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Annual Report 2022

Swiss Re Management Ltd

(Company name as registered in the UK:

Swiss Re Management AG)

FCO 32707

Swiss Re Management Ltd  
8134 Adliswil  
Switzerland



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## Board of Directors, Auditor

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**Board of Directors**

John Dacey  
Cathy Desquesses  
Pravina Ladva

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**Auditor**

KPMG Ltd

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# Annual Report

## Swiss Re Management Ltd

Swiss Re Management Ltd (the Company), is a wholly owned subsidiary of Swiss Re Ltd, the ultimate parent company domiciled in Zurich, Switzerland. The Company's purpose is to provide business support services for Swiss Re Group entities. The Company is headquartered in Switzerland and in addition operates through branches in Slovakia and the United Kingdom.

### Income Statement

Net income for the year ended 2022 amounted to CHF 36 million (2021: 47 million) and is mainly driven by the net result of revenues from services and administrative expenses of CHF 54 million, other operating expenses of CHF 8 million, other revenue of CHF 6 million, non-operating result of CHF -7 million, and income tax expense of CHF 9 million.

### Assets

Total assets decreased from CHF 1020 million as of 31 December 2021 to CHF 1006 million as of 31 December 2022.

Total current assets decreased from CHF 645 million as of 31 December 2021 to CHF 536 million as of 31 December 2022 mainly due to a decrease in receivables from subsidiaries and affiliated companies of CHF 101 million and a decrease in other prepaid expenses of CHF 12 million, partially offset by an increase in other receivables of CHF 4 million.

Total non-current assets increased from CHF 376 million as of 31 December 2021 to CHF 470 million as of 31 December 2022 mainly due to an increase in right of use assets of CHF 104 million due to extension of multiple lease contracts and a decrease in tangible assets of CHF 12 million.

### Liabilities

Total liabilities increased from CHF 745 million as of 31 December 2021 to CHF 805 million as of 31 December 2022.

Short-term liabilities decreased from CHF 385 million as of 31 December 2021 to CHF 306 million as of 31 December 2022 mainly due to a decrease in other current liabilities of CHF 54 million, decrease in short-term lease liabilities of CHF 13 million, decrease in other payables of CHF 10 million, decrease in accrued expenses of CHF 6 million and in tax provisions of CHF 2 million, partially offset by an increase in payables to subsidiaries and affiliated companies of CHF 7 million.

Long-term liabilities increased from CHF 360 million as of 31 December 2021 to CHF 498 million as of 31 December 2022 mainly due to an increase in long-term lease liabilities of CHF 117 million, an increase in other provisions of CHF 25 million and an increase in subordinated loan of CHF 2 million, partially offset by a decrease in provision for currency fluctuation of CHF 6 million.

### Shareholder's equity

Shareholder's equity decreased from CHF 275 million as of 31 December 2021 to CHF 201 million as of 31 December 2022 driven mainly due to dividend payout of CHF 110 million, partially offset by the net income for the financial year 2022 of CHF 36 million.

### Note on risk factors

Macro-economic events or developments including increased volatility and/or disruption in global markets and high inflation rates as well as losses associated with insured claim events, particularly natural catastrophes, pandemics or man-made disasters, including the ongoing war in Ukraine, could adversely affect the Company's results of operations. The Group continues to monitor these developments and their impacts on its operations and its investments.

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# Income statement

## Swiss Re Management Ltd

For the periods ended 31 December

CHF thousands	Notes	2021	2022
<b>Operating result</b>			
<b>Operating revenues</b>			
Revenue from services	2	1 653 232	1 494 432
Other revenue	2	11 760	5 694
<b>Total operating revenues</b>		<b>1 664 992</b>	<b>1 500 126</b>
<b>Operating expenses</b>			
Administrative expenses	2	-1 603 943	-1 440 823
Other operating expenses	2	-60	-7 899
<b>Total operating expenses</b>		<b>-1 604 003</b>	<b>-1 448 722</b>
<b>Total operating result</b>		<b>60 989</b>	<b>51 404</b>
<b>Non-operating result</b>			
<b>Non-operating revenues</b>			
Interest income		240	439
Other non-operating income		3 150	0
<b>Total non-operating revenues</b>		<b>3 390</b>	<b>439</b>
<b>Non-operating expenses</b>			
Interest expense		-4 364	-5 892
Other non-operating expenses		-135	-1 631
<b>Total non-operating expenses</b>		<b>-4 499</b>	<b>-7 523</b>
<b>Total non-operating result</b>		<b>-1 109</b>	<b>-7 084</b>
<b>Income before income tax expense</b>		<b>59 881</b>	<b>44 320</b>
Income tax expense		-12 521	-8 610
<b>Net income</b>		<b>47 360</b>	<b>35 710</b>

The accompanying notes are an integral part of Swiss Re Management Ltd's financial statements.

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# Balance sheet

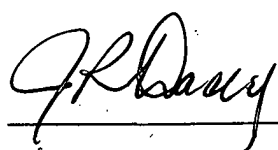
## Swiss Re Management Ltd

As of 31 December

### Assets

CHF thousands	Notes	2021	2022
<b>Current assets</b>			
Cash and cash equivalents		531	956
Receivables from subsidiaries and affiliated companies	3	588 430	487 276
Other receivables		16 475	20 266
Other prepaid expenses		39 128	27 316
<b>Total current assets</b>		<b>644 564</b>	<b>535 814</b>
<b>Non-current assets</b>			
Investments in subsidiaries and affiliated companies	4	72 424	72 524
Tangible assets		86 887	76 042
Right of use assets	5	216 531	320 674
Intangible assets		0	664
<b>Total non-current assets</b>		<b>375 842</b>	<b>469 904</b>
<b>Total assets</b>		<b>1 020 406</b>	<b>1 005 718</b>

The accompanying notes are an integral part of Swiss Re Management Ltd's financial statements.



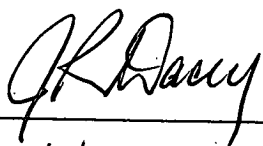
John R. Dacey  
Chairman of the Board

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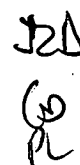
## Liabilities and shareholder's equity

CHF thousands	Notes	2021	2022
<b>Liabilities</b>			
<b>Short-term liabilities</b>			
Payables to subsidiaries and affiliated companies	3	15 447	22 062
Other payables		52 172	42 656
Tax provisions		8 456	6 096
Other current liabilities		174 173	119 915
Short-term lease liabilities	5	47 176	33 738
Accrued expenses		87 662	82 191
<b>Total short-term liabilities</b>		<b>385 086</b>	<b>305 976</b>
<b>Long-term liabilities</b>			
Loans	7	146 678	148 940
Provision for currency fluctuation		5 805	121
Long-term lease liabilities	5	169 855	286 602
Other provisions		37 852	62 558
<b>Total long-term liabilities</b>		<b>360 190</b>	<b>498 902</b>
<b>Total liabilities</b>		<b>745 276</b>	<b>804 878</b>
<b>Shareholder's equity</b>			
Share capital		100	100
Legal reserves from capital contribution		100 000	100 000
Legal capital reserves		100 000	100 000
Legal profit reserves		50	50
Voluntary profit reserves		127 620	64 980
Net income for the financial year		47 360	35 710
<b>Total shareholder's equity</b>		<b>275 130</b>	<b>200 840</b>
<b>Total liabilities and shareholder's equity</b>		<b>1 020 406</b>	<b>1 005 718</b>

The accompanying notes are an integral part of Swiss Re Management Ltd's financial statements.



John R. Dacey  
Chairman of the Board





# Notes

## Swiss Re Management Ltd

### 1 Significant accounting principles

#### **Basis of presentation**

The financial statements are prepared in accordance with Swiss Law.

#### **Time period**

The financial year 2022 comprises the accounting period from 1 January 2022 to 31 December 2022.

#### **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, right of use assets and tangible assets, 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.

#### **Receivables from subsidiaries and affiliated companies/other receivables**

These assets are carried at nominal value. Value adjustments are recorded where the expected recovery value is lower than the nominal value.

#### **Other prepaid expenses**

Other prepaid expenses consist of other expenditure made in the current financial year which will be expenses in the next year (deferred expenses).

#### **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.

#### **Tangible assets**

Tangible assets are carried at cost, less individually scheduled straight-line depreciation over their useful lives. Items of minor value are not capitalised.

#### **Right of use assets**

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for leases of low value assets (a value of USD 200 000 or less). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

#### **Intangible assets**

Intangible assets, consisting of capitalised development costs for software for internal use and Carbon Dioxide Removal certificates (CDR's). Capitalised development costs are measured at cost less straight-line amortisation over the estimated useful life of software. CDR's are not amortised, but are derecognized when used to offset carbon emissions.

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**Payables to third party / subsidiaries and affiliated companies/ other liabilities**

These liabilities are carried at nominal value.

**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 which are payable in a subsequent financial year.

**Loans**

Loans are carried at nominal value.

**Provision for currency fluctuation**

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. This net impact is recognized 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 loss for the financial year, the provision for currency fluctuation is reduced to zero and the excess foreign exchange loss is recognized in the income statement.

**Lease liabilities**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for leases of low value assets (a value of USD 200 000 or less). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

**Other provisions/Tax provisions**

Other Provisions are recognised if there is an obligation in an event that took place prior to the balance sheet date, the amount and/or due date of which is uncertain but capable of being estimated. It mainly includes provisions for long-term employee benefits and provision for taxation, which represents an estimate of taxes payable in respect of the reporting year.

**Revenue from services**

Revenue from services provided is recognised in the accounting period in which the services are rendered. The Company operates on a cost-plus pricing method in line with contractual agreements.

**Dividends from subsidiaries and affiliated companies**

Dividends from subsidiaries and affiliated companies are recognised as other non-operating revenues in the year in which they are declared.

**Foreign exchange transaction gains and losses**

Foreign exchange gains and losses arising from foreign exchange transactions are recognised in the income statement and reported net in other non-operating income or other non-operating expenses, respectively.

**Administrative expenses**

Staff costs, services and other charges are recognised as administrative expenses in the accounting period in which they are incurred by the Company.

**Capital and indirect taxes**

Capital and indirect taxes related to the financial year are included in other non-operating expenses. Value-added taxes are included in the respective expense lines in the income statement.

**Income tax expense**

The Income tax expense relates to the financial year under report.

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## 2 Operating result

CHF thousands	2021	2022
<b>Operating result</b>		
<b>Operating revenues</b>		
Revenue from services	1 653 232	1 494 432
Other revenue	11 760	5 694
<b>Total operating revenues</b>	<b>1 664 992</b>	<b>1 500 126</b>
<b>Operating expenses</b>		
Administrative expenses including	1 603 943	1 440 823
Staff costs	714 548	635 891
IT expenses	418 050	348 138
Consulting&Contractors	71 628	72 947
Office costs	29 062	30 382
Intercompany recharges in	250 091	233 406
Depreciation	70 682	67 705
Travel expenses	754	4 887
Marketing	15 178	17 740
Other	33 950	29 727
Other operating expenses	60	7 899
<b>Total operating expenses</b>	<b>1 604 003</b>	<b>1 448 722</b>
<b>Total operating result</b>	<b>60 989</b>	<b>51 404</b>

## 3 Receivables / Payables from/to subsidiaries and affiliated companies

As of 31 December 2022	Receivable	Payable
CHF thousands		
Swiss Re Ltd	63 042	0
Subsidiaries	646	7 948
Affiliated companies	423 588	14 114
<b>Total</b>	<b>487 276</b>	<b>22 062</b>
As of 31 December 2021	Receivable	Payable
CHF thousands		
Swiss Re Ltd	69 699	0
Subsidiaries	1 270	11 445
Affiliated companies	517 461	4 002
<b>Total</b>	<b>588 430</b>	<b>15 447</b>

## 4 Investments in subsidiaries and affiliated companies

As of 31 December 2022 and 31 December 2021, the Company held directly the following investments in subsidiaries and affiliated companies, neither of these investments have been impaired at the balance sheet date:

As of 31 December 2022 and 31 December 2021	Domicile	Currency	% Affiliation	% Voting Interest
Swiss Re Management (US) Corporation	Delaware	USD	100.00	100.00
Swiss Re Global Business Solutions India Private Limited	Bangalore	INR	0.01	0.01
Swiss Re Global Business Solutions India Private Limited	Bangalore	INR	99.99	99.99
Swiss Re Solutions Ltd	Switzerland	CHF	100.00	100.00

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## 5 Leases

The Company has entered into multiple agreements in the position of a lessee mainly in relation of real estate. The Company assesses whether a contract is or contains a lease, at inception of a contract.

The Company has recognized the following amounts related to leases in its annual report:

in thousand of CHF	31 December 2021	31 December 2022
Balance sheet:		
Right-of-use asset	216 531	320 674
Lease liability	217 031	320 340
Income statement (for the year):		
Depreciation expense	48 689	46 724
Interest expense	429	1 856

The overview of contractual future lease liability payments are as follows:

in thousand of CHF	31 December 2022
within 1 year	33 738
1-5 years	135 505
over 5 years	151 162
<b>Total</b>	<b>320 405</b>

in thousand of CHF	31 December 2021
within 1 year	47 515
1-5 years	157 357
over 5 years	13 305
<b>Total</b>	<b>218 177</b>

## 6 Contingent liabilities

The Company provided a number of guarantees to its subsidiaries in total amount of USD 43 million (2022: CHF 40 million, 2021: CHF 40 million) in order to guarantee the leases of the offices occupied by the employees. These guarantees are not limited by a nominal amount but rather by the exposure of the underlying business.

The Company is part of the Swiss Re value added tax (VAT) group and is therefore jointly liable for existing and future VAT claims for the Swiss Federal Tax Administration.

## 7 Loans

In December 2015 the Company entered into an uncommitted subordinated revolving loan facility agreement of USD 300 million with its parent company Swiss Re Ltd. As of 31 December 2022, the facility was drawn down in the amount of USD 161 million (CHF 150 million) with interest rate of 3M USD Libor plus 1.54% and with maturity date of 6 January 2025. The Company also had an undrawn short-term investment facility agreement with its parent company Swiss Re Ltd in total amount of USD 200 million.

in thousand of CHF	31 December 2022
within 1 year	0
1-5 years	148 940
over 5 years	0
<b>Total</b>	<b>148 940</b>

in thousand of CHF	31 December 2021
within 1 year	0
1-5 years	146 678
over 5 years	0
<b>Total</b>	<b>146 678</b>

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## 8 Commitments

Total off-balance-sheet commitments, primarily from non-cancellable IT service contracts for the next five years and thereafter are as follows:

CHF thousands	2022 Commitments
2023	57 010
2024	30 336
2025	16 693
2026	4 425
2027	2 804
After 2027	4 731
<b>Total commitments</b>	<b>115 999</b>

CHF thousands	2021 Commitments
2022	74 900
2023	50 120
2024	23 708
2025	14 878
2026	2 424
After 2026	4 779
<b>Total commitments</b>	<b>170 809</b>

## 9 Release of undisclosed reserves

In the financial years 2022 and 2021, there were no net undisclosed reserves.

## 10 Obligations towards employee pension fund

As of 31 December 2022, other current liabilities included CHF 6 million (2021: CHF 6 million) payable to the employee pension fund.

## 11 Personnel information

As of 31 December 2022, the Company employed staff at an average of 3 209 (2021: 3 164) full time equivalents. Personnel expenses including salary, bonus, social security and other personnel expenses for the financial year 2022 amounted to CHF 635 million (2021: CHF 715 million).

## 12 Subsequent events

Subsequent events for the current reporting period have been evaluated up to 12 May 2023. This is the date on which the financial statements are available to be issued. No events that would require an adjustment or a disclosure in the financial statements for the year ended 31 December 2022 were identified.

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# Proposal for allocation of disposable profit

The Board of Directors proposes to the Annual General Meeting to be held in Zurich on 12 May 2023 to approve the following allocation of profit and payment of a cash dividend:

## Retained earnings

CHF thousands	2021	2022
Retained earnings brought forward	–	–
Net income for the financial year	47 360	35 710
<b>Disposable profit</b>	<b>47 360</b>	<b>35 710</b>
Allocation to voluntary profit reserves	–47 360	–35 710
<b>Retained earnings after allocation</b>	<b>–</b>	<b>–</b>

## Voluntary profit reserves

CHF thousands	2021	2022
Voluntary profit reserves brought forward	127 620	64 980
Allocation from retained earnings	47 360	35 710
Proposed cash dividend	–110 000	–35 000
<b>Voluntary profit reserves after allocation and cash dividend</b>	<b>64 980</b>	<b>65 690</b>

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## Cautionary note on forward-looking statements

Certain statements and illustrations contained herein are forward-looking. These statements 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", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as "will", "should", "would" and "could". These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Company's actual results, performance, achievements or prospects to be materially different from any future results, performance, achievements or prospects expressed or implied by such statements. Such factors include, among others:

- further instability affecting the global financial system and developments related thereto;
- changes in global economic conditions;
- uncertainties in estimating reserves;
- extraordinary events affecting Swiss Re's clients and other counterparties, such as bankruptcies, liquidations and other
- credit-related events;
- changes in accounting standards;
- changing levels of competition; and
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks.

These factors are not exhaustive.

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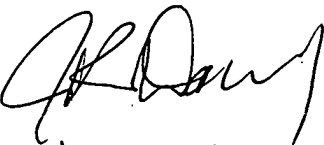

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