investments.
Securitisation	Financial transaction in which future cash flows from financial assets (or insurable risks) are pooled, converted into tradable securities and transferred to capital market investors. The financial assets are commonly sold to a special-purpose entity, which purchases them with cash raised through the issuance of beneficial interests (usually debt instruments) to third-party investors.
Solvency II	Regulatory framework for EU re/insurance solvency rules. Solvency II is a comprehensive, economic and risk-based regulation and includes prudential requirements on solvency capital, risk modelling, supervisory control and disclosure.
SST risk-bearing capital	The SST risk-bearing capital (SST RBC) is the amount of capital that is available to protect the policyholders of an entity in case of a large and unexpected adverse event.
SST target capital	Amount of capital that is required to support the risks assumed by an entity. It is based on the entity's total risk.

Stop-loss reinsurance
Form of reinsurance that protects the ceding insurer against an aggregate amount of claims over a period, in excess of either a stated amount or a specified percentage of estimated benefit costs. An example of this is employer stop-loss (ESL) coverage, which is used by US companies to cap losses on self-funded group health benefit programmes. The stop-loss can apply to specific conditions or aggregate losses.

Surety insurance
Sureties and guarantees issued to third parties for the fulfilment of contractual liabilities.

Surplus reinsurance
Form of proportional reinsurance in which risks are reinsured above a specified amount.

Swiss Solvency Test (SST)
An economic and risk-based insurance regulation, similar to the objectives of Solvency II to which all insurance and reinsurance companies writing business in Switzerland are subject.

Tail VaR
See "Value at risk".

Top-down investment strategy approach
An investment strategy process which analyses trends in the global economy and the associated impact on financial markets to assess the overall financial market outlook as well as their implications for various asset classes and risk exposures.

Total contribution to ENW
Total contribution to ENW is the total return generated for shareholders and includes the release of capital costs. Total contribution to ENW is therefore not a risk-adjusted performance measure.

Total on-balance sheet senior and subordinated debt and contingent capital, including drawn LOCs, divided by total capitalisation.

Treaty reinsurance
Participation of the reinsurer in certain sections of the insurer's business as agreed by treaty, as opposed to single risks.

Underwriting result
Premiums earned less the sum of claims paid, change in the provision for unpaid claims and claim adjustment expenses and expenses (acquisition costs and other operating costs and expenses).

Unearned premium
Part of written premium (paid or owed) which relates to future coverage and for which services have not yet been provided; this is carried in an unearned premium reserve and may be refundable if the contract is cancelled before expiry.

Unit-linked policy
A life insurance contract which provides policyholder funds linked to an underlying investment product or fund. The performance of the policyholder funds is for the account of the policyholder.

US GAAP
United States generally accepted accounting principles.

Value at risk (VaR)
Maximum possible loss in market value of an asset portfolio within a given time span and at a given confidence level. 99% VaR measures the level of loss likely to be exceeded in only one year out of a hundred, while 99.5% VaR measures the loss likely to be exceeded in only one year out of two hundred. 99% tail VaR estimates the average annual loss likely to occur with a frequency of less than once in one hundred years.

With-profit policy
An insurance contract that has additional amounts added to the sum insured, or paid/credited separately to the policyholder as a bonus, which result from a share of the profit generated by the with-profits insurance funds, including these funds' interests in other blocks of business.

Some of the terms included in the glossary are explained in more detail in Note 1 to the Group financial statements.

Swiss Re uses some of the term definitions provided by the glossary of the International Association of Insurance Supervisors (IAIS).

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 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 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, social inflation litigation, acts of terrorism or acts of war, including the ongoing war in Ukraine as well as conflicts in the Middle East, 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 adherence to standards related to environmental, social and governance ("ESG"), sustainability and corporate social responsibility ("CSR") matters and ability to fully achieve goals, targets, ambitions or stakeholder expectations 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 cyclicality 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, including in Life & Health and in Property & Casualty Reinsurance due to higher costs caused by pandemic-related or inflation and supply chain issues;
- changes in our policy renewal and lapse rates and their impact on the Group's business;
- 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, including the Group's decision to transition from US GAAP to IFRS beginning 1 January 2024;
- 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 in the markets and geographies in which the Group competes;
- 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 or the transition to IFRS as well as 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. 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.

Note on risk factors

The operations, investments and other activities of Swiss Re Ltd ("SRL") and its subsidiaries (collectively, the "Group" or "Swiss Re") are subject to a range of risks that could adversely impact the Group's business, financial condition, results of operations, liquidity and cash flows.

General impact of adverse market conditions
Swiss Re's operations as well as its investment returns are subject to conditions in the financial markets and macroeconomic factors. Financial, credit and foreign exchange markets are experiencing continued periods of volatility reflecting a range of political, geopolitical, economic and other uncertainties, some of the more significant of which are inter-related, including inflation.

For example, in case of a claims occurrence, higher inflation may lead to higher replacement costs than anticipated. In Property & Casualty Reinsurance, due to inflation and supply chain issues, costs to rebuild and repair structures have significantly increased; respectively in Life & Health Reinsurance, potential increases in excess mortality and higher medical costs caused by residual impacts from the COVID-19 pandemic, such as long-COVID or delayed medical care, may, as a result, represent a risk that Swiss Re's reserves may not be adequate to address such claims in the future.

Further adverse developments or the continuation of adverse trends that, in turn, have a negative impact on financial markets and economic conditions, could limit the Group's ability to access the capital markets and bank funding markets, could adversely affect the ability of counterparties to meet their obligations to the Group and could adversely affect the confidence of the ultimate buyers of insurance and reinsurance.

Any of the foregoing factors, developments and trends could have a material adverse effect on the Group's investment and overall results, make it difficult to determine the value of certain assets in the Group's portfolio, make it more difficult to acquire suitable investments to meet its risk and return criteria and otherwise have a material adverse effect on its business and operations.

Impact of the military conflict in Ukraine and other geopolitical tensions
The ongoing military conflict in Ukraine as well as in the Middle East, sanctions, and other potential impacts on the global economic environment and currencies may cause demand for the Group's products to be volatile (particularly in Europe), cause abrupt changes in the Group's customers' buying patterns, result in higher than usual re/insurance claims (including in relation to aviation, marine and business interruption re/insurance claims), interrupt the Group's ability to supply products to these regions or to fulfil contractual obligations or limit customers' access to financial resources, which may impact such customers' ability to satisfy obligations to the Group. Events that may arise from or relating to geopolitical tensions, 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, may adversely impact the global economy and supply chain, banking and monetary systems, markets or customers of Swiss Re's products, including as a result of the enactment of associated governmental and other measures such as sanctions (which may include seizures, nationalisation or expropriations) or as a result of public or political pressure. Such events could adversely affect Swiss Re's results or operations.

Sustainability and environmental, social and governance activities and disclosures
Swiss Re's investors, shareholders, business partners, customers and other third parties, including regulators and public authorities, are increasingly focused on environmental, social and governance ("ESG"), sustainability and corporate social responsibility ("CSR") endeavours and reporting. Swiss Re's statutory ESG reporting requirements are due this year for the first time with respect to the 2023 financial year. Swiss Re is committed to net-zero greenhouse gas emissions by 2050.

Swiss Re may be subject to greater scrutiny when it comes to its own CSR, ESG and/or sustainability endeavours and reporting and commitment to net-zero greenhouse gas emissions by 2050. If Swiss Re does not adapt to or comply with the evolving investor, shareholder, business partner or third party, including regulators and public authorities, expectations and CSR, ESG and/or sustainability recommendations, standards, norms, metrics or regulatory requirements and/or does not meet its CSR, ESG and/or sustainability targets, goals and/or ambitions, Swiss Re can be perceived to have not responded appropriately to CSR, ESG and/or sustainability recommendations, standards, norms, metrics or regulatory requirements. Furthermore, Swiss Re may suffer from reputational damage and/or litigation or regulatory proceedings, which could result in its financial condition, results of operations, business and prospects being materially and adversely affected. In addition, changes and uncertainty in relation to policies or regulations regarding sustainability, ESG or CSR matters as well as the fragmentation of ESG legislation globally, may result in potential investigation and litigation, higher regulatory and compliance costs and increased capital expenditures, which could result in Swiss Re's financial condition being materially and adversely affected.

In addition, Swiss Re's investors, shareholders, business partners and third parties look to ESG rating systems, or disclosure frameworks that have been developed by third party groups to allow comparisons between companies on ESG factors as they evaluate investment decisions as well as company disclosures. Swiss Re does not participate in all of the available rating systems and may not necessarily score well in all of the available ratings systems. Further, the criteria used in these ratings systems change frequently, and Swiss Re cannot guarantee that it will be able to score well as criteria change. Failure to participate in certain third-party ratings systems, failure to score well in those ratings systems or failure to provide certain ESG disclosures could result in reputational damage, which could result in Swiss Re's financial condition, results of operations, business and prospects being materially and adversely affected.

Risk of unexpected and unintended issues related to claims and coverage, including social inflation

As industry practices and legal, judicial, social and other environmental conditions change, unexpected and unintended issues related to risk of claims and coverage may develop in an adversely different manner than originally anticipated may continue to emerge. Such issues have adversely affected, and may in the future adversely affect, the Group's business by either requiring it to extend coverage beyond its underwriting intent or by increasing the number or amounts of claims against the Group. For example, the trend of social inflation has increased liability claims against the Group in recent years. There has been an increase in severity of awards and settlements affecting excess and umbrella layers, particularly in the US, as well as an increase in commercial automotive and general liability claims. The Group has continued to pro-actively strengthen its reserves and has considered the latest information and outlook related to such claims, including in relation to economic and social inflation when making its reserve decisions. In addition, the Group closely monitors the intersection between social inflation, economic inflation and loss trend and intends to adjust its pricing accordingly. The Group intends to continue to manage its exposure to large corporate risks in line with its cautious view on social inflation. Despite the Group's various measures to address these issues, there remains uncertainty on how these unintended issues related to claims and coverage may impact the Group's business. If the Group's reserving and pricing is not adequate to cover these or other issues, there could be an additional adverse effect for the Group's business, financial condition or results of operations.

Insurance, operational and other risks

As part of the Group's ordinary course of operations, the Group is subject to a variety of risks, including risks that reserves may not adequately cover future claims and benefits; risks that catastrophic events (including natural catastrophes, such as hurricanes, cyclones, tornadoes, windstorms, hail storms, wildfires, floods and earthquakes, as well as extreme space weather events such as solar storms and geomagnetic activity, and man-made disasters, such as acts of terrorism, cyberattacks and other disasters such as explosions, industrial accidents and fires, as well as diseases, pandemics, epidemics and humanitarian crises) are inherently unpredictable in terms of both their frequency and severity (as well as heightened accumulation risk e.g. in the case of cyberattacks) and have exposed, and may continue to expose, the Group to unexpected large losses (and related uncertainties in estimating future claims in respect of such events); changes in the insurance industry that affect ceding companies, particularly those that further increase their sensitivity to counterparty risk; competitive conditions (including as a result of consolidation and the availability of significant levels of alternative capacity); cyclicality of the industry; risks related to emerging claims and coverage issues (including, in particular, social inflation); macro developments giving rise to emerging risks, such as climate change and technological developments (including greater exposure to cyber risks, where accumulation risk is yet to be fully understood, which could have a range of consequences from operational disruption, to loss of proprietary or customer data, to greater regulatory burdens and potential liability); risks arising from the Group's dependence on policies, procedures and expertise of ceding companies; risks related to investments and operations in emerging markets; and risks related to the failure of, or attacks directed at, the Group's operational systems and infrastructure (or those of its third party providers), including systems and infrastructure relating to IT, data storage and processing as well as accounting and control. Any of the foregoing, as well as the occurrence of future risks that the Group's risk management procedures fail to identify or anticipate, could have a material adverse effect on the Group, and could also give rise to reputational risk.

Financial and capital market risk
Volatility and disruption in the global financial markets could expose the Group to significant financial and capital markets risk, including changes in interest rates, credit spreads, equity prices, real estate prices and foreign currency exchange rates, which may adversely impact the Group's financial condition, results of operations, liquidity and capital position. The Group's exposure to interest rate risk is primarily related to the market price and cash flow variability associated with changes in interest rates. In general, a higher interest rate environment is beneficial to the insurance and reinsurance industries, supporting earnings capacity via higher investment income, despite mark-to-market volatility in short term. Additionally, an increase in interest rates generally results in an increase in the Group's Swiss Solvency Test ratio. Exposure to credit spreads primarily relates to market price and cash flow variability associated with changes in credit spreads. When credit spreads widen, the net unrealised loss position of the Group's investment portfolio can increase, as could other-than-temporary impairments.

The Group is exposed to changes in the level and volatility of equity prices, as well as the value of securities or instruments that derive their value from a particular equity security, a basket of equity securities or a stock index. The Group is also subject to equity price risk to the extent that the values of life-related benefits under certain products and life contracts, most notably variable annuity contracts, are wholly or partially exposed, directly and/or indirectly, to market fluctuations, including equity prices. To the extent market values fall, the financial exposure on guarantees related to these contracts would increase to the extent this exposure is not hedged. While the Group has an extensive hedging programme covering its existing variable annuity business, certain risks cannot be hedged, including actuarial, basis and correlation risks. Exposure to real estate originates from changes in property values. Foreign exchange risk arises from changes in spot prices, forward prices and volatilities of currency exchange rates.

The Group seeks to manage the risks inherent in its investment portfolio by repositioning the portfolio from time to time, as needed, and to reduce risk and fluctuations through the use of hedges and other risk management tools. These risks can have a significant effect on investment returns and market values of securities positions, which in turn may affect both the Group's results of operations and financial condition. The Group continues to focus on asset-liability management for its investment portfolio, but pursuing even this strategy has its risks, including a possible mismatch between investments and liability benchmarks.

Legal, regulatory and tax risks
In the ordinary course of business, the Group is involved in lawsuits, arbitrations and other formal and informal dispute resolution procedures, the outcomes of which determine the Group's rights and obligations under insurance, reinsurance or other contractual agreements. From time to time, the Group may institute, or be named as a defendant in, legal proceedings, and the Group may be a claimant or respondent in arbitration proceedings. These proceedings could involve coverage or other disputes with ceding companies, disputes with parties to which the Group transfers risk under reinsurance arrangements, disputes with other counterparties or other matters. The Group cannot predict the outcome of any of the foregoing, which could be material for the Group.

In the future, the Group could be involved in investigations and regulatory proceedings, which could result in adverse judgments, settlements, fines and other outcomes. These investigations and proceedings could relate to insurance or reinsurance matters, or could involve broader business conduct rules, including those in respect of market abuse, bribery, money laundering, sanctions, competition law, data protection and privacy or ESG, CSR or sustainability issues more generally as well as any other disclosure or accounting issues. The Group also is subject to audits and challenges from time to time by tax authorities, which could result in increases in tax costs, changes to internal structures and interest and penalties. Tax authorities may also actively pursue additional taxes based on retroactive changes to tax laws. The Group could be subject to risks arising from alleged, or actual, violations of any of the foregoing, and could also be subject to litigation or enforcement actions arising from potential employee misconduct, including non-compliance with internal policies and procedures, negligence and malfeasance, such as undertaking or facilitating cyber-attacks on internal systems. Substantial legal liability could materially adversely affect the Group's business, financial condition or results of operations or could cause significant reputational harm, which could seriously affect its business.

Changes in the legal, regulatory or tax environment
Swiss Re and its subsidiaries operate in a highly regulated environment, which continues to change over time. The regulatory regimes to which members of the Group are subject have changed significantly in recent years and are expected to continue to evolve. While most regulation is national in scope, the global nature of the Group's business means that its operations are subject to a patchwork of global, national and regional standards. Swiss Re and its subsidiaries are subject to group supervision and Swiss Re's subsidiaries are also subject to applicable regulation in each of the jurisdictions in which they conduct business, particularly Switzerland, the United States, Luxembourg and Singapore. Swiss Re, as well as its Swiss-regulated entities, is subject to the Swiss Solvency Test and, through its legal entities and branches organised in the European Economic Area, Solvency II.

In Switzerland, where, among other operating and non-operating legal entities, Swiss Re's holding SRL and ultimate operating legal entity Swiss Reinsurance Company Ltd are located, the partial revision of the Swiss Insurance Supervision Act and Swiss Insurance Supervision Ordinance entered into force on 1 January 2024. The revision includes various changes, some of which may lead to higher compliance and legal costs, the possibility of higher operational, capital and liquidity costs as well as the risk of losing business due to the new regulation on (re)insurance intermediaries. As a result of the partial revision of the Swiss Insurance Supervision Act and Swiss Insurance Supervision Ordinance, FINMA is revising the downstream regulation with the changes expected to enter into force on 1 September 2024.

While certain regulatory processes are designed in part to foster convergence and achieve recognition of group supervisory schemes, the Group continues to face risks of extra-territorial application of regulations, particularly as to group supervision and group solvency requirements. In addition, regulators in jurisdictions beyond those where the Group has core operations increasingly are playing a greater oversight role, requiring more localised resources and, despite a predominantly local focus, also raise issues of a cross border nature. Furthermore, evolving regulatory schemes and requirements may be inconsistent or may conflict with each other, thereby subjecting the Group, particularly in light of the increasing focus on legal entities in isolation and fragmented jurisdictional approaches to ESG supervision for example, to higher compliance and legal costs and risks, as well as the possibility of higher operational, capital and liquidity costs.

In December 2022, the Financial Stability Board ("FSB") endorsed the International Association of Insurance Supervisors' ("IAIS") Holistic Framework ("HF") for assessing and mitigating systemic risk and discontinued its identification of global systemically important insurers ("G-SIIs"). However, discussions on the identification of domestic systemically important insurers ("D-SIIs") are still ongoing in certain jurisdictions. The IAIS HF embraces an enhanced set of policy measures targeted at the exposures and activities that can lead to systemic risks from the insurance sector. The Group cannot predict what additional regulatory changes will be implemented as the IAIS systemic risk process evolves and what any such changes may mean for how the Group is structured in any particular jurisdiction and how aspects of its business may be affected.

Large internationally active insurance groups ("IAIGs"), which are identified by group-wide supervisors based on IAIS defined criteria, are expected to become subject to a risk-based group-wide global insurance capital standard ("ICS"). ICS Version 2.0 was adopted in November 2019 for a five-year confidential reporting period during which time no supervisory action will be taken on the basis of the monitoring. A revised Candidate ICS as a Prescribed Capital Requirement ("PCR") version of the ICS was consulted on during 2023 with a planned adoption at year-end 2024 ahead of becoming a PCR in 2025. In November 2019, the IAIS also adopted the Common Framework for the Supervision of Internationally Active Insurance Groups ("ComFrame"), as well as some changes to a number of Insurance Core Principles ("ICPs") – principles and standards on supervision of insurers which apply to insurance companies regardless of size and international exposures. ComFrame strengthens ICP requirements for IAIGs and, inter alia, proposes that the group-wide supervisor, in consultation with the host supervisors, should exercise discretion in requiring IAIGs to submit recovery plans. Swiss Re has been classified as an IAIG.

The Group can neither predict which legislative and/or regulatory initiatives will be enacted or promulgated, nor their scope and content, their date of enactment or their implications for the industry, in general, and for the Group, in particular. The Group may be subject to changes in views of its supervisors in respect of the models that the Group uses for capital and solvency purposes, and could be adversely affected if, for example, it is required to use standard models rather than internal models. Generally, legal and regulatory changes could have a material impact on the Group's business.

Regulatory changes also could occur in areas of broader application, such as competition policy and tax laws. For example, changes in tax laws, or the interpretation of the tax laws or tax regulations in jurisdictions in which the Group does business, or withdrawals of tax rulings in jurisdictions such as Switzerland that have issued such rulings to Swiss Re, could increase the level of taxes the Group pays, or impact the attractiveness of products offered by the Group, the Group's investment activities or the value of deferred tax assets. These changes, or inconsistencies between the various regimes that apply to the Group, could increase the costs of doing business (including due to increased capital requirements), reduce access to liquidity, limit the scope of current or future business or affect the competitive balance, or could make reinsurance less attractive to primary insurers. In 2023, some countries, including Switzerland, introduced Base Erosion and Profit Shifting (BEPS), a minimum tax scheme related to the OECD initiative to get to a worldwide minimum taxation of 15% (and other countries are expected to follow in 2024. The rules will impact the overall tax payments of the Group and will significantly increase Swiss Re's tax compliance cost.

Risks relating to credit rating downgrades
Ratings are an important factor in establishing the competitive position of (re)insurance companies. Third party rating agencies assess and rate the financial strength of (re) insurers, such as Swiss Re. These ratings are intended to measure a company's ability to repay its obligations and are based upon criteria established by the rating agencies. Ratings may be solicited or unsolicited.

The Group's solicited ratings reflect the current opinion of the rating agencies with whom we maintain an interactive rating relationship for the purpose of solicited ratings. One or more of the Group's ratings could be downgraded or withdrawn in the future, or the Group may decide to give up such rating voluntarily. In addition, unsolicited ratings may also be downgraded or withdrawn, such as the downgrade in April 2020 of unsolicited insurer financial strength and long-term issuer default ratings assigned to various entities within the Group. Rating agencies may, in their sole discretion, increase the frequency and scope of ratings reviews, revise their criteria or take other actions that may negatively impact the Group's ratings and/or the ratings of its legal entities, which it cannot predict. In addition, changes to the process or methodology of issuing ratings, changes in regulation, or the occurrence of events or developments affecting the Group, could adversely affect the Group's existing ratings or make it more difficult for the Group to achieve improved ratings which it would otherwise have expected. In particular, it is possible that the Group's ratings could be negatively affected by a range of factors such as challenging market environment, the level of natural catastrophe losses, underwriting performance, adequacy of reserves, changes in senior management, economic trends and financial market performance on the Group. Any of the foregoing, or a combination of the foregoing, could have a negative impact on the Group's business.

As financial strength ratings are a key factor in establishing the competitive position of (re) insurers, a decline in ratings of Swiss Re and/or the ratings of its key rated legal entities could make (re)insurance provided by the Group less attractive to clients relative to (re) insurance from competitors with similar or stronger ratings. A decline in ratings could also cause the loss of clients who are required by either policy or regulation to purchase (re) insurance only from (re)insurers with certain ratings, or whose confidence in the Group is otherwise diminished. Certain larger (re)insurance and derivative contracts may contain terms that would allow the ceding companies or counterparties to terminate the contract if the Group's ratings or those of its subsidiaries are downgraded beyond a certain threshold. Furthermore, ratings directly impact the availability and terms of unsecured financing (potentially impacting both the Group's ability to rollover existing facilities and/or obtain new facilities) and declines in the Group's ratings or the ratings of legal entities within the Group could also obligate the Group to provide collateral or other guarantees in the course of its business or trigger early termination of funding and/or derivative arrangements. As a ratings decline could also have a material adverse impact on the Group's costs of borrowing or ability to access the capital markets, the adverse implications of a downgrade could be more severe.

Coronavirus
The global spread of the coronavirus and the disease it causes ("COVID-19"), and the actions taken to slow the spread of the pandemic, have had an adverse impact on communities, social and business interactions, economic activities and economies across the globe, particularly during the 2020–2022 period, with the global insurance industry facing adverse claims for additional healthcare costs and higher mortality rates, as well as pandemic-related litigation in a number of jurisdictions. Although, increased global vaccination rates and effective implementation of control measures, the economic and insurance industry impact of COVID-19 and its consequences have been largely mitigated, new developments, such as new strains of the virus which risk becoming vaccine-resistant, consequences brought by long-COVID 19, recurring spreads of COVID-19 or lockdown measures, could pose threats to the global economy.

Use of models; accounting matters
The Group is subject to risks relating to the preparation of estimates and assumptions that its management uses, for example, as part of its risk models as well as those that affect the reported amounts of assets, liabilities, revenues and expenses in the Group's financial statements (such as assumptions related to the Group's capital requirements and anticipated liabilities), including assumed and ceded business. For example, the Group estimates premiums pending receipt of actual data from ceding companies, which actual data could deviate from the estimates (and could be adversely affected if premiums turn out to be lower, while claims stay the same). In addition, particularly with respect to catastrophic events, it may be difficult to estimate losses, and preliminary estimates may be subject to a high degree of uncertainty and change as new information becomes available. Deterioration in market conditions could have an adverse impact on assumptions used for financial reporting purposes, which could trigger a potential impairment of various assets and liabilities, including goodwill. Moreover, regulators could require the use of standard models instead of permitting the use of internal models. To the extent that management's estimates or assumptions prove to be incorrect, it could have a material impact on underwriting results (in the case of risk models) or on reported financial condition or results of operations (in the case of accounting judgments), and such impact could be material.

The Group's results may be impacted by changes in accounting standards, or changes in the interpretation of accounting standards. Changes in accounting standards could impact future reported results or require restatement of past reported results. The Group's results may also be impacted if regulatory authorities take issue with any conclusions the Group may reach in respect of accounting matters. This applies to the financial reporting under US GAAP until end of 2023 and under IFRS from 2024 onwards. Our adoption of IFRS for the Group's consolidated accounts may also result in additional complexity in our financial reporting, including the publication of financial information, or other unexpected impacts.

The Group uses non-GAAP financial measures in its external financial reporting. These measures are not prepared in accordance with US GAAP or any other comprehensive set of accounting rules or principles and should not be viewed as a substitute for measures prepared in accordance with US GAAP. Moreover, these may be different from, or otherwise inconsistent with, non-GAAP financial measures used by other companies. These measures have inherent limitations, are not required to be uniformly applied and are not audited.

In its 2023 annual report, the Group included a separate section in respect of its results, including financial information, prepared in accordance with the Group's proprietary economic value management ("EVM") principles ("EVM section"). Financial information included in the EVM section contains non-GAAP financial measures. The EVM principles differ significantly from US GAAP and, accordingly, the Group's results prepared in accordance with US GAAP will differ from its EVM results, and those differences could be material. The Group's annual EVM results can be more volatile than the US GAAP results because, among others, assets and liabilities are measured on a market consistent basis, profit recognition on new contracts is recognised at inception rather than over the lifetime of the contract, and life and health actuarial assumptions are on a best estimate basis as opposed to generally being locked-in. The Group's EVM financial information should not be viewed as a substitute for the Group's US GAAP financial statements. In respect of the financial year starting 1 January 2024 and thereafter, Swiss Re Group will no longer report EVM results.

Credit risk
If the credit markets were to deteriorate, the Group could experience losses. Changes in the market value of the underlying securities and other factors impacting their price could give rise to market value losses. The Group could also face write-downs in other areas of its portfolio, including other structured instruments, and the Group and its counterparties could face difficulties in valuing credit-related instruments. Differences in opinion with respect to valuations of credit-related instruments could result in legal disputes among the Group and its counterparties as to their respective obligations, the outcomes of which are difficult to predict and could be material. The Group is also subject to credit and other risks in its credit business, including reliance on banks that underwrite and monitor facilities in which the Group participates and potential default by borrowers under those facilities.

Liquidity risks
The Group's business requires, and its clients expect, that it has sufficient capital and sufficient liquidity to meet its (re)insurance obligations, and that this would continue to be the case following the occurrence of any foreseeable event or series of events, including extreme catastrophes, that would trigger insurance or reinsurance coverage obligations. The Group's uses of funds include, among other things, payment of its obligations arising in its insurance and reinsurance businesses (including claims and other payments as well as insurance provision repayments due to portfolio transfers, securitisations and commutations), which may include large and unpredictable claims (including catastrophe claims), funding of capital requirements and operating costs, payment of principal and interest on outstanding indebtedness and funding of acquisitions. The Group also has unfunded capital commitments in its private equity and hedge fund investments, which could result in funding obligations at a time when it is subject to liquidity constraints. In addition, the Group has potential collateral requirements in connection with a number of reinsurance arrangements, the amounts of which may be material and the meeting of which could require the Group to liquidate cash equivalents or other securities.

The Group manages liquidity and funding risks by focusing on the liquidity stress that is likely to result from extreme capital markets scenarios or from extreme loss events or combinations of the two. Generally, the ability to meet liquidity needs could be adversely impacted by factors that the Group cannot control, such as market dislocations or interruptions, adverse economic conditions, severe disruption in the financial and worldwide credit markets and the related increased constraints on the availability of credit; changes in interest rates, foreign exchange rates and credit spreads; or by perceptions among market participants of the extent of the Group's liquidity needs.

Unexpected liquidity needs (including to meet collateral calls) could require the Group to increase levels of indebtedness or to liquidate investments or other assets. Should the Group require liquidity at a time when access to bank funding and the capital markets is limited, it may be unable to secure new sources of funding. The Group's ability to meet liquidity needs through asset sales may be constrained by market conditions and the related stress on valuations. In addition, the Group's ability to meet liquidity needs through the incurrence of debt may be limited by constraints on the general availability of credit in the case of bank funding, and adverse market conditions, in the case of capital markets debt. Failure to meet covenants in lending arrangements could further constrain access to liquidity. The Group's ability to meet liquidity needs may also be constrained by regulatory requirements that require regulated entities to maintain or increase regulatory capital, or that restrict intragroup transactions, the timing of dividend payments from subsidiaries or the fact that certain assets may be encumbered or are otherwise not tradeable. Finally, any adverse ratings action against the Group could trigger a need for further liquidity (for example, by triggering termination provisions or margin calls/collateral delivery requirements in contracts to which Swiss Re is a party) at a time when the Group's ability to obtain liquidity from external sources is limited by such ratings action. See also "Risks relating to credit rating downgrades."

Counterparty risks
The Group is exposed to the risk of defaults, or concerns about defaults, by its counterparties. Issuers or borrowers whose securities or loans the Group holds, trading counterparties, counterparties under swaps and other derivative contracts, clearing agents, clearing houses and other financial intermediaries may default on their obligations to the Group due to bankruptcy, insolvency, restructuring, regulatory intervention, lack of liquidity, adverse economic conditions, operations failure, fraud or other reasons, which could also have a material adverse effect on the Group. The Group has increased its allocation to higher return-generating strategies, including high-quality corporate debt and some alternative assets, which tend to also be subject to potentially greater counterparty risk than government bonds.

The Group could also be adversely affected by the insolvency of, or other credit constraints affecting, counterparties in its insurance and reinsurance operations. Moreover, the Group could be adversely affected by liquidity issues at ceding companies or at third parties to whom the Group has retroceded risk, and such risk could be exacerbated to the extent any such exposures are concentrated.

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Corporate calendar

2024

12 April 2024
160th Annual General Meeting

16 May 2024
First quarter 2024 key financial data

22 August 2024
Half-year 2024 results

14 November 2024
Nine months 2024 key financial data

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