

## Press release

# Swiss Re reports a first-quarter IFRS net income of USD 1.1 billion

*Ad hoc announcement pursuant to Article 53 LR*

- **Property & Casualty Reinsurance (P&C Re) net income of USD 552 million; combined ratio of 84.7%<sup>1</sup>**
- **Successful P&C Re April 2024 renewals, with price increase of 12% achieved**
- **Life & Health Reinsurance (L&H Re) net income of USD 412 million**
- **Corporate Solutions net income of USD 194 million; combined ratio of 89.9%<sup>2</sup>**
- **Return on investments (ROI) of 4.0%; recurring income yield of 3.9%**
- **Swiss Re plans to withdraw from iptiQ business**

**Zurich, 16 May 2024 – Swiss Re posted a net income of USD 1.1 billion for the first quarter of 2024. The result benefitted from underwriting discipline and strong investment income. Swiss Re is reporting its results under IFRS for the first time after transitioning from US GAAP as of 1 January 2024.**

Swiss Re's Group Chief Executive Officer Christian Mumenthaler said: "Swiss Re had a good start to the year, with all our main businesses posting strong results. This reflects continued underwriting discipline, a strong return on investments and effective management of operating expenses."

Swiss Re's Group Chief Financial Officer John Dacey said: "The transition to IFRS from US GAAP represents an excellent opportunity to demonstrate the economic value of our businesses. The IFRS framework is also more closely aligned with how we steer the company internally and brings to the fore the earnings power of our leading Life & Health Reinsurance franchise."

### **Strong first-quarter profit of USD 1.1 billion**

Swiss Re reported a net income of USD 1.1 billion and a return on equity (ROE) of 21.3% for the first quarter of 2024. As Swiss Re is reporting under IFRS for the first time, this result is not comparable to the 2023

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### **Additional information**

For press releases, logos and photography of Swiss Re executives, directors or offices go to [www.swissre.com/media](http://www.swissre.com/media)

first-quarter result under US GAAP. Swiss Re is publishing limited unaudited IFRS consolidated financial information for 2023 comparatives in the [Investor and Analyst Presentation](#).

Insurance revenue<sup>3</sup> for the Group reached USD 11.7 billion for the first quarter of 2024. The insurance service result<sup>4</sup>, reflecting the profitability of the underwriting activity, was USD 1.4 billion.

As announced at Investors' Day in December 2023, Swiss Re started to include a reserving uncertainty allowance on new business written across its property and casualty businesses, which is estimated to reduce the Group's post-tax earnings by approximately USD 0.5 billion in 2024.

### **Strong ROI and shareholders' equity**

The Group achieved an ROI of 4.0% in the first quarter, driven by continued increases in recurring income. The recurring income yield for the first three months of 2024 was 3.9%, while the fixed income reinvestment yield stood at 5.0%, continuing to benefit from higher interest rates.

The Group's IFRS shareholders' equity amounted to USD 21.1 billion at the end of the first quarter of 2024. This represents a significant increase compared with the US GAAP shareholders' equity of USD 16.1 billion reported at the end of 2023.

### **P&C Re benefits from disciplined underwriting**

P&C Re reported a net income of USD 552 million for the first quarter. This was primarily driven by disciplined underwriting and a low large natural catastrophe experience in the current period, supported by a solid investment result. The insurance revenue in the first three months of 2024 reached USD 5.0 billion.

P&C Re selectively increased reserves for specific large prior-year natural catastrophe and man-made events, and increased reserves on casualty lines.

P&C Re achieved an insurance service result of USD 704 million and a combined ratio of 84.7% in the first quarter. P&C Re targets a combined ratio below 87% for the full year.

### **Successful P&C Re April renewals**

P&C Re renewed contracts with USD 2.5 billion in treaty premium volume on 1 April 2024. This represents a 6% volume increase compared with the business that was up for renewal. Overall, P&C Re achieved a price increase of 12% in this renewal round. Based on a continued prudent view on inflation and updated loss models, loss assumptions increased by 12%. The resulting portfolio quality is consistent with the Group's 2024 financial targets.

**L&H Re reports a solid first-quarter result**

L&H Re reported a net income of USD 412 million for the first quarter of 2024. This result reflects US mortality experience in line with expectations and a higher investment result driven by increased yields.

L&H Re achieved an insurance revenue of USD 4.8 billion in the first quarter of 2024, with an insurance service result of USD 434 million.

L&H Re targets a net income of approximately USD 1.5 billion for 2024.

**Corporate Solutions with a good start to the year**

Corporate Solutions reported a net income of USD 194 million for the first three months of 2024, confirming its successful trajectory.

The result reflects a sustainable underlying business performance due to continued disciplined underwriting, complemented by lower-than-expected large man-made losses and a strong investment result. Large natural catastrophe losses of USD 66 million were mainly driven by the Noto earthquake in Japan.

Insurance revenue for the first quarter was USD 1.8 billion, benefitting from the good rate environment in most segments and new business growth.

Corporate Solutions achieved an insurance service result of USD 213 million and a combined ratio of 89.9% for the first quarter. Corporate Solutions targets a combined ratio below 93% for the full year.

**Swiss Re plans to withdraw from iptiQ business**

Following a strategic review of its digital white-label platform, Swiss Re plans to withdraw from the iptiQ business and will consider options for the different entities in a manner and timeframe that maximises value for the Group, subject to applicable regulatory approvals and notifications.

Swiss Re's Group Chief Executive Officer Christian Mumenthaler said: "The market environment today is vastly different from the one when iptiQ was created. Given these changed conditions and Swiss Re's strategic priorities, we've concluded we are not the best owners of this business going forward."

**Outlook**

Swiss Re's Group Chief Executive Officer Christian Mumenthaler said: "The strong earnings in the first quarter have given Swiss Re a positive start to the year as we continue to focus on our 2024 targets, including a net income of more than USD 3.6 billion. Underwriting discipline, coupled with a favourable market environment, underpin our confidence."

## Details of Q1 2024 performance

Q1 2024

USD millions, unless otherwise stated

### Consolidated Group (total)

Net income	1 092
Insurance revenue (gross)	11 676
Insurance service result	1 352
Return on equity (% , annualised)	21.3
Return on investments (% , annualised)	4.0
Recurring income yield (% , annualised)	3.9

31.03.2024

Shareholders' equity	21 140
Book value per share (USD)	72.79

Q1 2024

### P&C Reinsurance

Net income	552
Insurance revenue (gross)	4 964
Insurance service result	704
Combined ratio (%)	84.7

### L&H Reinsurance

Net income	412
Insurance revenue (gross)	4 794
Insurance service result	434

### Corporate Solutions

Net income	194
Insurance revenue (gross)	1 836
Insurance service result	213
Combined ratio (%)	89.9

<sup>1</sup> P&C Re combined ratio is not comparable with previous quarters as the definition under IFRS [–Insurance service expense (net) / Insurance revenue (net)] differs from that under US GAAP.

<sup>2</sup> Corporate Solutions combined ratio is not comparable with previous quarters as the definition under IFRS [–(Insurance service expense (gross) + Reinsurance result + Non-directly attributable expenses) / Insurance revenue (gross)] differs from that under US GAAP.

<sup>3</sup> Insurance revenue (gross) reflects the expected discounted claims and expenses, release of risk capital costs, as well as release of expected profit for the services provided in a period.

<sup>4</sup> Insurance service result reflects the discounted underwriting profit earned from providing insurance coverage in a given period: comprises insurance revenue (gross) less insurance service expenses (gross) plus reinsurance result.

### Financial calendar

22 August 2024	Half-year 2024 results
14 November 2024	Nine-month 2024 results
27 February 2025	Full-year 2024 results
13 March 2025	Publication of the Annual Report 2024

### Media conference call

Swiss Re will hold a media conference call this morning at 08:30 CEST. To participate, please dial in 10 minutes prior to the start using the following numbers:

Switzerland/Europe: +41 (0) 58 310 50 00  
United Kingdom: +44 (0) 207 107 06 13  
United States: +1 (1) 631 570 56 13

For additional local dial-in numbers, please click [here](#).

### Investor and analyst call

Swiss Re will hold an investors' and analysts' [webcast](#) at 14:00 CEST, which will focus exclusively on Q&A. The investor and analyst presentation can be accessed [here](#).

### About Swiss Re

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

### Cautionary note on forward-looking statements

Certain statements and illustrations contained herein are forward-looking. These statements (including as to plans, objectives, targets, and trends) and illustrations provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact.

Forward-looking statements typically are identified by words or phrases such as “anticipate”, “target”, “aim”, “assume”, “believe”, “continue”, “estimate”, “expect”, “foresee”, “intend” and similar expressions, or by future or conditional verbs such as “will”, “may”, “should”, “would” and “could”. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause Swiss Re's (the "Group") actual results of operations, financial condition, solvency ratios, capital or liquidity positions or prospects to be materially different from any future results of operations, financial condition, solvency ratios, capital or liquidity positions or prospects expressed or implied by such statements or cause the Group to not achieve its published targets. Such factors include, among others:

- macro-economic events or developments including 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, man-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 cyclical nature of the reinsurance sector;
- the Group's ability to maintain sufficient liquidity and access to capital markets, including sufficient liquidity to cover potential recapture of reinsurance agreements, early calls of debt or debt-like arrangements and collateral calls due to actual or perceived deterioration of the Group's financial strength or otherwise;
- the Group's inability to realise amounts on sales of securities on the Group's balance sheet equivalent to their values recorded for accounting purposes;
- the Group's inability to generate sufficient investment income from its investment portfolio, including as a result of fluctuations in the equity and fixed income markets, the composition of the investment portfolio or otherwise;
- changes in legislation and regulation or the interpretations thereof by regulators and courts, affecting the Group or its ceding companies, including as a result of comprehensive reform or shifts away from multilateral approaches to regulation of global operations;
- matters negatively affecting the reputation of the Group, its board of directors or its management;
- the lowering, loss or giving up of one of the financial strength or other ratings of one or more companies in the Group, and developments adversely affecting its ability to achieve improved ratings;
- uncertainties in estimating reserves, including differences between actual claims experience and underwriting and reserving assumptions, 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.

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