

Swiss Re – Leading Global Re/Insurer

ZKB-Equity-Konferenz, Zurich, 5 November 2020

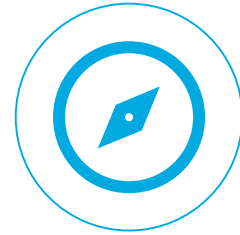
Today's focus areas



Overview and
Group Strategy



Business
Update



Capital
Management



Sustainability



Based on three differentiation drivers, we have built leading insurance businesses





Our client access capabilities are unique

We maintain strong direct relationships with our reinsurance clients...

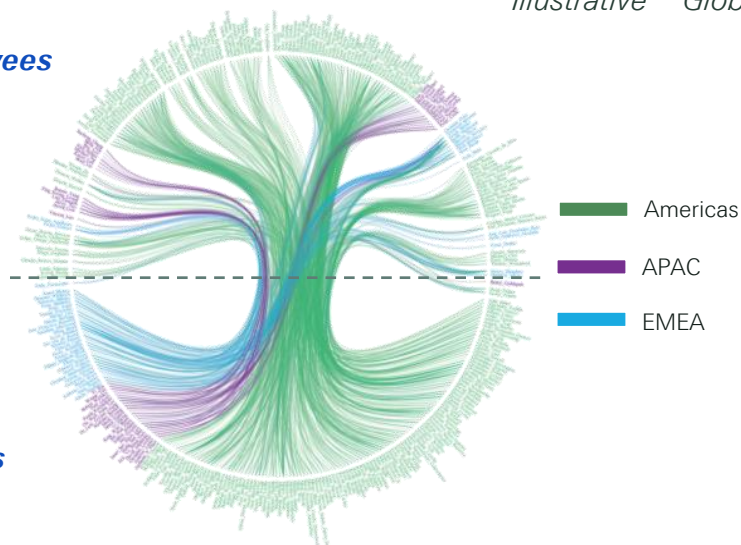
...while also partnering with non-insurance players for innovative B2C insurance propositions

Illustrative – Global client

Illustrative – Partnership portfolio

Swiss Re employees

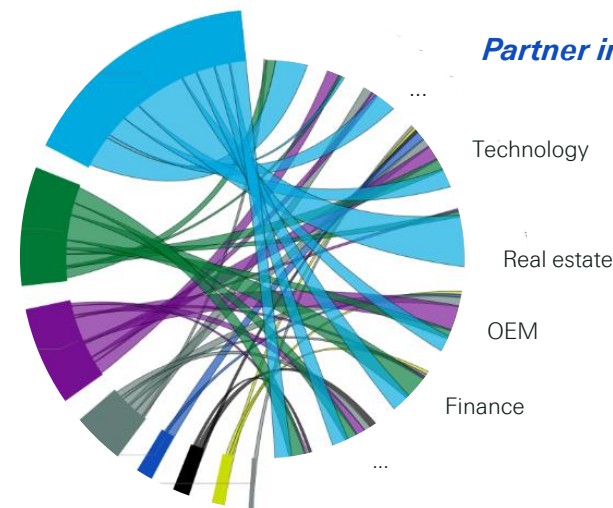
Client employees



Swiss Re units

Partner industries

- Life Capital
- Reinsurance
- Corporate Solutions
- Others



L&H Re
>90%

P&C Re
>50%

of premiums from non-intermediated business

Current discussions with
>100
non-insurance partners

Swiss Re is a trusted partner for insurance and non-insurance companies



We operate a truly global and diversified Group

Premiums

EVM¹

US GAAP²

Americas

USD 22bn

USD 18bn

EMEA

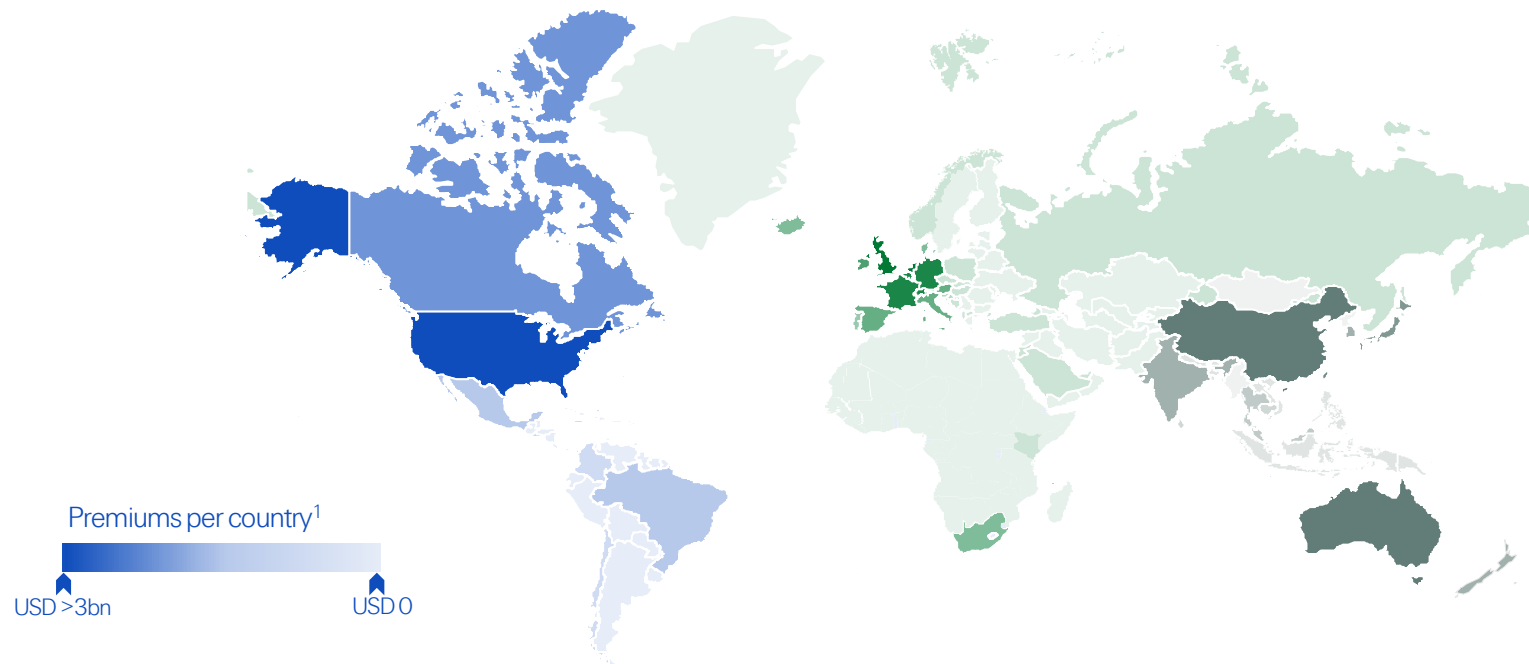
USD 21bn

USD 12bn

Asia

USD 14bn

USD 8bn



«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



Swiss Re

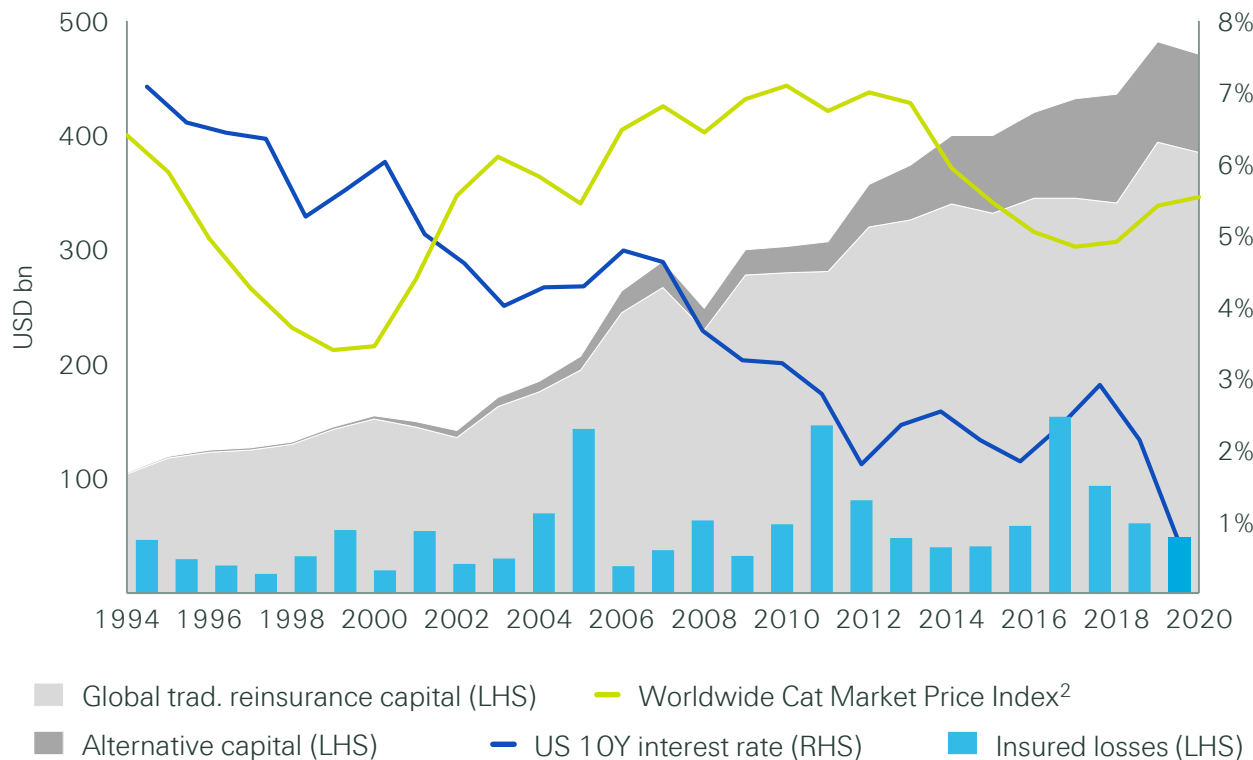
¹ EVM premiums and fees, FY 2019

² US GAAP net premiums earned (including fee income from policyholders), FY 2019



In the current market environment, underwriting excellence represents the core to success

Reinsurance industry development and interest rate evolution¹



Current environment

- Increase in secondary perils related to climate change
- Growth of capital expected to continue
- Interest rates to remain very low, with medium term inflation risk

Industry change due to

- Growing protection gap
- Technology advancement and digitisation
- More cost-conscious buyers

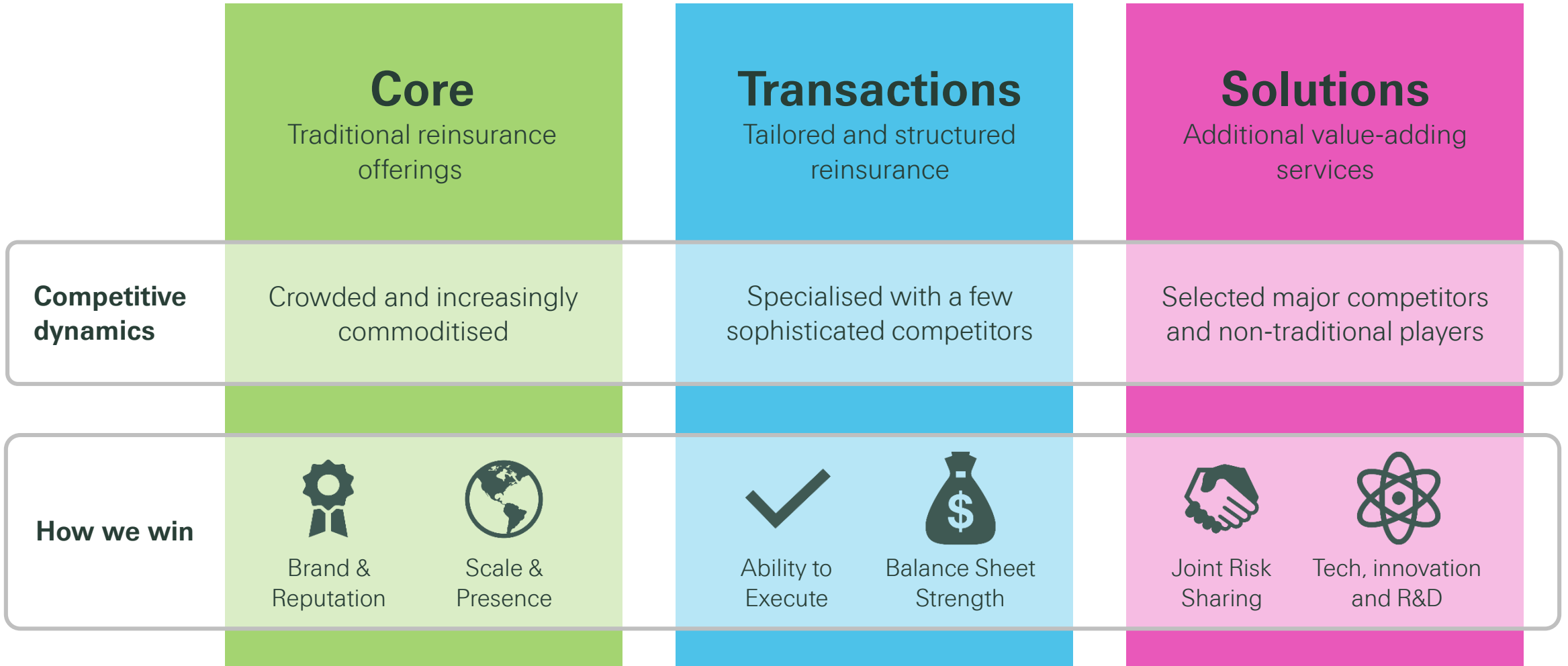
Future outperformance requires

- Increasing scale and efficiency
- Leveraging technology
- Pushing to the edge innovation and services for clients
- Underwriting and capital allocation discipline

Re/insurers must navigate the current market environment carefully, with increased focus on underwriting margins



We have developed a clear strategy to succeed in this environment

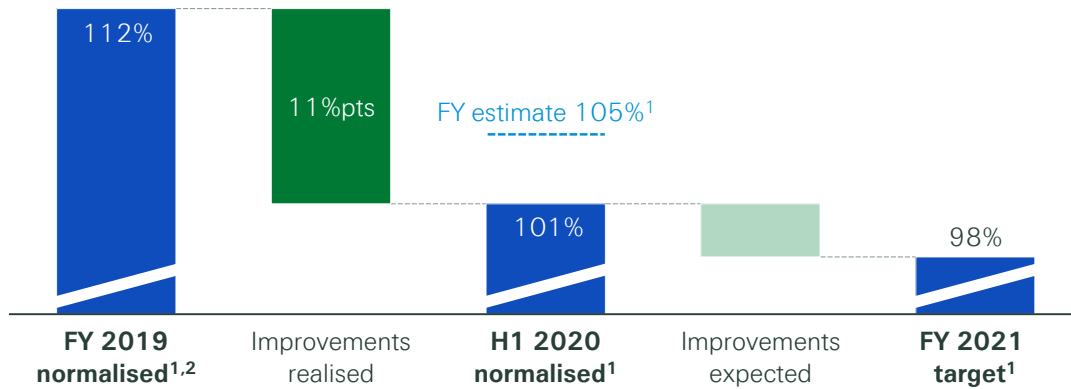




Path to Corporate Solutions 2021 combined ratio of 98%

Underwriting profitability is improving...

Corporate Solutions combined ratio (%)



- Turnaround actions fully on track with ~60% of planned portfolio pruning already executed
- Two thirds of planned operating expense savings realised as of half-year 2020

... supported by continued strong rate momentum

Corporate Solutions compound price quality increase (%)



- 15% price increases achieved in half-year 2020 following 12% in full year 2019, reinforced by pruning actions and portfolio structure
- Broad-based rate hardening across most lines, particularly in property

Underlying profitability ahead of 105% combined ratio estimate¹, supported by rate increases and portfolio pruning actions



Strategic milestone achieved with agreement to sell ReAssure, improving the Group's return on capital profile

Successful completion of ReAssure sale

GBP 3.25bn

transaction
valuation

13.3%

stake in Phoenix




GBP 1.2bn

cash proceeds
to Swiss Re

+19%

benefit to Group SST
ratio

Future disbandment of Life Capital

-  will move to Corporate Solutions¹
- **iptiQ** will become a standalone division
- Phoenix shares to be reported in Principal Investments portfolio in Group items

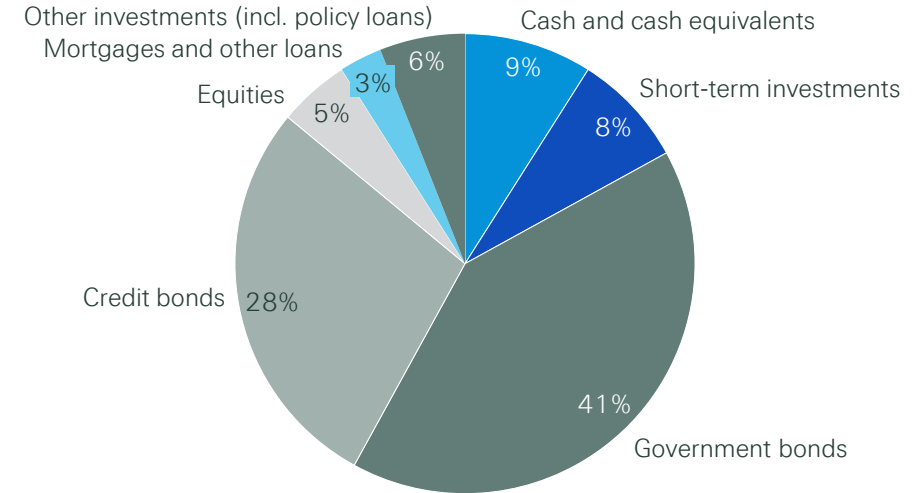
ReAssure deconsolidation will significantly improve Swiss Re's Group return on capital profile





Overall investment portfolio

USD bn	End H1 2020
Balance sheet values	114.8
Unit-linked investments	-0.4
With-profit business	-
Assets for own account (on balance sheet only)	114.4



USD bn	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Consolidation	End H1 2020	End FY 2019 ²
Cash and cash equivalents	6.3	2.8	1.2	0.4	0.1	-	10.8	8.6
Short-term investments	4.7	2.8	1.0	0.5	-	-	9.0	5.9
Government bonds	27.1	14.1	5.0	1.3	-	-	47.5	56.4
Credit bonds	10.2	17.3	1.9	2.1	0.1	-	31.6	45.6
Equities ¹	2.8	0.5	0.2	0.1	2.2	-	5.8	6.3
Mortgages and other loans	6.8	3.2	-	0.7	2.6	-10.4	2.9	4.4
Other investments (incl. real estate and policy loans)	6.4	1.2	0.2	-	0.4	-1.4	6.8	7.3
Total	64.3	41.9	9.5	5.1	5.4	-11.8	114.4	134.5



¹ Includes equity securities, private equity and Principal Investments

² ReAssure investment portfolio included for end FY 2019; excluded from Group investment portfolio in 2020



Update on the Group's 9M 2020 performance

- Group net loss narrowed to USD 691 m for the 9M as Swiss Re achieved net income of USD 444m in Q3
- Excluding COVID-19 claims and reserves of USD 3.0bn (pre-tax), Group net income amounted to USD 1.6bn for the nine-month period (ROE of 7.5%)
- Swiss Re maintains a very strong capital position with a Group SST ratio of 223% as of 1 July 2020
- Strong ROI of 3.4% as Swiss Re continues to successfully navigate global market volatility
- P&C Re nine-month net loss of USD 201 m after a strong Q3 performance; excluding COVID-19 impact, net income of USD 1.0bn, return on equity (ROE) of 15.5%
- L&H Re 9M 2020 net income of USD 72m; excl. COVID-19 losses, net income of USD 620m and ROE of 9.7%
- Corporate Solutions net loss of USD 323m for the first nine months; excluding COVID-19 impact, net income of USD 211 m and ROE of 12.3%, normalised combined ratio ahead of the estimate for 2020
- Life Capital successfully closes ReAssure sale in Q3, delivering a cash dividend of USD 1.5bn to the Group



Our Group targets and capital management priorities remain unchanged

Group financial targets

Over-the-cycle targets

**Rf + 700
bps**

Return on equity¹

10%

ENW per share growth²

Capital management priorities

Priority I

Ensure superior capitalisation at all times and maximise financial flexibility

Priority II

Grow the regular dividend with long-term earnings, and at a minimum maintain it

Capital management priorities

Repatriate further excess capital to shareholders

Deploy capital for business growth where it meets our strategy and profitability targets

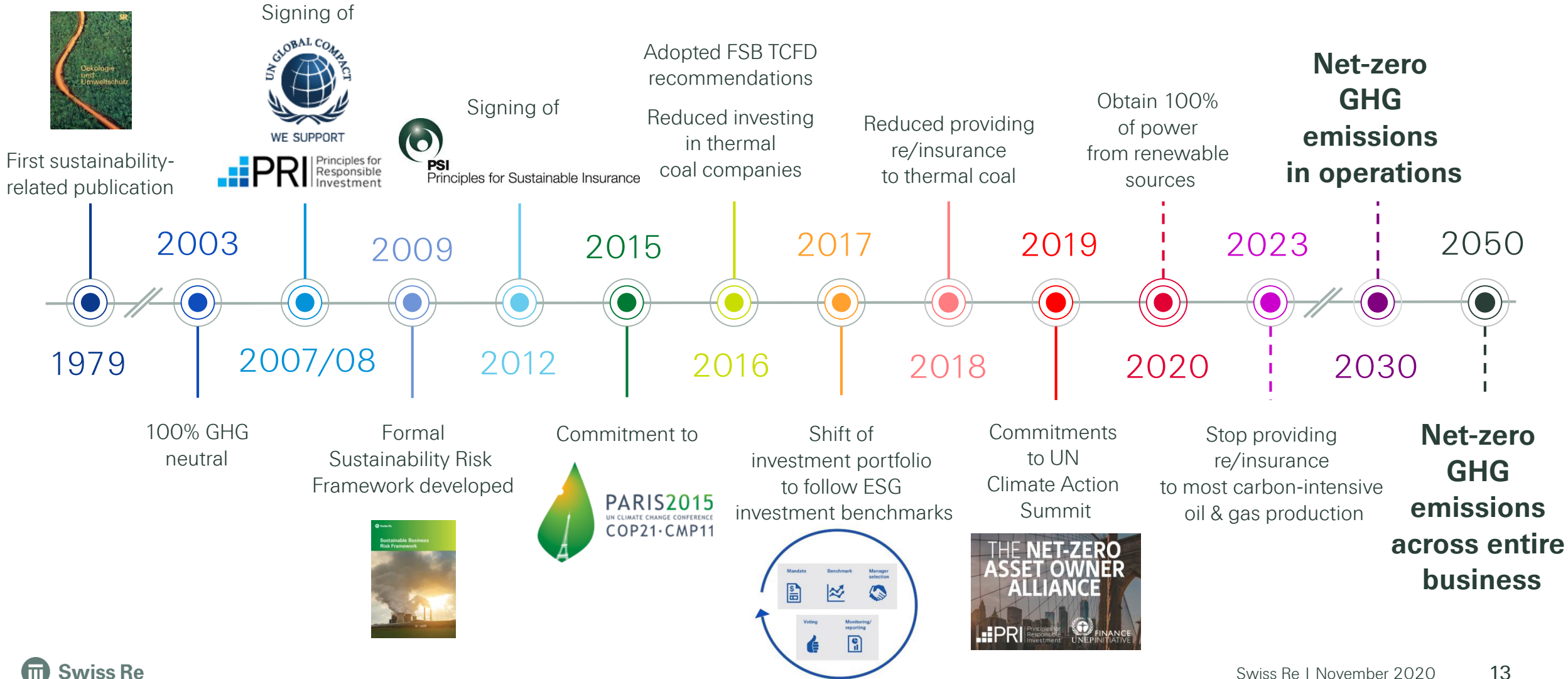
Priority IV

Priority III





Swiss Re has a long tradition in sustainability



Corporate calendar and contacts

Corporate calendar

2020

20 November **Investors' Day 2020** Zurich

2021

19 February **Annual Results 2020** Conference call

18 March **Publication of Annual Report 2020**

16 April **157th Annual General Meeting** Zurich

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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 and acts of war;
- mortality, morbidity and longevity experience;
- the cyclical nature of the insurance and reinsurance sectors;
- instability affecting the global financial system;
- deterioration in global economic conditions;
- the effect of market conditions, including the global equity and credit markets, and the level and volatility of equity prices, interest rates, credit spreads, currency values and other market indices, on the Group’s investment assets;
- changes in the Group’s investment result as a result of changes in the Group’s investment policy or the changed composition of the Group’s investment assets, and the impact of the timing of any such changes relative to changes in market conditions;
- 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;
- any inability to realize amounts on sales of securities on the Group’s balance sheet equivalent to their values recorded for accounting purposes;
- changes in legislation and regulation, and the interpretations thereof by regulators and courts, affecting us or the Group’s ceding companies, including as a result of shifts away from multilateral approaches to regulation of global operations;
- the outcome of tax audits, the ability to realize tax loss carryforwards, 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 business models;
- failure of the Group’s hedging arrangements to be effective;
- the lowering or loss of one of the financial strength or other ratings of one or more Swiss Re companies, and developments adversely affecting the Group’s ability to achieve improved ratings;
- uncertainties in estimating reserves;
- 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;
- extraordinary events affecting the Group’s clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- legal actions or regulatory investigations or actions, including those in respect of industry requirements or business conduct rules of general applicability;
- changes in accounting standards;
- significant investments, acquisitions or dispositions, and any delays, unexpected costs, lower-than expected benefits, or other issues experienced in connection with any such transactions;
- changing levels of competition, including from new entrants into the market; and
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks and the ability to manage cybersecurity risks.

These factors are not exhaustive. Swiss Re 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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