Swiss Re – Leading Global Re/insurer

Company presentation as of April 2021
Swiss Re – Leading Global Re/insurer
Swiss Re equity story – risk knowledge company that invests in risk pools

**A truly global reinsurer**

- **... strongly diversified**

- **Profitable long-term growth opportunities**
  - Reinsurance market growth of 5-6% p.a.
  - Leading reinsurer in High Growth Markets
  - iptiQ 2017-20 GPW CAGR of >80%
  - Corporate Solutions turnaround ahead of track

- **Financial strength and defensive profile**
  - Group SST ratio of 215%, within the new target range of 200–250%
  - Capital strength remains resilient to market movements
  - AA- S&P credit rating, A.M. Best A+, Aa3 Moody’s
  - Strong diversification benefit
  - Low investment risk

- **Sector-leading capital management**
  - Dividend CAGR of 8% over 2012-2020
  - Disciplined M&A strategy and organic capital deployment
  - Share buybacks of USD 4.3bn executed since FY 2015

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1. 2020 net premiums earned by region, incl. fee income
2. 2020 Economic Net Worth (ENW) by segment, excl. Group items
3. 10-year outlook: 5.5% for P&C reinsurance and 4.7% for L&H reinsurance; source: Swiss Re Institute 2020
4. As of 1/2021
5. 90% of credit bonds are investment grade rated
6. Economic Net Worth
Overview and Group Strategy
Swiss Re Group at a glance

Swiss Re is a leading and highly diversified global re/insurer, founded in Zurich (Switzerland) in 1863

- Swiss Re Group’s Swiss Solvency Test (SST) ratio for 2020 is 215\(^1\), within the new target range of 200–250\%
- Financial strength\(^2\) of the Swiss Re Group is currently rated: Standard & Poor’s AA- (negative); Moody’s Aa3 (stable); A.M. Best A+ (stable)
- Strong performance on sustainability ratings (Member of DJSI World & DJSI Europe, AAA rating from MSCI)

<table>
<thead>
<tr>
<th>Reinsurance</th>
<th>Corporate Solutions</th>
<th>iptiQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offers traditional reinsurance products, insurance-based capital market instruments and risk management services globally through two segments – Property &amp; Casualty and Life &amp; Health</td>
<td>Commercial insurance arm of the Group providing risk transfer solutions to large and mid-sized corporations around the world</td>
<td>A global B2B2C digital insurance platform aimed at both digital and traditional affinity distribution partners</td>
</tr>
</tbody>
</table>

\(^1\) As of 1/2021
We aim to operate as ‘One Swiss Re’

- **Reinsurance**: A leading global reinsurer
- **Corporate Solutions**: A specialised risk partner with direct access to corporate customers
- **iptiQ**: A globally leading digital B2B2C insurance platform
- **Group foundation**: A balanced approach to accountability, shared values and strengths
We operate a truly global and diversified Group

<table>
<thead>
<tr>
<th>Premiums</th>
<th>Americas</th>
<th>EMEA</th>
<th>Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td>EVM¹</td>
<td>USD 24bn</td>
<td>USD 19bn</td>
<td>USD 15bn</td>
</tr>
<tr>
<td>US GAAP²</td>
<td>USD 19bn</td>
<td>USD 13bn</td>
<td>USD 8bn</td>
</tr>
</tbody>
</table>

«We make the world more resilient»

>150 countries

>100,000 P&C clients supported

>175 million family members supported through L&H Re

Swiss Re’s global access to risks and diversified earnings generation is exceptional in the insurance industry

¹ EVM premiums and fees, FY 2020
² US GAAP net premiums earned (including fee income from policyholders), FY 2020
Swiss Re has generated attractive economic earnings over the last 5 years, despite significant headwinds.

EVM figures excluding COVID-19 impact

1. EVM profit new business
   - USD 465m avg. 2016-2020

2. EVM profit previous years’ business
   - USD -1 036m avg. 2016-2020

3. EVM profit investments
   - USD 729m avg. 2016-2020

4. EVM profit
   - Economic value is created if total economic return generated for shareholders is above expected total return for taking risk (capital costs)
   - USD 157m avg. 2016-2020

5. Capital cost release, debt costs and tax
   - Includes base cost of capital (risk-free return and market risk premium) and frictional capital costs
   - USD 2 735m avg. 2016-2020

6. Total contribution to ENW
   - Represents total economic return generated for shareholders (economic earnings) and is key element of gross excess capital generation
   - USD 2 892m avg. 2016-2020

Total contribution to ENW forms the basis for Swiss Re’s attractive capital management actions.
Swiss Re’s total shareholder return is best tracked by economic net worth (ENW) developments

ENW per share growth vs. total shareholder return

EVM results represent the market relevant information aligned with total return to shareholders

1 Reflects share price development and dividends paid in USD, indexed at year-end 2006 and shown on a cumulative basis to 26 February 2021
2 Calculated as: (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); shown on a cumulative basis and indexed from 29 December 2006
Swiss Re’s capital repatriation remains peer-leading

Dividends and share buyback per share (CHF, CAGR in %)

Swiss Re maintained its very strong capital position and is well positioned to respond to market opportunities while continuing to focus on its capital management priorities.

1 The 0.60 CHF per share for 2020 reflects the last portion of the 2019/2020 share buyback completed in February 2020
We monetise our R&D capabilities, cementing Swiss Re as the leading knowledge company

**R&D value driver framework**

- Business steering
- Capital allocation
- Efficiency
- Risk selection and pricing
- Commercialisation

**Strategic focus areas**

- R&D for UW priorities
- Insurance beta
- Market intelligence
- Data, (automated) solutions
- Process re-engineering

**Project examples**

- Key perils risk views and pricing tools
- Risk engineering services
- Flood risk solutions
- Rapid Damage Assessments
- Insurance markets and cycle analysis
- Macroeconomic R&D
- Magnum, Life Guide, Engineering digital, SwifteRe 2.0
- Group data integration

**2021 R&D FTEs**

- 550

**focussed R&D teams and Group- and BU-clustered activities**

- 9
- 6

**R&D programmes**

- ~100
Our strategy offers more than traditional risk transfer

- **SONAR**
  - New emerging risks insights

- **Swiss Re Institute**

- **Sigma research**

- **SwiftRe®**
  - Surety Client Portal

- **Magnum**
  - Ex Tool
    - MPL for explosions

- **CatNet®**

- **PUMA**
  - Engineering underwriting

- **FacEasy**

- **PULSE**
  - Online risk management

- **Public sector risk transfer**

- **Traditional risk transfer**

- **Large and complex transactions**

- **UBS**

- **Microsoft**

- **Hitachi**

- **verily**

- **Toyota**

- **Daimler**

- **Brokerslink**

- **Allthings**

- **Homebridge**

- **Assurance**

- **BMW**
... although the COVID-19 crisis significantly impacts the risk landscape

<table>
<thead>
<tr>
<th>Key impact on re/insurance industry</th>
<th>Swiss Re response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant uncertainty on ultimate losses</td>
<td>Maintain strong balance sheet and proactively establish <strong>appropriate COVID-19 reserves</strong></td>
</tr>
<tr>
<td>Insurance protection gap further increased</td>
<td>Continue to develop and promote <strong>public-private partnership solutions</strong></td>
</tr>
<tr>
<td>Increasing re/insurance demand with accelerated shift to digital channels</td>
<td>Reinforce commitment to our <strong>digital B2B2C platform iptiQ</strong></td>
</tr>
<tr>
<td>Unprecedented low interest rates expected to remain for longer</td>
<td>Increase focus on <strong>underwriting margins and gradual strategic asset allocation repositioning</strong></td>
</tr>
</tbody>
</table>
Swiss Re’s reported US GAAP COVID-19 losses continue to reflect high levels of IBNR

**Swiss Re’s reported COVID-19 losses in FY 2020** (USD m, pre-tax)

<table>
<thead>
<tr>
<th>Event</th>
<th>IBNR</th>
<th>Paid &amp; case reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event cancellation</td>
<td>815</td>
<td>1,398</td>
</tr>
<tr>
<td>Business interruption</td>
<td>1,104</td>
<td>251</td>
</tr>
<tr>
<td>Credit &amp; surety</td>
<td>53</td>
<td>251</td>
</tr>
<tr>
<td>Mortality&lt;sup&gt;1&lt;/sup&gt;</td>
<td>-</td>
<td>912</td>
</tr>
<tr>
<td>Other lines&lt;sup&gt;1&lt;/sup&gt;</td>
<td>342</td>
<td>503</td>
</tr>
<tr>
<td>Total&lt;sup&gt;1&lt;/sup&gt;</td>
<td>1,910</td>
<td>3,879</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sector</th>
<th>P&amp;C Re</th>
<th>L&amp;H Re</th>
<th>Corporate Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Q1</td>
<td>411</td>
<td>-</td>
<td>404</td>
</tr>
<tr>
<td>2 Q2</td>
<td>1,104</td>
<td>-</td>
<td>294</td>
</tr>
<tr>
<td>3 Q3</td>
<td>53</td>
<td>-</td>
<td>198</td>
</tr>
<tr>
<td>4 Q4</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Swiss Re maintains a consistent approach to booking expected COVID-19 related losses**

<sup>1</sup> Life Capital reported USD 27m of COVID-19 losses in FY 2020, thereof USD 23m related to mortality and USD 4m to other lines
## Remaining COVID-19 losses are estimated at USD <0.5bn across P&C Reinsurance and Corporate Solutions in 2021

<table>
<thead>
<tr>
<th>Event</th>
<th>Pre-tax US GAAP losses booked in FY 2020 (USD)</th>
<th>Best estimate of pre-tax US GAAP losses(^1) in FY 2021 (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event cancellation</td>
<td>0.8bn</td>
<td>&lt;0.2bn</td>
</tr>
<tr>
<td>Business interruption</td>
<td>1.4bn</td>
<td>&lt;0.1bn</td>
</tr>
<tr>
<td>Credit &amp; surety and other lines</td>
<td>0.8bn</td>
<td>&lt;0.2bn</td>
</tr>
<tr>
<td>Mortality</td>
<td>0.9bn</td>
<td>~0.2bn (^1)</td>
</tr>
</tbody>
</table>

\(^1\) Best estimate based on information and projections available as of February 2021

- **Event cancellation**: Corporate Solutions has limited exposure in 2021 as book is in run-off. Ultimate loss assumption anticipates larger sporting events will take place without spectators in 2021.

- **Business interruption**: Limited exposure in 2021 as vast majority of reinsurance treaties have been renewed with infectious disease exclusions. Remaining exposure driven by yet-to-be-renewed contracts.

- **Credit & surety and other lines**: Possible additional adverse impact mainly on credit & surety and disability. Impact dependent on several factors, including government stimulus, vaccine roll-out and knock-on effects from lockdowns.

- **Mortality**: Excess mortality dependent on additional factors such as severity of flu season and progress of vaccine roll-out.
Capital Management
Our Group targets and capital management priorities remain unchanged

**Group financial targets**

**Over-the-cycle targets**

- **Rf + 700 bps**
  - Return on equity\(^1\)
- **10%**
  - ENW per share growth\(^2\)

**Capital management priorities**

1. **Priority I**
   - Ensure superior capitalisation at all times and maximise financial flexibility

2. **Priority II**
   - Grow the regular dividend with long-term earnings, and at a minimum maintain it

3. **Priority III**
   - Repatriate excess capital to shareholders
   - Deploy capital for business growth where it meets our strategy and profitability targets

4. **Priority IV**

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\(^1\) 700bps above 10y US government bonds. Management to monitor a basket of rates reflecting Swiss Re’s business mix.  
\(^2\) The 10% ENW per share growth is calculated as: (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)
2020 featured strong dividend flows to the Group

**Excellent track record of external capital repatriation**

<table>
<thead>
<tr>
<th>Year</th>
<th>Ordinary dividend</th>
<th>Share buyback and special dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1.6</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>1.6</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>1.7</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>1.9</td>
<td></td>
</tr>
<tr>
<td>2021E</td>
<td>1.9</td>
<td></td>
</tr>
</tbody>
</table>

USD bn, in year paid

**Liquid funds at Group level**

| Year-end 2020 | 4.0
| Life Capital dividend paid in 2020 | 1.5
| Other free funds | 2.5

**Internal dividend flows (USD bn, in year paid)**

**Swiss Re**

<table>
<thead>
<tr>
<th>Reinsurance</th>
<th>Corporate Solutions</th>
<th>Life Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD bn</td>
<td>USD bn</td>
<td>USD bn</td>
</tr>
<tr>
<td>2.6</td>
<td>0.2</td>
<td>1.1</td>
</tr>
<tr>
<td>2.0</td>
<td>0.1</td>
<td>1.1</td>
</tr>
<tr>
<td>1.7</td>
<td>0.0</td>
<td>0.5</td>
</tr>
<tr>
<td>1.7</td>
<td>0.0</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Capital contributions of USD 1.0bn in 2017, USD 0.6bn in 2019 and USD 0.3bn in 2020

Capital contribution of USD 1.6bn in 2016 for Guardian acquisition and USD 1.1bn in 2017 – 2020

**Share buyback and special dividend**

Ordinary dividend

**Per share in CHF**

| 2017 | 3.40 |
| 2018 | 4.85 |
| 2019 | 4.20 |
| 2020 | 5.00 |
| 2021E | 5.90 |

1 Capital repatriation includes AGM 2021 proposal for ordinary dividend
Swiss Re maintains a very strong Group capital position, with Group SST ratio within the newly established target range

**Group SST ratio\(^1\) development**

USD bn unless otherwise stated

<table>
<thead>
<tr>
<th>Date</th>
<th>SST Available Capital</th>
<th>SST Economic Target Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/2016</td>
<td>44.8</td>
<td>17.2</td>
</tr>
<tr>
<td>1/2017</td>
<td>46.1</td>
<td>17.6</td>
</tr>
<tr>
<td>1/2018</td>
<td>46.3</td>
<td>17.2</td>
</tr>
<tr>
<td>1/2019</td>
<td>40.6</td>
<td>16.2</td>
</tr>
<tr>
<td>1/2020</td>
<td>41.9</td>
<td>18.0</td>
</tr>
<tr>
<td>1/2021</td>
<td>41.5</td>
<td>19.3</td>
</tr>
</tbody>
</table>

\(^1\) Group SST ratio calculation: SST available capital / SST economic target capital = (SST risk-bearing capital − MVM) / (SST target capital − MVM)

\(^2\) Group SST target range was introduced in 2021

- Despite the impact of COVID-19, the Group SST ratio remains very strong and within the target range of 200-250%.
- The decline of 17%pts was principally driven by COVID-19 losses and the impact of lower interest rates and increased market volatilities on target capital.
Group solvency capital generation in 2020

<table>
<thead>
<tr>
<th>SST available capital (USD bn)</th>
<th>SST 1/2020</th>
<th>ReAssure sale</th>
<th>Economic earnings</th>
<th>Interest rate, volatilities and FX impact</th>
<th>Capital deployment</th>
<th>Other (incl. valuation differences)</th>
<th>Change in supplementary capital</th>
<th>Capital repatriation</th>
<th>SST 1/2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>SST available capital</td>
<td>41.9</td>
<td>-0.5</td>
<td>-0.4</td>
<td>-0.2</td>
<td>-0.6</td>
<td>+0.9</td>
<td>+1.7</td>
<td>-1.1</td>
<td>41.5</td>
</tr>
</tbody>
</table>

| SST ratio | 232% | 19%pts | -3%pts | -31%pts | -7%pts | +2%pts | +9%pts | -6%pts | 215% |

<table>
<thead>
<tr>
<th>SST economic target capital (USD bn)</th>
<th>SST 1/2020</th>
<th>ReAssure sale</th>
<th>Interest rate, volatilities and FX impact</th>
<th>Capital deployment</th>
<th>Other</th>
<th>SST 1/2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>SST economic target capital</td>
<td>18.0</td>
<td>-1.5</td>
<td>+2.2</td>
<td>+0.3</td>
<td>+0.3</td>
<td>19.3</td>
</tr>
</tbody>
</table>

1. SST available capital: SST risk bearing capital = MVM; SST economic target capital: SST target capital = MVM
2. Foreign exchange impact on SST available capital and interest rate impact on valuation differences between EVM and SST; foreign exchange, interest rates and market volatilities impact on SST economic target capital
3. SST available capital: change in MVM from business update; SST economic target capital: change in shortfall from business update and market moves, i.e., in credit spreads
4. Includes model changes
5. Includes USD 1.2bn new issuances and USD 0.5bn market moves
6. Includes proposed regular dividend of USD 1.9bn, less pro-rata share of proposed share buyback included in SST 1/2020 that was not executed of USD 0.8bn
Swiss Re’s risk profile is well diversified following the sale of ReAssure

**Group SST economic target capital**

<table>
<thead>
<tr>
<th>Line of Business</th>
<th>Pre-diversification</th>
<th>Diversification</th>
<th>Change to SST 1/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property &amp; Casualty</td>
<td>12.9</td>
<td></td>
<td>+1.2</td>
</tr>
<tr>
<td>Life &amp; Health</td>
<td>11.9</td>
<td></td>
<td>+2.0</td>
</tr>
<tr>
<td>Financial market</td>
<td>10.6</td>
<td></td>
<td>-0.6</td>
</tr>
<tr>
<td>Credit</td>
<td>3.2</td>
<td>-0.3</td>
<td>-0.3</td>
</tr>
</tbody>
</table>

**Total pre-diversification**

- Property & Casualty: 33%
- Life & Health: 31%
- Financial market: 28%
- Credit: 8%

**Swiss Re shortfall**

- Property & Casualty: 31%
- Life & Health: 31%
- Financial market: 30%
- Credit: 8%
- Total: 22.4

**SST adjustment**

- 3.0

**SST economic target capital**

- SST 1/2021: 19.3

**Swiss Re diversified shortfall by line of business**

- USD bn

- Property: 12%
- Casualty: 16%
- Financial Market: 30%
- Life: 27%
- Credit & Surety: 4%
- Specialty: 3%
- Other Credit: 4%

**Notes**

- Increase in P&C risk mainly driven by assumption updates on inflation risk and higher reserving risk related to COVID-19 claims.
- Increase in L&H risk mainly reflects business growth in Asia and the US, lower interest rates and the depreciation of the US dollar against major currencies.
- Lower financial market and credit risks mainly due to sale of ReAssure, partly offset by the impact of higher financial market volatilities.
Capital strength is resilient to market volatility and large losses

**Financial market sensitivities**
Resulting estimated Group SST ratio 1/2021

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Group SST 1/2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity markets (-25%)</td>
<td>211%</td>
</tr>
<tr>
<td>Equity markets (+25%)</td>
<td>218%</td>
</tr>
<tr>
<td>Interest rates (-50bps)</td>
<td>201%</td>
</tr>
<tr>
<td>Interest rates (+50bps)</td>
<td>227%</td>
</tr>
<tr>
<td>Credit spreads (-50bps)</td>
<td>222%</td>
</tr>
<tr>
<td>Credit spreads (+50bps)</td>
<td>210%</td>
</tr>
<tr>
<td>Real estate values (-25%)</td>
<td>208%</td>
</tr>
<tr>
<td>Real estate values (+25%)</td>
<td>223%</td>
</tr>
</tbody>
</table>

**Insurance stresses**
Resulting estimated Group SST ratio 1/2021

1. 1 in 200-year Atlantic hurricane (USD 5.8bn\(^2\))
2. 1 in 200-year Californian earthquake (USD 4.7bn\(^2\))
3. 1 in 200-year Pandemic (USD 3.6bn\(^2\))
4. 1 in 200-year European windstorm (USD 2.3bn\(^2\))
5. 1 in 200-year Japanese earthquake (USD 4.1bn\(^2\))

1 Excluding the impact of earned premiums for the business written and reinstatement premiums that could be triggered as a result of the event
2 Based on 99.5% VaR annualised unexpected loss
Swiss Re’s dynamic capital structure provides significant financial flexibility

Group available capital and leverage

<table>
<thead>
<tr>
<th>Year</th>
<th>Core capital</th>
<th>Subordinated debt</th>
<th>Senior debt</th>
<th>Total leverage ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>36.0 USD bn</td>
<td>1.9 USD bn</td>
<td>3.5 USD bn</td>
<td>24%</td>
</tr>
<tr>
<td>2019</td>
<td>36.1 USD bn</td>
<td>3.1 USD bn</td>
<td>4.1 USD bn</td>
<td>24%</td>
</tr>
<tr>
<td>2020</td>
<td>33.7 USD bn</td>
<td>6.7 USD bn</td>
<td>4.0 USD bn</td>
<td>24%</td>
</tr>
</tbody>
</table>

• Additional USD 2.7bn pre-funded subordinated debt available on demand

Strong access to diversified funding sources

• Despite COVID-19 market turbulence, Swiss Re raised EUR 800m of subordinated debt to support growth opportunities
• Strategic issuance of SGD 350m of subordinated debt in June also highlights our ability to access diversified sources of funding

Funding tool

Subordinated leverage

Outlook

Continued focus on optimising cost of capital and funding business growth

Focus on continued reduction

Continued focus on financial flexibility through our prudent approach to leverage and strong access to diversified funding sources

1 Utilised unsecured LOC and related instruments
2 Funded subordinated debt and contingent capital instruments, excluding non-recourse positions
3 Core capital of Swiss Re Group is defined as economic net worth (ENW)
4 Total on-balance sheet senior and subordinated debt and contingent capital, including drawn LOCs, divided by total capitalisation
Alternative Capital Partners (ACP) is our unified center of expertise in the alternative capital space

AC market leadership

Knowledge and reputation are the foundations for fast access to AC market

- Arranger and structurer for our clients
  
  **1st cat bond structured in 1997**

- Principal investor
  
  **1st investments in ILS ~20 years ago**

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1 Portfolio is composed of tradable securities and other index-based private transactions (e.g. ILW)
2 ILS outstanding notional structured by Swiss Re Capital Markets (structuring agent and/or bookrunner of outstanding ILS bonds)
ACP has sourced more than USD 2bn of additional alternative capital in a challenging market environment since 2018

Exposure management

Support growth in a risk controlled-manner and generate additional revenues

- We manage our net risk exposure by ceding excess risks to ACP investors
- Attractive returns for ACP investors and Swiss Re shareholders
- We earn a commission or spread between risk taking and hedging

Outstanding nat cat bonds

<table>
<thead>
<tr>
<th>Year</th>
<th>USD bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1.0</td>
</tr>
<tr>
<td>H1 2020</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Sidecar platform

<table>
<thead>
<tr>
<th>Year</th>
<th>USD bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>0.5</td>
</tr>
<tr>
<td>H1 2020</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Newly created fund

- Focuses on increasing permanency of third-party capital
- Allows investors to participate alongside Swiss Re
- Enables ease of capital raising throughout the year

Shortfall relief North Atlantic hurricane

<table>
<thead>
<tr>
<th>Year</th>
<th>USD bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>0.0</td>
</tr>
<tr>
<td>H1 2020</td>
<td>4.0</td>
</tr>
</tbody>
</table>

Notional outstanding

Based on valuations as at 31 December 2018 and 1 July 2020

Standalone shortfall
ACP acts as a significant extension of our capital structure

**Capital efficiency**

*Find alternative sources of capital below our WACC and improve our overall portfolio diversification*

- Assessing capital efficiency opportunities in all lines of business to **improve our economic capital usage**
- Executed **successful pilot** with issuance of a combined extreme mortality and North Atlantic hurricane cat bond

---

1 Capital relief at Group target level of 220% SST ratio
P&C and L&H Reinsurance
Differentiation drives our Reinsurance business and enables growth in Core, Transactions and Solutions

<table>
<thead>
<tr>
<th>How we win</th>
<th>Core</th>
<th>Transactions</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand and reputation</td>
<td>Traditional reinsurance offerings</td>
<td>Tailored and structured reinsurance</td>
<td>Additional value-adding services</td>
</tr>
<tr>
<td>Scale and presence</td>
<td></td>
<td>Ability to execute</td>
<td>Joint risk sharing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Balance sheet strength</td>
<td>Tech, innovation and R&amp;D</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Putting strategy into action</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase support to Regional &amp; National clients with traditional covers</td>
<td>Balance Transactions between small, mid-sized and large deals</td>
<td>Solutions support differentiation in Core and Transactions</td>
</tr>
</tbody>
</table>

4-5% p.a. mid-term premium growth outlook in Core market

Diversified book of Transactions with ~200 deals across regions

>40% of our clients utilise one or more of our Solutions
Our business benefits from diversification across client segments, lines of business and regions

We continue to grow our book...

### Economic premiums (USD bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>P&amp;C Re</th>
<th>L&amp;H Re</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>36.5</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>38.9</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>50.8</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>52.5</td>
<td></td>
</tr>
</tbody>
</table>

... and aim to maintain our diversified earnings profile

### P&C Re

<table>
<thead>
<tr>
<th>Year</th>
<th>Regional &amp; National</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>68%</td>
<td>42%</td>
</tr>
<tr>
<td>2018</td>
<td>59%</td>
<td>41%</td>
</tr>
<tr>
<td>2019</td>
<td>64%</td>
<td>38%</td>
</tr>
<tr>
<td>2020</td>
<td>61%</td>
<td>39%</td>
</tr>
</tbody>
</table>

### L&H Re

<table>
<thead>
<tr>
<th>Year</th>
<th>Regional &amp; National</th>
<th>Global</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>52%</td>
<td>48%</td>
</tr>
<tr>
<td>2018</td>
<td>56%</td>
<td>44%</td>
</tr>
<tr>
<td>2019</td>
<td>46%</td>
<td>54%</td>
</tr>
<tr>
<td>2020</td>
<td>45%</td>
<td>55%</td>
</tr>
</tbody>
</table>

### Economic profit (USD bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>P&amp;C Re</th>
<th>L&amp;H Re</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1.7</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>2.0</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>2.4</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>2.2</td>
<td></td>
</tr>
</tbody>
</table>

By client segment:

- Americas: 45%
- EMEA: 35%
- Asia: 20%

By geography:

- Americas: 44%
- EMEA: 20%
- Asia: 36%

---

1. New business underwriting profit above capital costs, assuming normal loss experience in line with costed assumptions for P&C, excluding centralised and unallocated items
2. Based on economic premiums
3. Regional & National clients includes Large client segment
We have a strong client franchise but are not resting on our laurels

Close relationships built over time are one of our key assets, leading to...

2,315 active reinsurance clients

‘Right service for right client’ using client needs and buying segmentation

Clients served both through broker channels and direct relationships

<table>
<thead>
<tr>
<th></th>
<th>L&amp;H Re</th>
<th>P&amp;C Re</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brokered</td>
<td>5%</td>
<td>50%</td>
</tr>
<tr>
<td>Direct</td>
<td>95%</td>
<td>50%</td>
</tr>
</tbody>
</table>

...top rankings with our clients

NMG study Business Capability Index¹, 2020

<table>
<thead>
<tr>
<th></th>
<th>P&amp;C Re</th>
<th>L&amp;H Re</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brokers</td>
<td>#1</td>
<td>#1</td>
</tr>
<tr>
<td>Target market²</td>
<td>#1</td>
<td>#1</td>
</tr>
<tr>
<td>Total market</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>L&amp;H Re</th>
<th>P&amp;C Re</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target market²</td>
<td>#2</td>
<td>#1</td>
</tr>
<tr>
<td>Total market</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ NMG consulting 2020 global study of the reinsurance market; Business Capability Index ranks reinsurers delivering highest value to clients/brokers
² Swiss Re defined target insurers/clients
We have increased our operating efficiency by fully leveraging our global platform

P&C Re cost ratio\(^1\) has reduced, now in line with peers\(^2\)

L&H Re has moved to a more competitive cost ratio\(^1,2\)

Efficiency drivers

- **Smart growth**
  - Reallocation of resources to key growth areas

- **Diversification**
  - Capital efficiency driven by geographic and product mix

- **Right service for right client**
  - Services aligned to client needs

- **Improve efficiency**
  - Smart and lean processes, leveraging technology and footprint

---

\(^1\) Cost ratio: GAAP/IFRS operating expenses plus acquisitions costs

\(^2\) Peers include Hannover Re, Munich Re, SCOR and RGA (for L&H Re)
Our Solutions are designed to accelerate our clients’ business ambitions

Solutions enable our clients to achieve their business goals across the value chain

- **Product development**
  - Customer engagement and risk assessment

- **Underwriting & pricing**
  - Enhancement with predictive models

- **Sales & distribution**
  - Lapse, retention, propensity to buy models / strategies

- **Claims & in-force management**
  - Data insights to improve profitability

---

**Product innovation**
- Agile (co-)creation of next-generation propositions

- **Magnum**
  - Automated L&H underwriting and dynamic risk ratings
  - Applications processed: 13m
  - Efficiency uplift: +80-100%

- **SwiftRe®**
  - P&C risk placement and management platform
  - Quote response time: 5min
  - Reduced UW time: 90%

---

**Economic profit**

<table>
<thead>
<tr>
<th>Year</th>
<th>USD m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>146</td>
</tr>
<tr>
<td>2018</td>
<td>285</td>
</tr>
<tr>
<td>2019</td>
<td>336</td>
</tr>
<tr>
<td>2020</td>
<td>392</td>
</tr>
</tbody>
</table>

**Client benefits**

- # of new launches: >210
- Premiums generated: USD 5bn
- Premiums generated: USD 5bn

---

1. New business underwriting profit above capital costs, assuming normal loss experience in line with costed assumptions, excluding centralised and unallocated items
2. FY 2020 extrapolation based on 6M 2020
We are rebalancing our portfolio in line with our Target Liability Portfolio and our core strengths

Enhanced profitability

Sustainable growth

Exposure management

We actively steer our portfolio...

... based on pricing outlook and market trends

<table>
<thead>
<tr>
<th>Pricing(^1)</th>
<th>X</th>
<th>Exposure(^2)</th>
<th>=</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Property cat</td>
<td>➡</td>
<td>➡</td>
<td>➡</td>
</tr>
<tr>
<td>2</td>
<td>Property non-cat</td>
<td>➡</td>
<td>➡</td>
<td>➡</td>
</tr>
<tr>
<td>3</td>
<td>Liability</td>
<td>➡</td>
<td>➡</td>
<td>➡</td>
</tr>
<tr>
<td>4</td>
<td>Motor</td>
<td>➡</td>
<td>➡</td>
<td>➡</td>
</tr>
<tr>
<td>5</td>
<td>Marine and engineering</td>
<td>➡</td>
<td>➡</td>
<td>➡</td>
</tr>
<tr>
<td>6</td>
<td>Credit &amp; surety</td>
<td>➡</td>
<td>➡</td>
<td>➡</td>
</tr>
<tr>
<td>7</td>
<td>Health</td>
<td>➡</td>
<td>➡</td>
<td>➡</td>
</tr>
<tr>
<td>8</td>
<td>Mortality</td>
<td>➡</td>
<td>➡</td>
<td>➡</td>
</tr>
<tr>
<td>9</td>
<td>Longevity</td>
<td>➡</td>
<td>➡</td>
<td>➡</td>
</tr>
</tbody>
</table>

\(^1\) Based on price adequacy estimate from Target Liability Portfolio
\(^2\) Based on market share target from Target Liability Portfolio
Swiss Re achieved attractive price increases in January 2021 renewals

- 46% of Swiss Re’s reinsurance treaty business renewed in January
- 5.3% price increases in proportional business and 9.1% in non-proportional, with improvements across all regions and lines of business
- Cancelled and negative change on renewed business reflect targeted reduction of large casualty shares and reductions in certain property aggregate exposures
- Further price improvements expected in 2021

**Nominal price change** +6.5%
**Higher loss assumptions** -1.5%
**Lower interest rates** -3.5%

**Premium change** -11%

<table>
<thead>
<tr>
<th>USD bn</th>
<th>Total renewable year-to-date¹</th>
<th>Cancelled</th>
<th>Renewed</th>
<th>Change on renewed</th>
<th>New business</th>
<th>Estimated outcome²</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.8</td>
<td></td>
<td>0.9</td>
<td>7.9</td>
<td>-0.5</td>
<td>0.5</td>
<td>7.8</td>
</tr>
</tbody>
</table>

% of total: 100% -10% 90% -6% +5% 89%

¹ Delta to January 2020 outcome reflects multi-year deals that remain in-force (not up for renewal in 2021) as well as business considered retrospectively as deposit accounted
² Treaty business only; excluding business reported on a deposit accounted basis (USD 2.0bn) and facultative business (USD 0.7bn)
P&C Reinsurance results were impacted by COVID-19 and other large losses, while the underlying performance was strong.

USD 20.8bn in 2020
USD 19.3bn in 2019

- Strong increase in net premiums earned of 8.1% driven by large transactions and growth in nat cat business
- Underwriting margin affected by COVID-19 losses of USD 1.9bn, primarily related to business interruption and event cancellation. In addition, nat cat experience and man-made losses were above expectations
- Improved expense margin due to higher revenues while maintaining expenses flat

Net income (USD m, LHS), Return on equity (%), RHS

Combined ratio (%)

FY 2020 large nat cat events 1.4%pts above expectations. Unfavourable prior-year development impacted the combined ratio by 1.5%pts. COVID-19 impact of 9.2%pts
FY 2020 normalised\(^2\) combined ratio of 96.9%, in line with 97% estimate

Underwriting margin = EBIT / total revenues

\(^1\) Net operating margin = EBIT / total revenues
\(^2\) Assuming an average large nat cat loss burden and excluding (i) prior-year reserve development and (ii) the COVID-19 impact
P&C Re aims to selectively expand the portfolio and increase margins

1. **Nat cat**: continue to develop our book at attractive rates
2. **Specialty**: capture profitable opportunities
3. **Regional & Nationals**: expand our client base
4. **Actual vs expected earnings**: address areas of recent underperformance
L&H Reinsurance achieved a solid underlying performance

**Net premiums earned**

**USD 13.7bn** in 2020

**USD 12.8bn** in 2019

- Strong net premiums earned growth of 6.9% supported by individual large transactions, mainly longevity deals
- Underwriting margin reflects impact of COVID-19 related losses of USD 1.0bn, primarily driven by higher mortality claims in the US and the UK versus expected levels in prior years
- Investment margin continues to be driven by recurring income, supported by gains generated from fixed income securities

**Running yield and ROI (%)**

- Strong ROI despite financial market volatility. Running yield impacted by low interest rate environment
- Underlying ROE of 10.4% excluding impact of COVID-19

**Net income (USD m, LHS), Return on equity (%) (RHS)**

- Net operating margin\(^1\) = EBIT / (total revenues – net investment result unit linked & with profit)
L&H Re aims to continue profitable growth and margin management

1. **Portfolio steering**: develop mortality book and seize opportunities in health and longevity

2. **Growth**: continue expansion in Asia and further portfolio diversification

3. **In-force margins**: active management of in-force business
Corporate Solutions
Corporate Solutions provides access to a USD 800bn underlying direct insurance market

Commercial lines remain an attractive and growing risk pool

GPW in USD bn

<table>
<thead>
<tr>
<th>Year</th>
<th>North America</th>
<th>Latin America</th>
<th>EMEA</th>
<th>Emerging Asia</th>
<th>China</th>
<th>Advanced APAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>635</td>
<td>275</td>
<td>249</td>
<td>20</td>
<td>26</td>
<td>54</td>
</tr>
<tr>
<td>2019</td>
<td>812</td>
<td>368</td>
<td>230</td>
<td>74</td>
<td>35</td>
<td>28</td>
</tr>
<tr>
<td>2030E</td>
<td>1,262</td>
<td>540</td>
<td>338</td>
<td>122</td>
<td>58</td>
<td>53</td>
</tr>
</tbody>
</table>

The global commercial insurance market is expected to grow to USD 1.2+ trillion over the next decade but is highly fragmented.

Corporate Solutions provide complementary access to a large and strategically important market.

Expansion of our addressable market provides diversifying access to risk pools with lower reinsurance cessions.

Corporate Solutions addressable market

Core segments

- Large and mid-sized corporates targeted via bespoke propositions (~30%)

Other market segments

- Targeted selectively via standard underwriting proposition, JVs and partnerships (~70%)

1 Addressable core market based on targeted priority markets. Large corporates turnover > USD 500m, mid-sized corporate turnover > USD 100m
2 Turnover < USD 100m

For the year 2019 the growth rate (CAGR) is 2.3% and for the next decade (2019-2030E) 4.1%.
Our direct access to corporate customers is a strategic asset

Core target customer universe

- Target universe: ~40,000 large and mid-sized corporates
- USD ~250bn GPW

GPW by customer segment

- Direct customer relationships 55%
- Mid-sized Corporates 24%
- Large Corporates 21%
- Other 2%

Target customer universe provides significant room for long-term growth

> 35% of GPW sourced via direct relationships, incl. 123 strategically managed Key Accounts

Leading franchise as a specialised risk partner for corporates

Close direct access and long-term relationships with many industry sector leaders

Provides entry point for Group-wide strategic engagement

1 Includes non-brokered business as well as tripartite relationships with broker involvement in placement
2 Customer segment not specified = includes US A&H and E&S property, LatAm JVs and business written through MGAs
Building on our technical excellence to pursue focused opportunities

Capture market opportunities within our de-commoditised core
- Focus on selected lines and segments where we have a proven competitive advantage
- Leverage strong and continuing rate momentum

Grow with our differentiated Primary Lead propositions
- Drive profitable growth and further improve business mix
- Pursue distinct strategic initiatives, supported by proven technology

Advance our business model beyond risk transfer
- Leverage risk knowledge, technology and data capabilities to offer adjacent services
- Diversify our revenues through fee-based propositions

Excel with the basics
Portfolio oversight and underwriting discipline
Operational excellence and productivity

Enabling foundation
Access to corporates
Tech and data infrastructure
Talent and people capabilities
Corporate Solutions turnaround is ahead of plan

Net premiums earned

USD 4.0bn in 2020

USD 4.2bn in 2019

Net operating margin\(^1\) (%)

Combined ratio (%)

Net income (USD m, LHS), Return on equity (%), RHS

- FY 2020 large nat cat events 0.1\%pts above expectations. Favorable prior-year development reduced the combined ratio by 3.7\%pts. COVID-19 impact of 23.3\%pts
- FY 2020 normalised\(^2\) combined ratio of 96.8\%

\(^1\) Net operating margin = EBIT / total revenues
\(^2\) Assuming an average large nat cat loss burden and excluding (i) prior-year reserve development and (ii) the COVID-19 impact

\[\text{Premiums earned decreased by } 2.9\% \text{ reflecting active pruning of selected underwriting portfolios, partially offset by continued rate hardening} \]

\[\text{Underwriting margin improved, driven by continued rate increases, favourable prior-year development and lower than expected large man-made losses. However, COVID-19 caused a negative impact of USD 943m} \]

\[\text{Investment margin decreased with the impact of lower yields and de-risking as well as moderate losses from insurance in derivative form} \]

\[\text{Expense margin improved, driven by productivity gains and by implementation of pruning measures} \]
## Our Corporate Solutions normalised combined ratio development

<table>
<thead>
<tr>
<th>FY 2018 (normalised(^1))</th>
<th>Assumption revisions</th>
<th>Portfolio pruning</th>
<th>Rate increases</th>
<th>Net expense savings</th>
<th>Adjusted reinsurance structure</th>
<th>Man-made claims activity</th>
<th>2020 (normalised(^1))</th>
<th>FY 2021 target (normalised(^1))</th>
</tr>
</thead>
<tbody>
<tr>
<td>110%</td>
<td>~8%pts</td>
<td>~4%pts</td>
<td>~12%pts</td>
<td>~2%pts</td>
<td>~2%pts</td>
<td>~5%pts</td>
<td>97%</td>
<td>&lt;97%</td>
</tr>
</tbody>
</table>

### Actions taken

- **Increased initial loss picks to address loss inflation trends**
- **Pruning largely completed, P&L impact partially delayed**
- **Strong risk-adjusted price quality increases gradually earning through**
- **Almost all of the gross expense reductions achieved**
- **Significantly reduced net retentions**
- **Impact from large man-made claims lower than expected in 2020**

Further underlying portfolio improvements driven by higher rates and pruning actions, to be offset by:

- Man-made claims activity back at expectation
- Impact of economic downturn on credit & surety
- Strategic investment in growth
- Additional reinsurance protection

---

\(^1\) Assuming an average large nat cat loss burden and excluding (i) prior-year reserve development and (ii) the COVID-19 impact
Shifting our capital allocation towards a rebalanced, less volatile portfolio

**Portfolio split by region and sub-line**

<table>
<thead>
<tr>
<th>Region/Sub-line</th>
<th>2018</th>
<th>FY 2021E</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD 4.7bn</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>USD 4.8bn</td>
<td>22%</td>
<td>26%</td>
</tr>
<tr>
<td>54%</td>
<td>11%</td>
<td>48%</td>
</tr>
<tr>
<td>2%</td>
<td>6%</td>
<td></td>
</tr>
</tbody>
</table>

**Portfolio development**

- **Gross premiums written, USD bn**
  - FY 2018: USD 4.7bn
  - Pruning: -0.9
  - Price increases: 1.0
  - Exposure growth: 0.2
  - Other (e.g. FX): -0.2
  - FY 2021E: ~4.8

**Portfolio protection**

- Increased reinsurance protection implemented in 2019
- Significantly reduced retentions, e.g.:  
  - Cat XL (1st event): USD 200m (from USD 300m)
  - Property XL: USD 35m (from USD 75m)
  - Casualty XL: USD 25m (from USD 50m)
  - Credit & surety XL: USD 35m (from USD 50m)

We have sharpened our focus on areas where we can deploy our competitive strengths and differentiated risk knowledge.
Corporate Solutions continues to benefit from strong pricing trends and rebalancing of portfolio

Corporate Solutions achieved significant price increases
Compound price quality change (%)

- 15% risk-adjusted price quality increases in 2020, following 12% in 2019
- Upward pressure on rates expected to continue
  - Loss inflation trends partially offsetting rate increases
  - Persistent low yield environment
  - COVID-19 as a market-dislocating event

Targeted pruning actions and selected focus areas
Gross premiums written

- Pruning actions largely completed by the end of 2020, while impact on reported results is partially delayed
- Opportunity for selective exposure expansion predominantly in property and selected FinPro lines. Credit & surety remains a target area, but cautious underwriting approach taken given current stage of the cycle

1 Risk-adjusted price quality change for total portfolio, i.e., change in discounted premiums net of commissions / (discounted expected claims + expenses + capital charges and profit margin)
Growing with differentiated Primary Lead propositions

Evolution of Primary Lead capabilities

<table>
<thead>
<tr>
<th>Year</th>
<th>Excess &amp; Follow</th>
<th>GPW share of Primary Lead business</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>35%</td>
<td></td>
</tr>
<tr>
<td>2020E</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>2023E</td>
<td>~55%</td>
<td></td>
</tr>
</tbody>
</table>

- Historical focus on Excess & Follow lines with isolated Primary Lead capabilities in the US
- Systematic capabilities build since 2014 to become an established player
- Today business as usual as part of our core, strategic focus shifting towards differentiation

Generating more Lead business with our differentiated propositions

International Programmes
- Capture opportunities in international programme lead business leveraging leading proprietary technology platform
- Offer superior customer experience where few others excel

Captive Solutions
- Combined Innovative Risk Solutions (IRS) expertise and international programme assets to drive best-in-class solutions
- Meet strong demand of captives in hard market environment

Standard Proposition
- Offer standard covers to customers, providing a more efficient and better priced experience
- Extend our franchise into less volatile mid corporate segment

Primary Lead expansion initiatives will drive profitable growth and further business mix improvements over the coming years
Corporate Solutions’ strategic engagement with corporates extends across Swiss Re Group

Long-term relationships with corporate customers have fostered the possibility for strategic engagements across Swiss Re Group

<table>
<thead>
<tr>
<th>Company</th>
<th>Status</th>
<th>Partnership Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daimler</td>
<td>Swiss Re commercial insurance customer since 2001</td>
<td>Creation of Movinx, a joint provider of mobility insurance services that offers a fully embedded customer journey, making insurance an integrated part of vehicle purchase.</td>
</tr>
<tr>
<td>Microsoft</td>
<td>Swiss Re commercial insurance customer since 1997</td>
<td>Development of next generation tools and platforms to transform the prediction and management of risk in areas such as mobility, Industrial IoT and natural catastrophe resilience.</td>
</tr>
<tr>
<td>Verily</td>
<td>Swiss Re commercial insurance customer since 2006 (parent Alphabet Inc.)</td>
<td>Co-investment in a Verily venture in the US healthcare space offering data-driven risk management solutions for improved employer stop-loss insurance.</td>
</tr>
</tbody>
</table>

Corporate Solutions is a key entry point for strategic engagement with leading corporates across Swiss Re Group

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1 Closing is expected by year-end, subject to satisfaction of customary closing conditions including the receipt of required regulatory approvals.
iptiQ – a global B2B2C digital insurance platform aimed at both digital and traditional affinity distribution partners

**B2B2C model**

- **iptiQ**
  - a global B2B2C digital insurance platform aimed at both digital and traditional affinity distribution partners
  - iptiQ will become a standalone division, reporting directly to the Group CEO
  - Successful launch of iptiQ P&C in Europe with 6 distribution partners already live
  - COVID-19 accelerates shift to digital sales distribution channels, providing further long-term growth opportunities

**Global expansion accelerating**

- >500k customers with 40 partners in 5 markets
- We are further expanding our B2B2C offering while increasing scale of our existing partnerships
Based on growth trajectory and peer valuations we estimate a market-implied valuation of USD ~2bn

**Strong growth trajectory since inception**

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross premiums written (USD m)</th>
<th>CAGR +83%</th>
<th># of partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>61</td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>2018</td>
<td>89</td>
<td></td>
<td>19</td>
</tr>
<tr>
<td>2019</td>
<td>211</td>
<td></td>
<td>29</td>
</tr>
<tr>
<td>2020</td>
<td>371</td>
<td></td>
<td>40</td>
</tr>
</tbody>
</table>

**Attractive peer valuations**

- **Listed peers**
  - 7x
  - 5x
  - 20x

- **Unlisted peers**
  - 3x
  - 7x blended average

---

**USD >350m**

2020 GPW

X

5-7 conservative price/GPW multiple
iptiQ delivered strong growth in 2020 across several KPIs

<table>
<thead>
<tr>
<th>KPI</th>
<th>2019</th>
<th>2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross premiums written (USD m)</td>
<td>211</td>
<td>371</td>
<td>+76%</td>
</tr>
<tr>
<td>In-force policy count (thousands)</td>
<td>377</td>
<td>668</td>
<td>+77%</td>
</tr>
<tr>
<td>Gross income¹ (USD m)</td>
<td>9</td>
<td>37</td>
<td>+311%</td>
</tr>
</tbody>
</table>

- Increase in GPW by USD 160m compared to 2019; strong contribution from emergence of EMEA P&C
- Policy count increased significantly compared to the prior year with strong increases in both L&H (+100k) and P&C (+200k)
- iptiQ earns technical profits on policies sold, though at volumes below the level needed to fully cover operating costs
- iptiQ increased the number of active partners by 11

Note: Figures shown represent iptiQ core business only; transaction business excluded

¹ Calculated as US GAAP pre-tax earnings with operating expenses and net realised gains/losses removed
Asset Management
Swiss Re’s high-quality investment portfolio has performed consistently amid market volatility and the low interest rate environment

Key performance indicators over 5 years

Return on investment (ROI)\(^1\)

- Swiss Re average: 3.6%
- Peer average\(^2\): 3.0%

Excess return (LHS) and Sharpe ratio (RHS)\(^1\)

- Excess return: 0.8% (Swiss Re) vs. 0.5% (Peer average)
- Sharpe ratio: 1.9% (Swiss Re) vs. 1.1% (Peer average)

Fixed income maturities and unrealised gains

Duration split of fixed income maturities

- 72% unrealised gains with maturity >10 years (End 9M 2020)
- 6.7bn net unrealised gains (End 9M 2020)

- Outperformed peers over the last 5 years on both ROI and excess return (with higher Sharpe ratio)
- Fixed income impairment rate (average 1bp over last 5 years) lower than historical A-rated corporate bond defaults (14bps)

- Long-maturity fixed income portfolio extends annual maturities well into the future
- Significant unrealised gains position on long-maturity fixed income supports our running yield’s persistency

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1 Average ROI, excess return and Sharpe ratio calculated over the period 2016 to 9M 2020; excess return is portfolio total return above performance of a risk-free benchmark, aligned with liability duration (excluding FX)

2 Peer group includes Hannover Re, Munich Re and SCOR
Pioneering ESG approach delivers better risk-adjusted returns while providing downside protection

ESG investments outperform during key periods of high volatility

Cumulative excess return of ESG-based indices vs traditional indices

Swiss Re’s YTD ESG outperformance

- Equity¹
  - +1.1% during 9M 2020
- Credit²
  - +0.2% during 9M 2020

<table>
<thead>
<tr>
<th>Sharpe ratios since benchmark transition³</th>
<th>Equity¹</th>
<th>Credit²</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) ESG-based indices</td>
<td>0.43</td>
<td>0.20</td>
</tr>
<tr>
<td>B) Traditional indices</td>
<td>0.38</td>
<td>0.18</td>
</tr>
<tr>
<td>Difference A) - B)</td>
<td>0.05 (+12%)</td>
<td>0.02 (+10%)</td>
</tr>
</tbody>
</table>

¹ ESG index ‘MSCI ACWI ESG Leaders’ vs traditional index ‘MSCI ACWI Index’
² ESG index ‘Bloomberg Barclays MSCI US Corp Sustainability BB and Better Int.’ vs traditional index ‘US Corp Int.’
³ Data based on annualised Sharpe ratios over risk-free benchmark; Swiss Re transitioned to ESG benchmarks in 2017; June 2017 - September 2020
We target outperformance through a set of key initiatives

**Further build-up in private markets**
- Selective growth in private debt and private equity, focusing on price and quality
- Expansion of infrastructure mandate and opportunities such as mid-market loans

**Geographic diversification**
- Balanced portfolio shift towards global GDP, including increase in High Growth Markets
- Global portfolio to conform to ESG and net-zero ambitions

**Increased focus on thematic investing**
- Build on successful implementation of ESG approach along new, high-potential themes
- Leverage proprietary data to invest around select themes, e.g. Healthcare, Digital Infrastructure

**Technology enabling outperformance**
- Leverage advancements in big data and smart analytics across the investment process
- Deploy real-time analysis and proprietary tools/data to enable differentiated decision-making
Strong value drivers will help us thrive in uncertain markets

**Investment outlook**

- Economic recovery underway, while high uncertainty persists
- Monetary and fiscal policies remain very accommodative
- Constructive outlook for financial markets amid strong central bank backstop
- COVID-19 accelerating key trends including digitisation, deglobalisation, ESG
- Increased need to focus on quality and differentiation across regions, sectors, companies

✓ **Portfolio quality and positioning:**
  we continue to deliver stable returns amid a low-yield and highly volatile market environment

✓ **Constructive investment outlook:**
  we are cautiously optimistic and poised to take advantage of attractive opportunities

✓ **Enabled by differentiated value drivers:**
  our approach to thematic investing and smart analytics helps capture outperformance while mitigating downside risk
Strong investment result in 2020 despite unprecedented market volatility

ROI of 3.5% for FY 2020, comprised of net investment income (2.0%) and net realised gains (1.5%)

Net realised losses from impairments of only USD 27m, no increase from H1 2020

Increase in cash and short-term investments reflects defensive positioning and allows for deployment into attractive investment opportunities

Credit investment increase is driven by declining interest rates, net purchases and a favourable fx impact

Increase in equities due to the addition of Phoenix shares as well as net purchases and market value gains

Exposure to credit and equity markets reduced by hedging programme

Running yield of 2.4%, impacted by low interest rate environment

Net investment income below prior year, reflecting the exclusion of the ReAssure portfolio and losses on equity-accounted investments in addition to the impact from lower yields
Swiss Re has a long tradition in sustainability

First sustainability-related publication

2003

Signing of

100% GHG neutral

2007

Formal Sustainable Business Risk Framework developed

2009

Commitment to

2012

Shift of investment portfolio to follow ESG investment benchmarks

2015

Committed to

2016

Commitments to UN Climate Action Summit

2017

Stop providing re/insurance to most carbon-intensive oil & gas production

2018

2019

100% powered by renewable sources

2020

2023

Net-zero GHG emissions across entire business

2030

2050

Signing of

Reduced providing re/insurance to thermal coal

2015

Reduced investing in thermal coal companies

Adopted FSB TCFD recommendations

2017

Net-zero GHG emissions in operations

2020

100% powered by renewable sources

2023

Net-zero GHG emissions in operations

2030

100% powered by renewable sources

2050

100% powered by renewable sources

1979

Signing of

2003

2007

2009

2012

2015

2016

2017

2018

2019

2020

2023

2030

2050

Swiss Re Group | Company presentation | April 2021
We continue to implement our Group Sustainability Strategy

Our **Group Sustainability Strategy** guides us in identifying what is most material.

Through this, we aim to reinforce our efforts to make the **world more resilient and sustainable**.
Sustainability in underwriting: key actions in 2020

**Carbon steering mechanism further advanced**

**Thermal coal:** policy complemented with a treaty approach, introducing stricter coal exposure thresholds from 2023 onwards. Phase-out of thermal coal risks in OECD countries by 2030, and in the rest of the world by 2040.

**Oil and gas:** policy revised in 2020 with a gradual shift away from the 5% most carbon-intensive oil and gas production by 2021, and the 10% most carbon-intensive by 2023.

**Carbon footprinting:** successful carbon footprinting of direct insurance book in 2020. Weighted average carbon intensity is 120 tonnes CO$_2$e/USDm revenue.

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**2020 achievements**

- Total amount of climate protection offered to (sub-)sovereigns: USD 10.7bn
- Wind and solar farms insured: >5,600
- Dialogue engagements with clients on thermal coal: >400

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1 Carbon dioxide equivalent; standard unit for measuring carbon footprint, which includes the wider impact from other greenhouse gases.
Sustainability in investments: built on three cornerstones...

We integrate Environmental, Social, and Governance (ESG) criteria along our investment process aiming to generate higher risk-adjusted returns over the long term.

~100% assets considering ESG criteria

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**Enhancement**

- **ESG benchmarks & criteria**
  - ESG integration focused on ESG risks and opportunities

**Inclusion**

- **Thematic investments**
  - Positive and direct real-world impact supporting a specific purpose

**Exclusion**

- **Sustainability risk assessments**
  - Risk avoidance based on internal Sustainable Business Risk Framework

**Climate Action**

- **Benchmark**
- **Manager selection**
- **Mandate**
- **Stewardship**
- **Monitoring/reporting**
... we focus on climate action and set associated targets

Climate Action

Set targets, take actions, measure & report
Enable the transition to a net-zero emission economy and mitigate climate related risks

Set targets

Set targets to achieve net-zero\(^1\) by 2050

Take actions

Actively manage climate risk & support real economy transition

Measure

Measure & monitor trajectory towards net-zero

Report

Inform shareholders & stakeholders transparently

Targets by 2025

Carbon intensity reduction\(^3\)
-35%

Renewable & social infrastructure

USD +750m

Green, social & sustainability bonds

USD 4bn

Investee company engagement in alignment with

1.5°C

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\(^1\) In alignment with the Net-Zero Asset Owner Alliance Target Setting Protocol

\(^2\) Net-zero refers to net-zero greenhouse gas emissions in the investment portfolio

\(^3\) Target for listed equities & corporate bonds relative to YE 2018
Sustainability in own operations: setting sail on our journey to net-zero

We are committed to net-zero operational emissions by 2030: “Do our best, remove the rest”

100% of our power from renewable sources
- Co-founded the RE100 Initiative together with IKEA in 2014
- Reached our own RE100 target (100% renewable power) in 2020
- Partnered with Apple, Akamai and Etsy to source impactful green power through a Virtual Power Purchase Agreement (VPPA)

30% flight CO₂ reduction target¹
- Building on remote collaboration imposed by COVID-19 restrictions, we aim to prevent flight activity from going back to ‘normal’
- Introduced Group-wide 30% CO₂ reduction target for air travel in 2021
- Do our best: the new target supports our efforts to reduce our own carbon footprint

First multinational company to introduce triple-digit real carbon levy²
- New Carbon Steering Levy set to USD 100/tonne CO₂ in 2021 and will gradually increase to USD 200/tonne CO₂ by 2030
- Further incentivises emission reductions within operations
- Remove the rest: the levy generates funding to compensate residual emissions via carbon removal

¹ Compared to 2018 baseline
² Based on a Swiss Re analysis of CDP Climate Change questionnaires submitted for the 2020 disclosure cycle
Sustainability governance: strengthened through linking sustainability targets to compensation

- Swiss Re has a well-defined governance framework to define, implement and monitor our Group Sustainability Strategy
- In 2020, we included sustainability-related key performance indicators (KPIs) and performance targets in the compensation framework (Group API pool funding process), applicable to the whole Group, including the Group Executive Committee
- At year end, the Group Business Units and Group Functions report on their performance against the targets, and the outcome is considered in the Group API pool funding process
- Whilst the 2020 KPIs were mostly qualitative in nature, 2021 KPIs are quantitative
- The Group Sustainability Council (GSC), composed of Group EC members and further senior management representatives, reviews the annual sustainability assessment
Swiss Re continues to progress as a sustainability leader

What lies ahead:

Sustainability in underwriting
- Quantify and grow sustainability opportunities
- Continue to build lasting partnerships to develop scalable solutions addressing sustainability challenges

Sustainability Risks
- Further enhance Sustainable Business Risk (SBR) Framework
- Include quantitative ESG risk assessments for insurance underwriting in SBR process

Responsible Investing
- Progress on 2025 targets and climate action plan
- Continued optimisation of ESG considerations to further improve risk-adjusted returns

Targets and metrics
- Roll-out of internal carbon levy and travel reduction strategy
- Continue journey on net-zero CO₂ ambitions (operations by 2030, Asset and Liability side by 2050)

Find out more:

Our climate-related financial disclosures summarise the steps we have taken to manage climate-related risks and opportunities, and achieve our commitments towards net-zero carbon emissions.
Global Re/insurance & protection gap
Global cat losses totaled USD 202 billion in 2020, and 44% was insured.
Disaster losses still mostly uninsured, highlighting a protection gap

Economic losses = insured + uninsured losses

Source: Swiss Re Institute
Insured losses in 2020 totalled USD 89 billion

Insured losses, 1970-2020 (USD bn at 2020 prices)

Source: Swiss Re Institute
Swiss Re Public Sector Solutions is dedicated to helping governments at all levels to strengthen their resilience strategies.
Corporate calendar & contacts

Corporate calendar

2021
16 April     157th Annul General Meeting     Zurich
30 April     Q1 2021 Key Financial Data     Conference call
30 July      H1 2021 Key Financial Data     Conference call
29 October   9M 2021 Key Financial Data     Conference call
01 December  Investors’ Day

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- the frequency, severity and development of insured claim events, particularly natural catastrophes, man-made disasters, pandemics, acts of terrorism or acts of war;
- mortality, morbidity and longevity experience;
- the cyclicality of the reinsurance sector;
- 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;
- increased volatility of, and/or disruption in, global capital and credit markets;
- the Group’s ability to maintain sufficient liquidity and access to capital markets, including sufficient liquidity to cover potential recaputure 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 realize 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;
- the lowering or loss 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;
- policy renewal and lapse rates;
- uncertainties in estimating future claims for purposes of financial reporting, particularly with respect to large natural catastrophes and certain large man-made losses, as significant uncertainties may be involved in estimating losses from such events and preliminary estimates may be subject to change as new information becomes available;
- legal actions or regulatory investigations or actions, including in respect of industry requirements or business conduct rules of general applicability;
- the outcome of tax audits, the ability to realize tax loss carryforwards and the ability to realize 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;
- changes in accounting standards, practices or policies;
- strengthening or weakening of foreign currencies;
- the Group’s inability to generate sufficient investment income from its investment portfolio, including as a result of comprehensive reform or shifts away from multilateral approaches to regulation of global operations;
- 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
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