

Press release

Swiss Re increases net income to USD 3.2 billion and delivers a 22% ROE for 2023

Ad hoc announcement pursuant to Article 53 LR

- **Property & Casualty Reinsurance (P&C Re) net income of USD 1.9 billion; combined ratio of 94.8%¹**
- **Life & Health Reinsurance (L&H Re) net income of USD 976 million**
- **Corporate Solutions net income of USD 678 million; combined ratio of 91.7%¹**
- **Return on investments (ROI) of 3.4%; recurring income yield increased to 3.9% in the fourth quarter**
- **P&C Re increased premium volume by 9% in the January 2024 renewals and achieved price increases of 9%**
- **Strong capital position with a Group Swiss Solvency Test (SST) ratio above the target range as of 1 January 2024**
- **Board of Directors to propose a dividend increase of 6% to USD 6.80 per share at the Annual General Meeting on 12 April 2024**
- **Swiss Re targets Group net income under IFRS of more than USD 3.6 billion in 2024**

Zurich, 16 February 2024 – Swiss Re increased net income to USD 3.2 billion in 2023, with a net income of USD 748 million in the fourth quarter, and delivered a return on equity (ROE) of 22.3% for the full year. Based on Swiss Re's improved profitability, the Board of Directors will propose an increased dividend of USD 6.80 per share. For 2024, the Group targets a net income of more than USD 3.6 billion under IFRS.

Swiss Re's Group Chief Executive Officer Christian Mumenthaler said: "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. Improved price adequacy in our property and casualty businesses following strong renewals and our underwriting discipline helped us to manage elevated industry losses from natural catastrophes, while L&H Re achieved a solid result, benefitting from active in-force portfolio management and a strong investment performance."

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Swiss Re's Group Chief Financial Officer John Dacey said: "Our businesses are well positioned to benefit from the current market environment, while the higher interest rate environment supports recurring investment income. This positive earnings momentum gives us confidence to increase the pay-out to investors by proposing a 6% higher ordinary dividend of USD 6.80 per share for 2023."

Group result benefits from an attractive market environment and strong underwriting discipline

Swiss Re reported a net income of USD 3.2 billion and an ROE of 22.3% for the full-year 2023, compared with a net income of USD 472 million and a ROE of 2.6% in the previous year. The result was supported by improved underwriting margins while higher interest rates drove an increase in investment income.

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%.

Substantially higher recurring investment income and strong capital position

Swiss Re's ROI for the full year increased materially to 3.4% from 2.0% in 2022. The recurring income yield increased to 3.6% for 2023 from 2.6% in the previous year, benefitting from reinvestments in the higher interest rate environment. In the fourth quarter, the recurring income yield rose to 3.9%, while the reinvestment yield reached 5.0%.

Swiss Re's capital position continued to be strong, supported by solid earnings and the benefit of higher interest rates. As a result, the Group Swiss Solvency Test (SST) ratio remained above the 200–250% target range as of 1 January 2024.

P&C Re delivers solid result

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 in 2023², 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. 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%.

The reported P&C Re combined ratio was 94.8%¹ for the full year, meeting the target of less than 95%.

January P&C Re renewals

P&C Re renewed treaty contracts resulting in USD 13.1 billion in premium volume on 1 January 2024. This represents a 9% volume increase compared with the business that was up for renewal. Overall, P&C Re achieved a price increase of 9% in this renewal round. Based on a prudent view on inflation and updated loss models, loss assumptions increased by 11%. The resulting portfolio quality is consistent with the Group's 2024 financial targets.

L&H Re achieves net income target

L&H Re reported a net income of USD 976 million for 2023, compared with USD 416 million in the previous year, and 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.

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 delivers another year of strong performance

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.

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.

The reported Corporate Solutions combined ratio was 91.7%¹ for the full year, outperforming the target of less than 94% for 2023.

iptiQ increases gross premiums written

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. Gross premiums written increased 29.3% year-on-year to USD 1.1 billion in 2023. At constant foreign exchange rates, gross premiums written increased by 28.1%.

iptiQ reported a loss before interest and tax of USD 247 million in 2023, compared with a loss of USD 362 million in 2022.

Financial targets and outlook

Swiss Re confirms the financial targets communicated at Investors' Day in December 2023. For 2024, the Group targets a net income of more than USD 3.6 billion under IFRS, while L&H Re targets a net income of USD 1.5 billion. P&C Re targets an IFRS reported combined ratio of less than 87% for 2024. Corporate Solutions targets an IFRS reported combined ratio of less than 93%. Swiss Re targets a multi-year IFRS ROE of more than 14%.

Swiss Re's Group Chief Executive Officer Christian Mumenthaler said: "In 2024, we continue to put emphasis on underwriting discipline as evidenced in the successful January renewals. Our focus on costs and strengthening proximity to our clients also remains paramount. Finally, the accounting transition from US GAAP to IFRS will be beneficial to our earnings and reported balance sheet strength."

Details of full-year 2023 performance

	FY 2022	FY 2023
USD millions, unless otherwise stated		
Consolidated Group (total)		
Net premiums earned and fee income	43 118	45 003
Net income	472	3 214
Return on equity (% annualised)	2.6	22.3
Return on investments (% annualised)	2.0	3.4
Recurring income yield (% annualised)	2.6	3.6
	31.12.22	31.12.23
Shareholders' equity	12 699	16 146
Book value per share (USD)	43.94	55.60
	FY 2022	FY 2023
P&C Reinsurance		
Net premiums earned	22 028	22 881
Net income	312	1 861
Combined ratio (%) ¹	102.4	94.8
L&H Reinsurance		
Net premiums earned and fee income	14 984	15 648
Net income	416	976
Recurring income yield (% annualised)	3.2	4.1
Corporate Solutions		
Net premiums earned	5 482	5 479
Net income	486	678
Combined ratio (%) ¹	93.1	91.7

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.

Financial calendar 2024

13 March 2024	Publication of Annual Report 2023
12 April 2024	160th Annual General Meeting
16 May 2024	First quarter 2024 results
22 August 2024	Half-year 2024 results
14 November 2024	Nine months 2024 results

Media conference

Swiss Re will hold a media conference at 10:30 CET today. You can join the media conference via your computer or the Teams mobile app using the following link: [Microsoft Teams meeting](#). Alternatively, you can dial in (audio only) using the below conference ID and phone numbers:

Conference ID: 136 135 068#

Switzerland:	+41 (0) 43 210 57 61
United Kingdom:	+44 (0) 20 7660 8302
United States:	+1 (1) 347 343 2594
Germany:	+49 (0) 69 3650 5756 8
France:	+33 (0) 1 7037 8776
Hong Kong:	+852 3704 2823

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 CET, 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, 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 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.