

## Press release

# Swiss Re reports a net income of USD 2.1 billion for the first half of 2024

*Ad hoc announcement pursuant to Article 53 LR*

- **Property & Casualty Reinsurance (P&C Re) H1 2024 net income of USD 989 million; combined ratio of 84.5%<sup>1</sup>**
- **Successful P&C Re July 2024 renewals, consistent with targets**
- **Life & Health Reinsurance (L&H Re) H1 2024 net income of USD 883 million**
- **Corporate Solutions H1 2024 net income of USD 435 million; combined ratio of 88.7%<sup>2</sup>**
- **Return on investments (ROI) of 4.0%; recurring income yield of 4.0%**

**Zurich, 22 August 2024 – Swiss Re reported a profit of USD 996 million in the second quarter of 2024, resulting in a net income of USD 2.1 billion and a return on equity (ROE) of 20.1% for the first half of the year. The Group's financial performance was supported by strong contributions from all Business Units, and Swiss Re maintains its full-year targets.**

Swiss Re's Group Chief Executive Officer Andreas Berger said: "Swiss Re's performance in the first half of 2024 reflects our focus on delivering consistent results. We continue to increase the overall resilience of the firm through a disciplined approach to underwriting new business while remaining on top of loss trends across our in-force portfolios."

Swiss Re's Group Chief Financial Officer John Dacey said: "These results highlight our focus on capital allocation discipline and quality across our underwriting and investment portfolios. Additionally, higher interest rates continue to benefit our investment income."

### **Group result benefits from disciplined underwriting and strong investment income**

Swiss Re reported a net income of USD 2.1 billion and an ROE of 20.1% for the first half of 2024. The main drivers for this result were disciplined underwriting, low natural catastrophe claims and strong investment income.

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Insurance revenue<sup>3</sup> for the Group amounted to USD 22.5 billion. The insurance service result<sup>4</sup>, which reflects profitability of the underwriting activity, was USD 2.9 billion.

The Group achieved a strong return on investments (ROI) of 4.0%, driven by contributions from recurring income. The recurring income yield for the first half of 2024 was 4.0%, while the reinvestment yield for the second quarter stood at 4.8%, continuing to benefit from higher interest rates.

### **P&C Re maintains performance with disciplined underwriting**

P&C Re reported a net income of USD 989 million in the first half of 2024. This was primarily driven by disciplined underwriting and low large natural catastrophe experience, alongside strong investment income. The insurance revenue for the first half of 2024 was USD 9.8 billion.

In property and specialty lines, the low reported natural catastrophe claims in the first half of the year were partially offset by selected additions across natural catastrophe and man-made loss reserves, the large majority of which were in the form of incurred-but-not-reported reserves. P&C Re also increased reserves on specific casualty lines.

P&C Re achieved an insurance service result of USD 1.4 billion and a combined ratio of 84.5%, despite the additions to reserves and the uncertainty load introduced on all lines since the beginning of this year. P&C Re targets a combined ratio below 87% for the full year.

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

P&C Re renewed contracts with USD 4.5 billion in treaty premium volume on 1 July 2024. This represents a 7% volume increase compared with the business that was up for renewal. Overall, P&C Re achieved a price increase of 8% in this renewal round. Based on a continued prudent view on inflation and updated loss models, loss assumptions increased by 10%. The resulting portfolio quality is consistent with the Group's 2024 financial targets.

### **L&H Re performance supported by improved US mortality experience**

L&H Re reported a net income of USD 883 million in the first half of 2024, reflecting positive US mortality experience and higher investment income. This was partially offset by unfavourable developments in the EMEA region.

L&H Re achieved an insurance revenue of USD 8.7 billion and an insurance service result of USD 1.0 billion.

Following a successful first half of 2024, L&H Re continues to target a net income of approximately USD 1.5 billion for the full year.

### **Corporate Solutions continues to deliver strong results**

Corporate Solutions reported a net income of USD 435 million in the first half of 2024. The continued strong result reflects a consistent underlying business performance, further enhanced by benign claims experience in the first six months of the year and supported by a strong investment

income. Insurance revenue for the first half of 2024 was USD 3.8 billion. Nominal rates increased by approximately 3% for the first half of the year, remaining flat on a risk-adjusted basis.

Stringent portfolio steering and disciplined underwriting resulted in strong in-force and new business margins complemented by low man-made loss experience. Large natural catastrophe losses of USD 138 million were mainly driven by the Noto earthquake in Japan and Tropical Cyclone Megan in Australia.

Corporate Solutions achieved an insurance service result of USD 509 million and a combined ratio of 88.7% for the first half of 2024. Corporate Solutions targets a combined ratio below 93% for the full year.

#### **Withdrawal from iptiQ proceeding as planned**

iptiQ reported a net loss of USD 182 million for the first half of 2024, including one-off impairments of goodwill and intangibles of (pre-tax) USD 111 million related to the withdrawal from the business announced in May 2024.

#### **Outlook**

Swiss Re's Group Chief Executive Officer Andreas Berger said: "After a strong start in the first half of this year, we maintain our 2024 targets, including Group net income of more than USD 3.6 billion. Amid a challenging macroeconomic and geopolitical environment, we continue to focus on disciplined underwriting to maintain and where possible improve the resilience of our portfolios to enable delivery of consistent results."

## Details of H1 2024 performance

	<b>H1 2024</b>
USD millions, unless otherwise stated	
<b>Consolidated Group (total)</b>	
Net income	2 088
Insurance revenue (gross)	22 479
Insurance service result	2 858
Return on equity (% , annualised)	20.1
Return on investments (% , annualised)	4.0
Recurring income yield (% , annualised)	4.0
	<b>30.06.24</b>
Shareholders' equity	20 436
Book value per share (USD)	70.05
	<b>H1 2024</b>
<b>P&amp;C Reinsurance</b>	
Net income	989
Insurance revenue (gross)	9 779
Insurance service result	1 411
Combined ratio (%)	84.5
<b>L&amp;H Reinsurance</b>	
Net income	883
Insurance revenue (gross)	8 687
Insurance service result	1 007
<b>Corporate Solutions</b>	
Net income	435
Insurance revenue (gross)	3 797
Insurance service result	509
Combined ratio (%)	88.7

<sup>1</sup> P&C Re combined ratio is defined as  $[-\text{Insurance service expense (net)} / \text{Insurance revenue (net)}]$ .

<sup>2</sup> Corporate Solutions combined ratio is defined as  $[-(\text{Insurance service expense (gross)} + \text{Reinsurance result} + \text{Non-directly attributable expenses}) / \text{Insurance revenue (gross)}]$ .

<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, and comprises insurance revenue (gross) less insurance service expenses (gross) plus reinsurance result.

### Financial calendar

14 November 2024	Nine-month 2024 results
27 February 2025	Full-year 2024 results
13 March 2025	Publication of the Annual Report 2024
11 April 2025	161st Annual General Meeting

### Media conference call

Swiss Re will hold a virtual media conference this morning at 10:30 CEST. You can join the media conference via your computer or Teams mobile app here: [Microsoft Teams Meeting](#).

### 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 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, and historically high inflation rates;
- 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, and any associated governmental and other measures such as sanctions, expropriations and seizures of assets as well as the economic consequences of the foregoing;
- the Group's ability to comply with standards related to environmental, social and governance ("ESG"), sustainability and corporate social responsibility ("CSR") matters and to fully achieve goals, targets, or ambitions 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, in particular in Property & Casualty Reinsurance due to higher costs caused by inflation and supply chain issues;
- policy renewal and lapse rates;
- 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;
- 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;
- 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 and 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. Swiss Re undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

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