Swiss Re

News release

Swiss Re announces successful completion of ReAssure sale; maintains very strong capital position despite significant addition to COVID-19 loss reserves

- Swiss Re received GBP 1.2 billion and 13.3% stake in Phoenix Group Holdings plc as part of the ReAssure sale
- Swiss Re maintains its very strong capital position, with Group Swiss Solvency Test (SST) ratio above the target level of 220%
- Claims and reserves related to COVID-19 of USD 2.5 billion across the Group, resulting in a net loss of approximately USD 1.1 billion in the first half of 2020
- Group net income, excluding COVID-19 claims and reserves, of approximately USD 0.9 billion in the first half of 2020

Zurich, 22 July 2020 – Swiss Re announced today the completion of the sale of its subsidiary ReAssure Group plc to Phoenix Group Holdings plc following the receipt of all required regulatory and antitrust approvals. The sale has bolstered Swiss Re's capital position, which remains very strong despite significant claims and reserves related to the COVID-19 crisis, totalling USD 2.5 billion before tax in the first half of 2020.

Swiss Re maintains its industry-leading capital position, with the Group SST ratio above the target level of 220% as of 1 July 2020, including the impact from the sale of ReAssure and COVID-19 losses. As part of the sale, Swiss Re received a cash payment of GBP 1.2 billion and shares in Phoenix representing a 13.3% stake. Christopher Minter, Head of Principal Investments and Acquisitions at Swiss Re, will join the Board of Phoenix.

Swiss Re's Group Chief Financial Officer John Dacey said: "Our capital position remains industry-leading. The underlying performance of all our businesses is strong, and they continue to deliver on their strategic objectives, such as the completion of the ReAssure sale. Our teams have conducted a thorough and prudent analysis of all potential exposures related to COVID-19. Based on our current information and related assessments, and noting the unusually high level of uncertainty related to these insured losses, we expect the claims and reserves we have booked the first half of 2020 to cover the majority of our ultimate COVID-19 losses."

The Group already booked USD 476 million of losses related to COVID-19, mainly for event cancellations, in the first quarter. Approximately USD 1.5 billion of the first-half losses impact Property & Casualty Reinsurance

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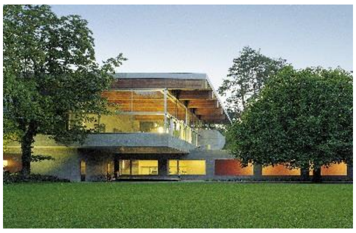
and approximately USD 0.5 billion impact Corporate Solutions. The vast majority of these losses are classified as incurred but not reported (IBNR) reserves and are driven by estimates for affirmative property non-damage business interruption and event cancellation losses. Life & Health Reinsurance is impacted by approximately USD 0.5 billion, mainly as a result of higher mortality claims (reported and IBNR) in the US and the UK versus expected levels.

A range of factors relating to the pandemic, including future infection and mortality rates; the duration and effects of mitigation measures, including on business activity; the timing of an effective vaccine and/or alternative treatment solutions; legislative or regulatory efforts and the outcome of court and arbitration cases on coverage issues; the impact of government stimulus packages; and the severity and duration of recessionary impacts, may impact claims development in the coming quarters, either positively or negatively, relative to Swiss Re's projections.

The Group expects to report a US GAAP net loss for the first half of 2020 of approximately USD 1.1 billion. Group net income, excluding the impact of COVID-19 losses, is expected to be approximately USD 0.9 billion in the first half of 2020, reflecting a strong underlying performance across all businesses. Full first-half 2020 results will be published, as scheduled, on 31 July 2020.

For logos and photography of Swiss Re executives, directors or offices go to https://www.swissre.com/media/electronic-press-kit.html

For media 'b-roll' please send an e-mail to media_relations@swissre.com



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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", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase", "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 Group's 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 Swiss Re to not achieve its published targets. Such factors include, among others:

- 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 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 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;
- 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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