

# Half-year 2020 Results

Swiss Re media conference call presentation  
Zurich, 31 July 2020

# Focus areas of half-year 2020 results



Earnings in  
context



Strong  
renewals



Corporate Solutions  
turnaround



Successful  
ReAssure sale

# Swiss Re's half-year results remain solid excluding COVID-19 impact

USD m, unless otherwise stated

	P&C Re	L&H Re	Corporate Solutions	Life Capital	Total
<b>Including COVID-19</b>					
Premiums <sup>1</sup> (growth)	9 601 (+10%)	6 676 (+6%)	2 004 (-3%)	1 048 (-4%)	19 329 (+6%)
Combined ratio	115.8%	-	122.6%	-	-
Net income/loss	-519	74	-301	-217	<b>-1 135</b>
<b>Excluding COVID-19<sup>2</sup></b>					
Combined ratio	100.5%	-	98.4%	-	-
Net income/loss	646	516	81	-206	<b>865</b>

▶ Swiss Re maintains very strong capital position with **Group SST ratio above target level of 220%**<sup>3</sup>



Swiss Re

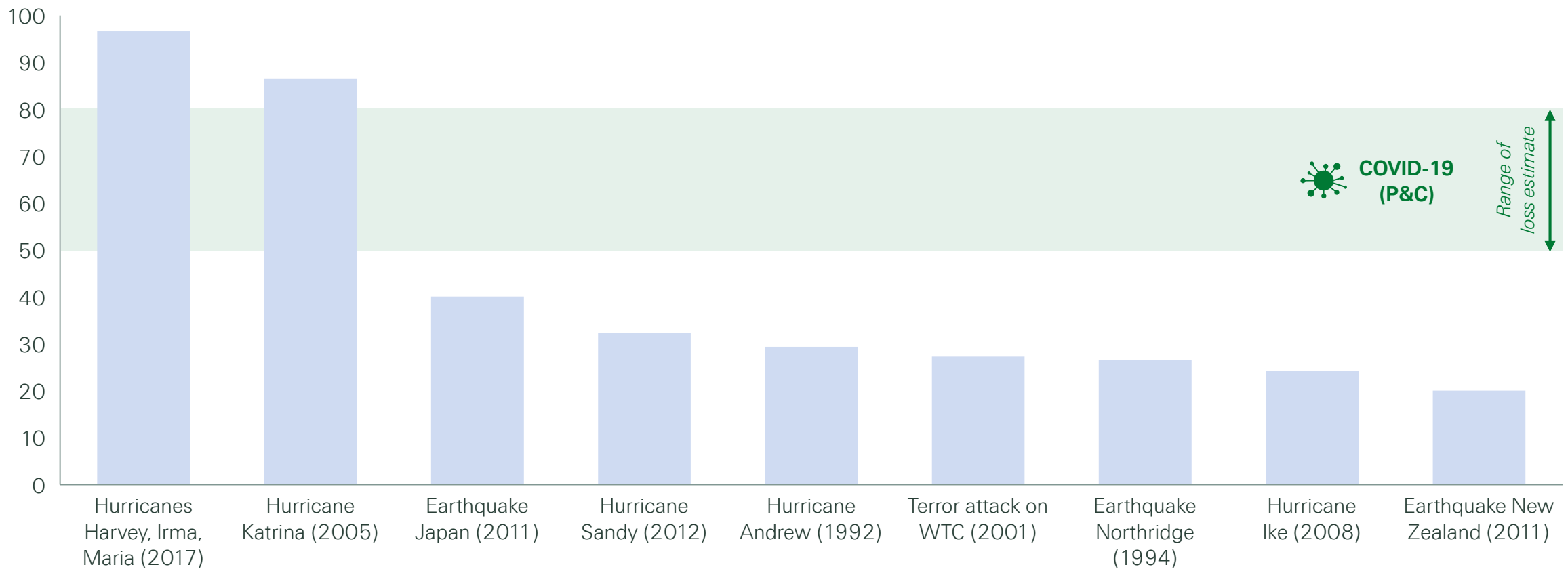
<sup>1</sup> Net premiums earned and fee income

<sup>2</sup> Excludes the claims and reserves related to COVID-19 and the associated estimated tax impacts

<sup>3</sup> As of 1 July 2020

# Market impact of COVID-19 P&C loss expected to be manageable and comparable to previous large events

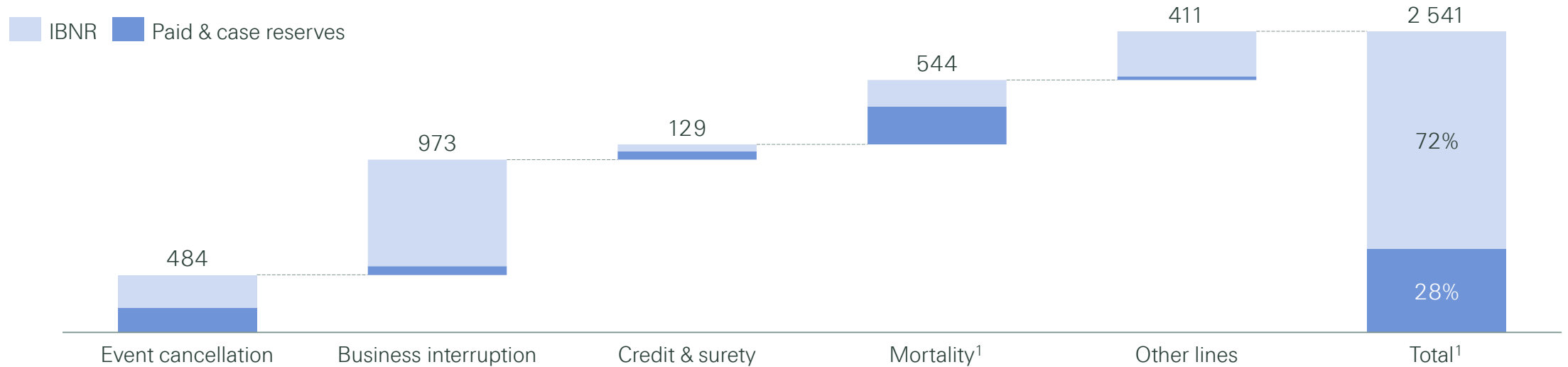
Largest recorded catastrophe losses for the P&C insurance industry<sup>1</sup> (USD bn)





# **Vast majority of Swiss Re's COVID-19 losses are booked as IBNR**

Swiss Re's reported COVID-19 losses in H1 2020 (USD m, pre-tax)

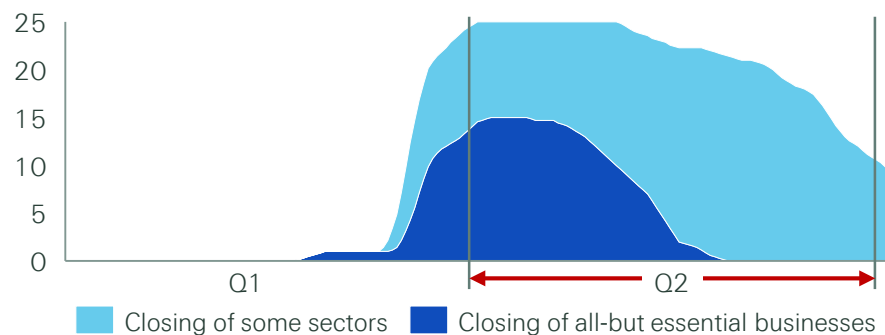


	Event cancellation	Business interruption	Credit & surety	Mortality <sup>1</sup>	Other lines	Total <sup>1</sup>
<b>P&amp;C Re</b>	232	863	38	-	362	1 495
<b>L&amp;H Re</b>	-	-	-	531	17	548
<b>Corporate Solutions</b>	252	110	91	-	32	485

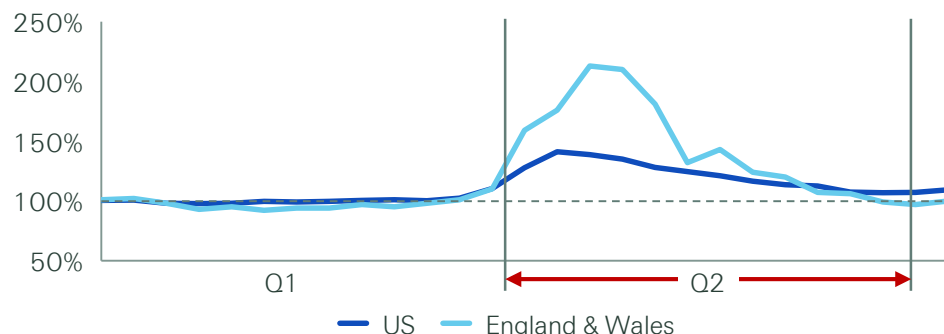
▶ Reserves built in H1 2020 are based on thorough and prudent analysis of all exposures and related uncertainties

# Majority of ultimate COVID-19 insurance losses are expected to have been incurred in H1

**Business closings in Europe<sup>1</sup>** (number of countries)



**Excess mortality in the US and the UK<sup>2</sup>** (% of expected)



- Under US GAAP, all losses that are deemed to have been incurred in H1 are recognised, irrespective of whether or not they have been reported to us by our clients
- Under SST, the loss estimate is higher as it also includes future expected losses
- For business interruption and mortality, underlying data indicates that majority of losses to have been incurred in Q2. Asia and Europe keep pandemic spread under control without further lockdowns
- Events with large number of participants are expected to be cancelled in 2020. Corporate Solutions exited event cancellation business at H1 2019; remaining exposure for 2021 is minimal
- Booked IBNRs in other lines reflect overall uncertainties in estimates on various classes of business

▶ Reported US GAAP claims and reserves in H1 2020 are expected to cover majority of Swiss Re's ultimate<sup>3</sup> COVID-19 losses

<sup>1</sup> Country universe includes EU, Switzerland and the UK; Source: University of Oxford, Swiss Re Institute

<sup>2</sup> Source: Office for National Statistics, Centers for Disease Control and Prevention

<sup>3</sup> Estimate based on information and projections available as of July 2020, which may change positively or negatively

# Successfully steered investment portfolio through market turbulence

Proactive management decisions taken to protect Swiss Re's balance sheet

## Outperformance of ESG portfolio

+1.4%

vs. traditional equity benchmark<sup>1</sup>

+0.4%

vs. traditional credit benchmark<sup>1</sup>

## Proactive portfolio management

67%

fewer issuer downgrades<sup>2</sup>

0

issuer defaults

## Tactical hedges

~USD 120m

net positive hedge protection

▶ Swiss Re's investment portfolio delivered a strong ROI of 3.2% and only USD 27m of impairments in half-year 2020

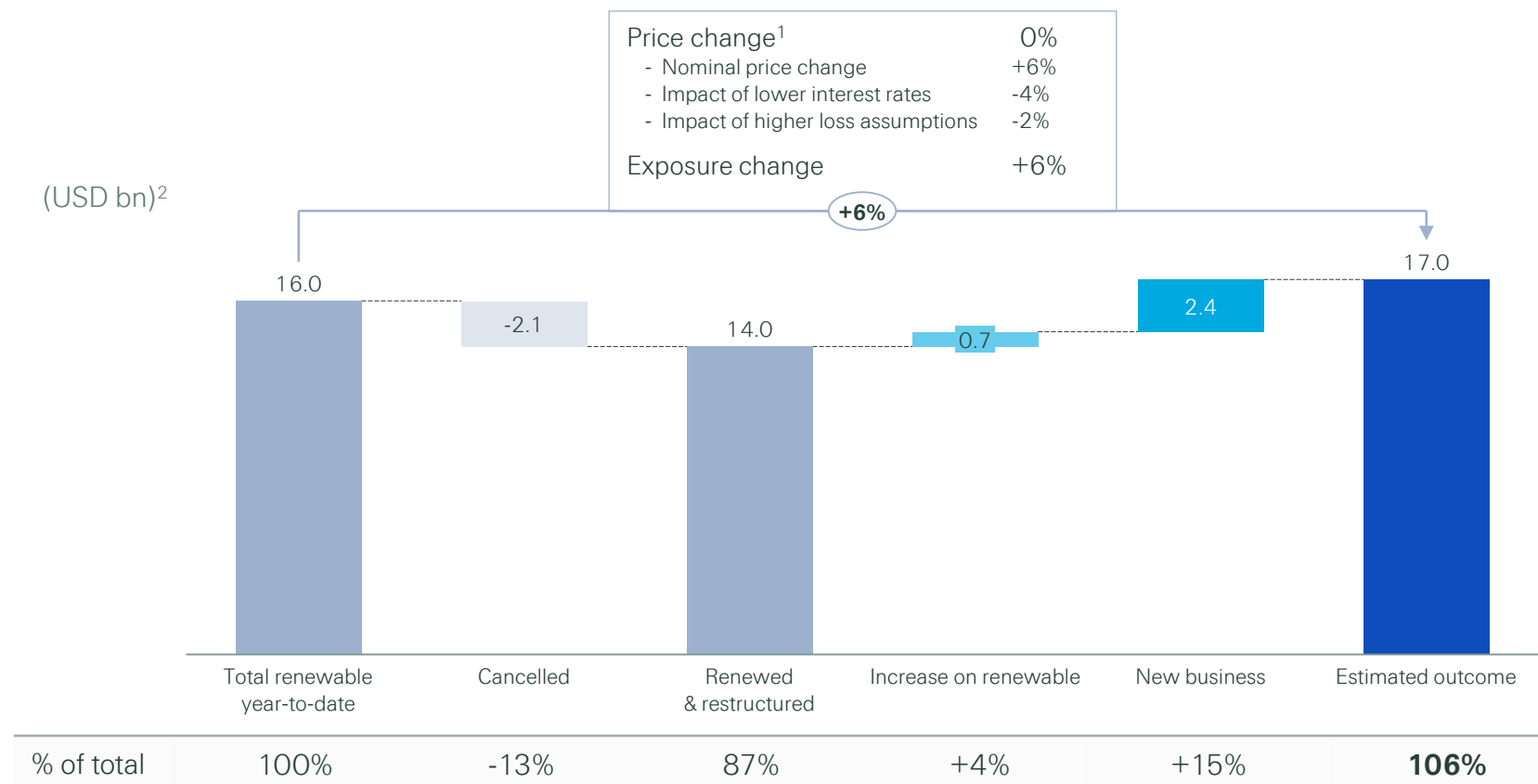


# Underlying performance of all businesses is in line with expectations

	H1 2020 as reported	H1 2020 excl. COVID-19	
P&C Reinsurance	<b>-12.8%</b> Return on equity	<b>14.9%</b> Return on equity	<ul style="list-style-type: none"> <li>• Results primarily affected by COVID-19 losses</li> <li>• Underlying 2020 performance in line with 97% estimated combined ratio<sup>1</sup></li> </ul>
L&H Reinsurance	<b>1.8%</b> Return on equity	<b>12.4%</b> Return on equity	<ul style="list-style-type: none"> <li>• Increase in mortality experience related to COVID-19 crisis</li> <li>• Continuously strong underlying performance</li> </ul>
Corporate Solutions	<b>-29.6%</b> Return on equity	<b>7.3%</b> Return on equity	<ul style="list-style-type: none"> <li>• Benefits of management actions more than offset by COVID-19 losses</li> <li>• Well on track to achieve 2020 estimated combined ratio of 105%<sup>1</sup></li> </ul>
Life Capital	<b>+20%</b> Open books premium growth <sup>2</sup>		<ul style="list-style-type: none"> <li>• Strategic milestone achieved with completion of the ReAssure sale</li> <li>• Added 7 new iptiQ distribution partners in H1 2020; total now 36</li> </ul>



# Strong outcome of year-to-date renewals for P&C Reinsurance



- Volume up 6% YTD – of which 4% driven by large transactions
- Growth mainly from short tail lines (in particular nat cat), with selective pruning in casualty
- 6% nominal price increases YTD, excluding more conservative expected claims assumptions and impact of lower interest rates
- In July renewals, volume was up 6% with significant rate hardening in nat cat
- Further price improvements expected in 2021

▶ P&C Re is on track to achieve 97% combined ratio estimate<sup>3</sup> with price hardening in many segments gaining momentum

<sup>1</sup> Price change defined as change in discounted premiums net of commissions / discounted expected claims; price change is adjusted for portfolio mix effects

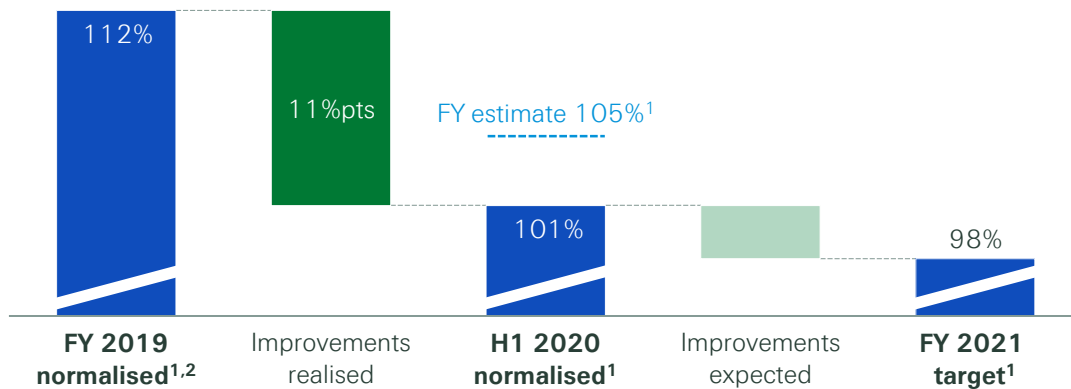
<sup>2</sup> Treaty business only; excludes Deposit Accounted Business

<sup>3</sup> Assumes an average large nat cat loss burden and excludes prior-year reserve development as well as the COVID-19 impact

# Corporate Solutions turnaround is well on track, with ongoing implementation of decisive management actions

## 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 estimate<sup>1</sup>, supported by rate increases and portfolio pruning actions

# Strategic milestone achieved with completion of ReAssure sale

## 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 Solutions<sup>1</sup>
- **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

## Continued support to clients and partners throughout COVID-19 crisis

- We entered the crisis with a very strong balance sheet and capital position
- We took substantial measures to protect our balance sheet and hedge our investment portfolio
- We ran our business without interruptions and concluded successful April and July renewals
- We apply our claims handling expertise and share our knowledge and innovation with clients and partners
- We engage with governments and industry bodies to develop public-private partnership solutions on pandemic risk



▶ We are in a strong position to continue to support our clients and deploy capital in an improving pricing environment

# Financial highlights







# P&C Re reports solid underlying results and strong business growth

## Net premiums earned

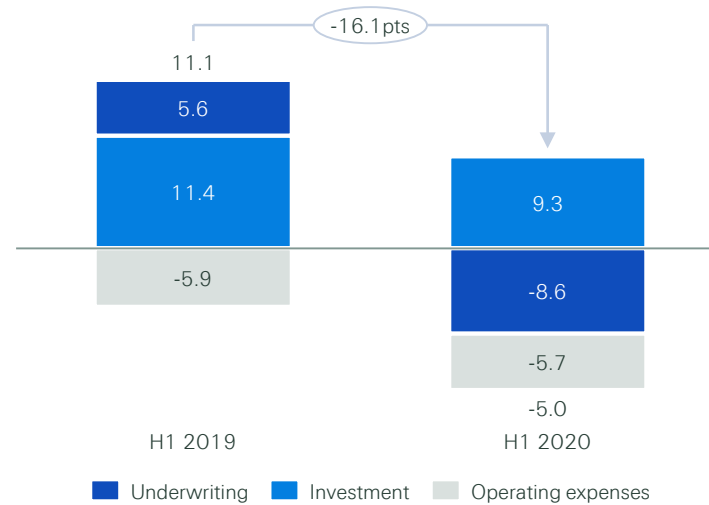
**USD 9.6bn**

in H1 2020

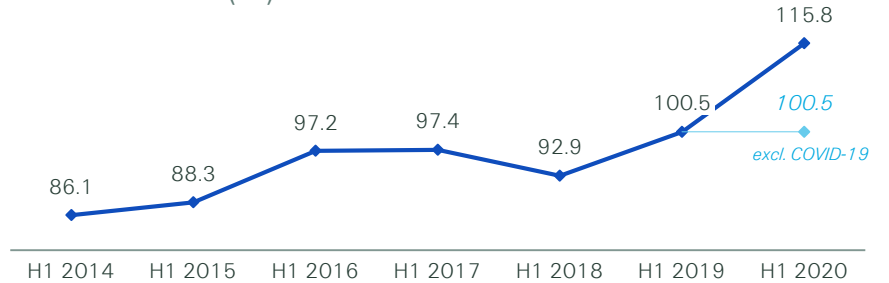
**USD 8.7bn**

in H1 2019

## Net operating margin<sup>1</sup> (%)



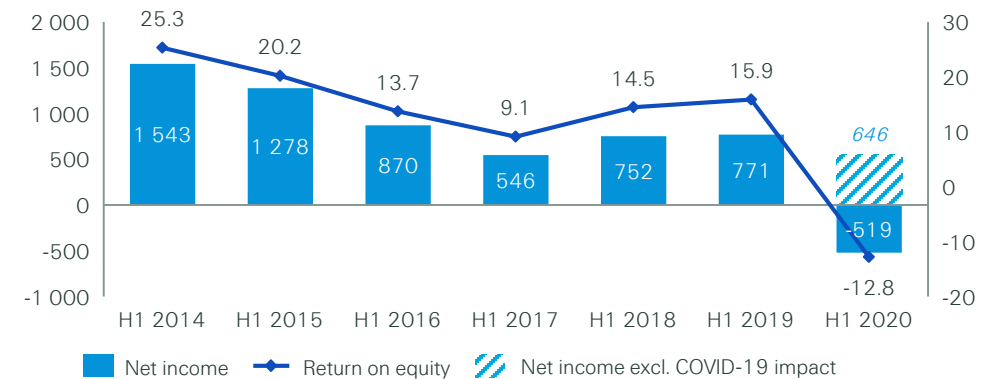
## Combined ratio (%)



- H1 2020 large nat cat events 0.6%pts above expectations. Unfavourable prior-year development impacted the combined ratio by 3.3%pts. COVID-19 impact<sup>2</sup> of 15.3%pts
- H1 2020 normalised<sup>3</sup> combined ratio of 96.6%

- Strong increase in net premiums earned of 10% driven by large transactions and growth in nat cat business reflecting successful renewals
- Underwriting margin affected by COVID-19 losses of USD 1.5bn, primarily related to business interruption and event cancellation
- Improved expense margin due to higher revenues while maintaining expenses flat

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



<sup>1</sup> Net operating margin = EBIT / total revenues

<sup>2</sup> Excludes USD 21m of COVID-19 losses related to deposit accounted business

<sup>3</sup> Assumes an average large nat cat loss burden and excludes prior-year reserve development as well as the COVID-19 impact

# L&H Re maintains strong underlying performance

## Net premiums earned

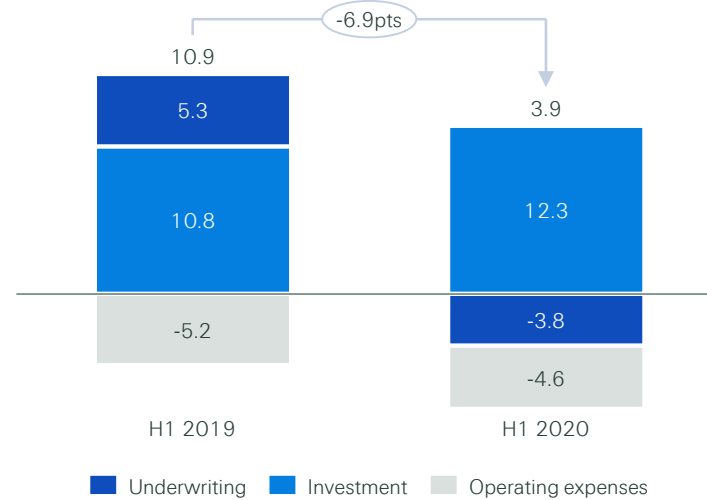
**USD 6.6bn**

in H1 2020

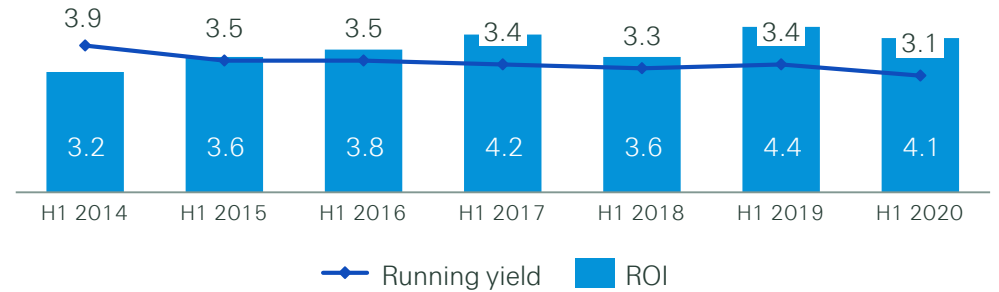
**USD 6.2bn**

in H1 2019

## Net operating margin<sup>1</sup> (%)



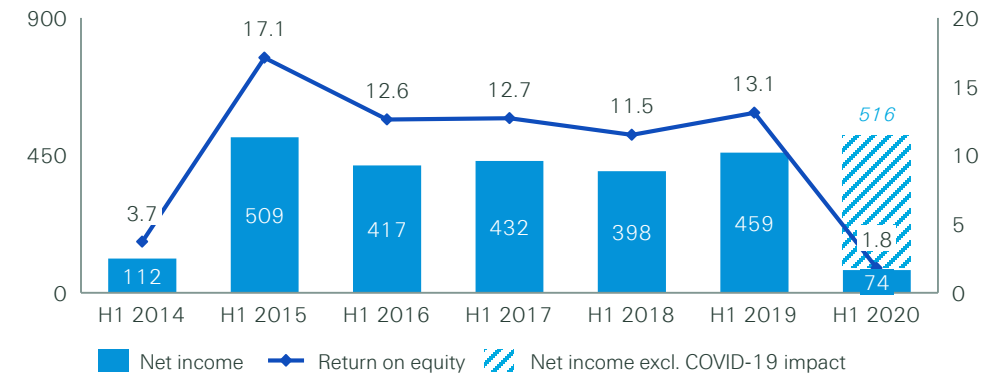
## Running yield and ROI (%)



- ROI supported by realised gains, partly offset by mark-to-market losses. Running yield reflects low interest rate environment
- Strong underlying ROE of 12.4% excluding impact of COVID-19

- Higher net premiums earned supported by individual large transactions, mainly longevity deals
- Underwriting margin reflects impact of COVID-19 related claims and reserves of USD 548m, primarily driven by the reported and estimated higher mortality claims in the US and the UK versus expected levels in prior years
- Investment margin supported by gains on sales of fixed income securities

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



# Corporate Solutions turnaround well on track

## Net premiums earned

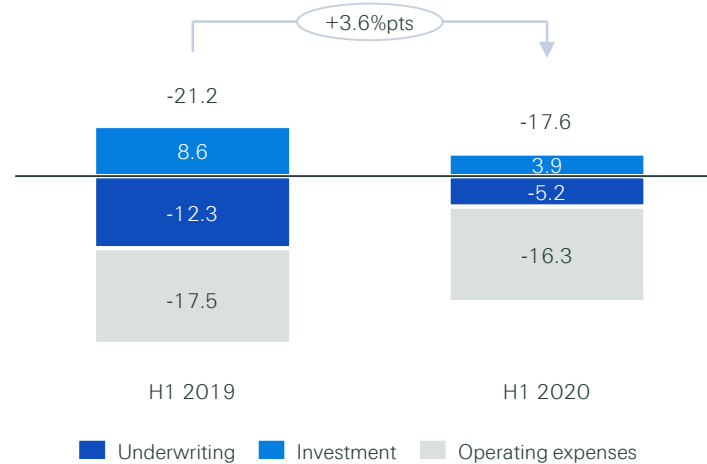
**USD 2.0 bn**

in H1 2020

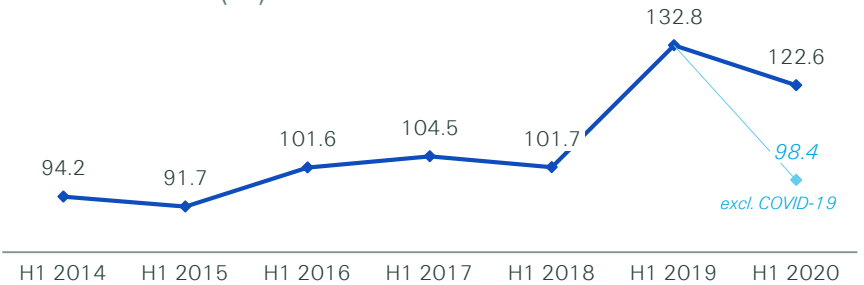
USD 2.1 bn

in H1 2019

## Net operating margin<sup>1</sup> (%)



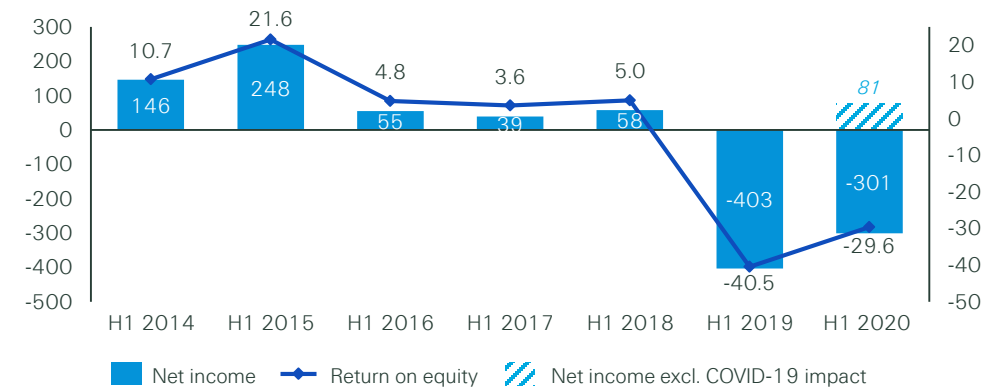
## Combined ratio (%)



- Profitability impacted by the underwriting loss and unfavourable performance from insurance in derivative form, partially offset by income from investment activities
- H1 2020 normalised<sup>2</sup> combined ratio of 101.3%

- Net premiums earned decreased by 3%, reflecting active pruning of selected portfolios, partially offset by rate hardening
- Underwriting result includes COVID-19 losses of USD 485m. Underlying margin improved, driven by the decisive management actions previously taken to improve profitability
- Investment margin decreased mainly driven by losses from insurance in derivative form and lower yields as well as lower average invested asset base
- Expense margin improved driven by productivity gains and implementation of pruning measures

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



# Life Capital result reflects continued strong open book growth

## Net income

**USD -217m**

in H1 2020

USD 5m

in H1 2019

## # of iptiQ distribution partners

**36**

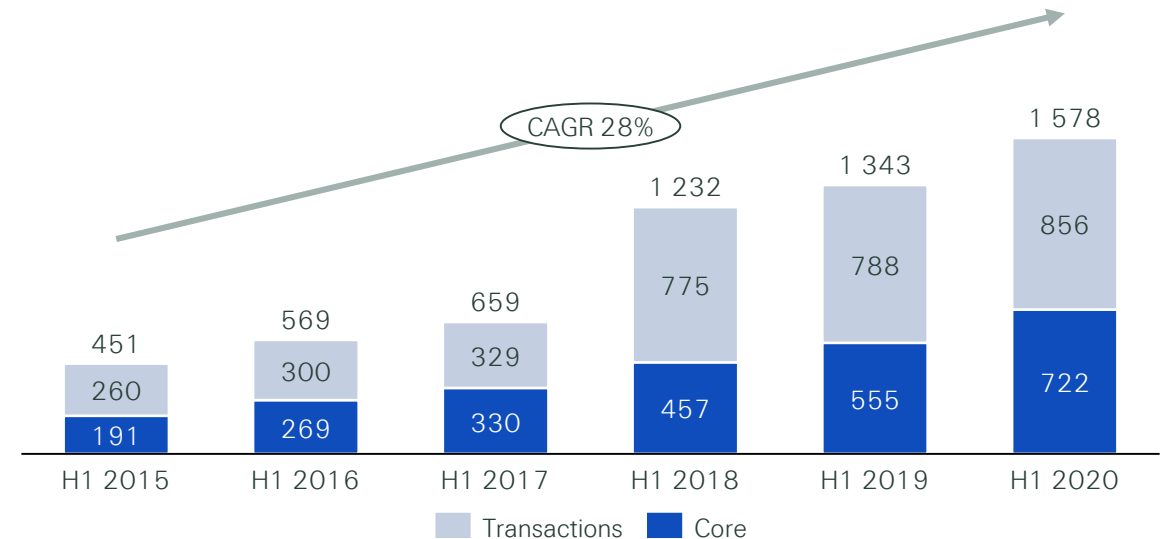
in H1 2020

29

in YE 2019

- Successful completion of ReAssure sale in July
- Net loss in H1 2020 impacted by mark-to-market charge from Phoenix Group Holdings plc's share price of USD 92m (net of hedge) and modest COVID-19 losses of USD 13m
- iptiQ successfully added 7 new distribution partners, supporting its longer term growth ambition

## Open books - Gross premiums written (USD m)



- Strong growth in the open book businesses with continued demonstration of accelerating year-on-year premium growth (20% for H1 2020 at constant fx)
- Entry into Asia during 2020 and several partnerships live for iptiQ EMEA P&C
- Core gross premiums written up 30% (>50% within iptiQ)
- Transactions include medex business which is subject to more frequent renewal

# Strong investment result despite unprecedented market volatility

## Return on investments (ROI)

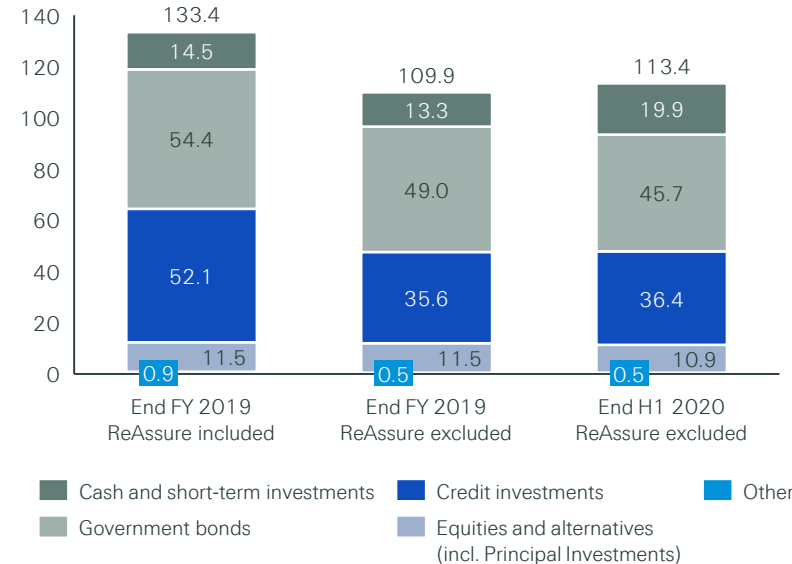
**3.2%**

H1 2020

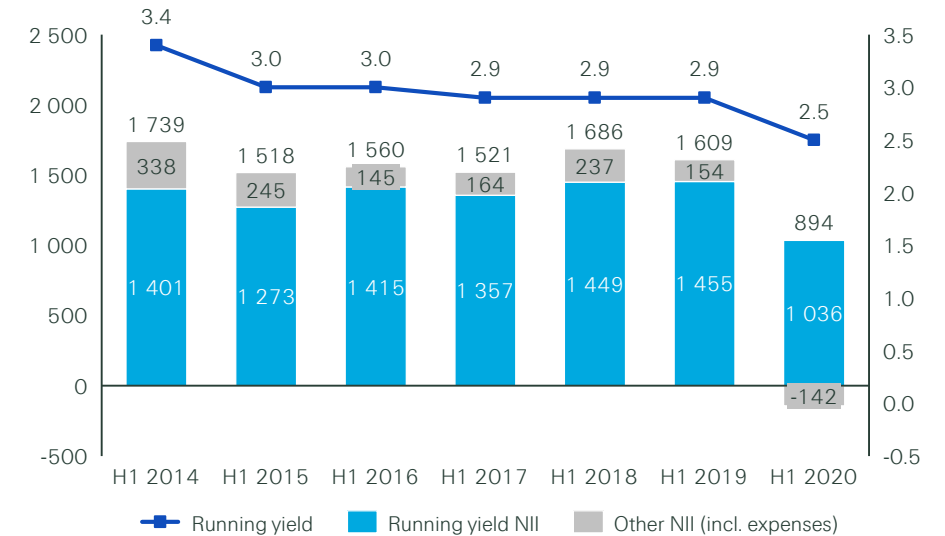
4.2%

H1 2019

## Investment portfolio positioning (USD bn)



## Net investment income (USD m, LHS) Running yield (% , RHS)



- Strong ROI of 3.2% comprised of net investment income (1.9%) and net realised gains (1.3%)
- Continued low impairments of USD 27m, as portfolio quality remains very high

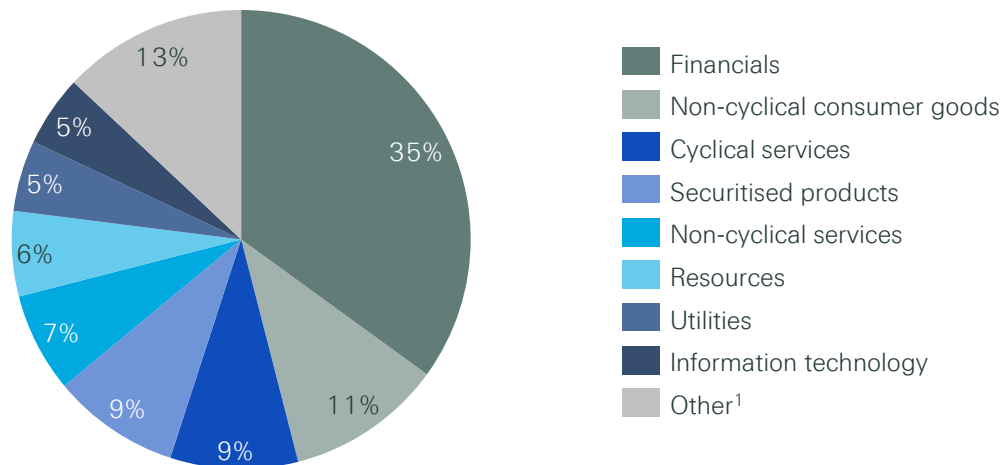
- Reduction in government bonds through targeted sales in exchange for cash and short-term investments
- Credit investments increased due to net purchases and market value gains, partially offset by adverse fx
- Reduction in equities due to market value losses and net sales, partially offset by investment in China Pacific Insurance Co. in Principal Investments

- Running yield impacted by historically low interest rate environment
- Net investment income below prior year, mainly due to the exclusion of ReAssure from the ROI scope (H1 2020: USD 0.3bn). H1 2020 also reflects turnover into low yield environment and market value losses on equity-accounted investments

# High quality portfolio maintained due to timely review and targeted exposure reduction

## Diversified credit portfolio

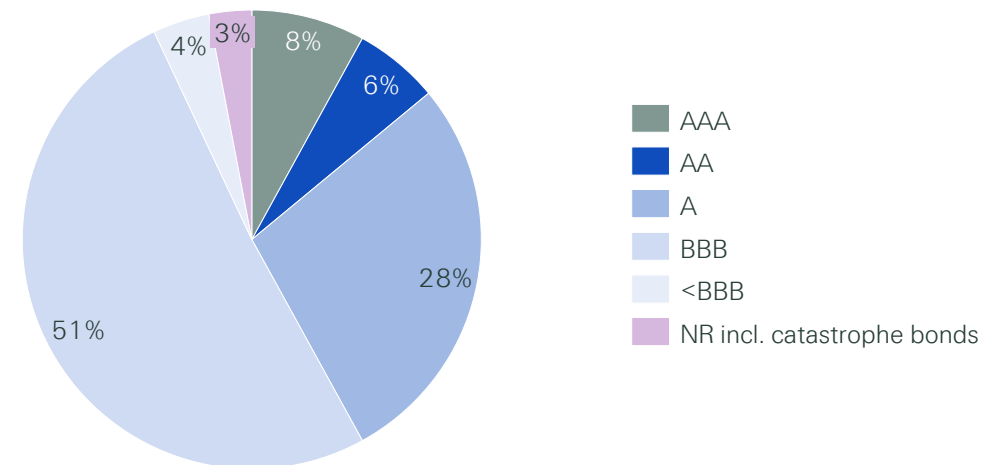
End H1 2020: USD 31.6bn (ReAssure excluded)



- Rigorous review of portfolio undertaken to mitigate negative long-term COVID-19 recession consequences
- Significant reductions implemented in a number of sectors, including energy, transportation and cyclicals. Reinvestments made in more resilient sectors and ratings

## Stable credit rating mix maintained throughout crisis

End H1 2020: USD 31.6bn (ReAssure excluded)



- Broadly unchanged mix of credit ratings, excluding ReAssure, since FY 2019
- Downgrades were partially avoided through USD 1 bn of portfolio pruning; 7 out of 25 issuers sold were subsequently downgraded to high yield
- Net of credit overlays, portfolio is defensively positioned with currently zero net exposure to highly vulnerable sectors such as airlines and leisure



# Appendix

# Business segment results H1 2020

## Income statement

USD m	Reinsurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Consolidation	Total H1 2020	Total H1 2019
<b>Revenues</b>									
Gross premiums written	20 136	12 776	7 360	2 238	1 875	-	- 691	23 558	22 672
Net premiums written	18 937	12 270	6 667	1 661	1 263	-	-	21 861	21 356
Change in unearned premiums	-2 739	-2 669	- 70	343	- 418	-	-	-2 814	-3 528
Premiums earned	16 198	9 601	6 597	2 004	845	-	-	19 047	17 828
Fee income from policyholders	79	-	79	-	203	-	-	282	332
Net investment income/loss – non participating	1 078	485	593	81	532	- 58	- 185	1 448	1 907
Net realised investment gains/losses – non participating	835	496	339	-	114	- 81	-	868	817
Net investment result – unit-linked and with-profit	- 113	-	- 113	-	-2 572	-	-	-2 685	3 476
Other revenues	16	13	3	3	-	219	- 220	18	11
<b>Total revenues</b>	<b>18 093</b>	<b>10 595</b>	<b>7 498</b>	<b>2 088</b>	<b>- 878</b>	<b>80</b>	<b>- 405</b>	<b>18 978</b>	<b>24 371</b>
<b>Expenses</b>									
Claims and claim adjustment expenses	-8 027	-8 027	-	-1 812	-	-	-	-9 839	-7 967
Life and health benefits	-5 985	-	-5 985	-	- 773	-	-	-6 758	-6 392
Return credited to policyholders	102	-	102	-	2 275	-	-	2 377	-3 237
Acquisition costs	-3 464	-2 497	- 967	- 304	- 403	-	-	-4 171	-3 617
Operating expenses	- 948	- 597	- 351	- 340	- 373	- 261	220	-1 702	-1 732
<b>Total expenses</b>	<b>-18 322</b>	<b>-11 121</b>	<b>-7 201</b>	<b>-2 456</b>	<b>726</b>	<b>- 261</b>	<b>220</b>	<b>-20 093</b>	<b>-22 945</b>
<b>Income/loss before interest and tax</b>	<b>- 229</b>	<b>- 526</b>	<b>297</b>	<b>- 368</b>	<b>- 152</b>	<b>- 181</b>	<b>- 185</b>	<b>- 1 115</b>	<b>1 426</b>
Interest expenses	- 359	- 160	- 199	- 19	- 47	- 58	185	- 298	- 278
<b>Income/loss before income tax expense/benefit</b>	<b>- 588</b>	<b>- 686</b>	<b>98</b>	<b>- 387</b>	<b>- 199</b>	<b>- 239</b>	<b>-</b>	<b>- 1 413</b>	<b>1 148</b>
Income tax expense/benefit	143	167	- 24	90	41	67	-	341	- 186
<b>Net income/loss before attribution of non-controlling interests</b>	<b>- 445</b>	<b>- 519</b>	<b>74</b>	<b>- 297</b>	<b>- 158</b>	<b>- 172</b>	<b>-</b>	<b>- 1 072</b>	<b>962</b>
Income/loss attributable to non-controlling interests	-	-	-	- 4	- 59	-	-	- 63	- 9
<b>Net income/loss attributable to shareholders</b>	<b>- 445</b>	<b>- 519</b>	<b>74</b>	<b>- 301</b>	<b>- 217</b>	<b>- 172</b>	<b>-</b>	<b>- 1 135</b>	<b>953</b>

# Business segment results H1 2020

## Balance sheet

30 June 2020, USD m	Reinsurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Consolidation	End H1 2020	End FY 2019
<b>Assets</b>									
Fixed income securities	68 678	37 321	31 357	6 937	3 351	95	-	79 061	81 573
Equity securities	1 714	1 178	536	171	83	779	-	2 747	2 993
Other investments	19 074	14 732	4 342	189	784	4 477	-11 801	12 723	12 892
Short-term investments	7 550	4 712	2 838	1 000	458	5	-	9 013	5 768
Investments for unit-linked and with-profit business	369	-	369	-	-	-	-	369	520
Cash and cash equivalents	9 137	6 325	2 812	1 177	429	104	-	10 847	7 562
Deferred acquisition costs	7 418	2 791	4 627	435	262	-	-	8 115	7 838
Acquired present value of future profits	536	-	536	-	440	-	-	976	1 042
Reinsurance recoverable	4 014	2 074	1 940	6 859	229	-	-5 316	5 786	5 898
Other reinsurance assets	21 834	14 674	7 160	2 356	4 860	4	-1 130	27 924	24 743
Goodwill	3 693	1 895	1 798	185	-	-	-	3 878	3 945
Other	15 043	8 943	6 100	2 099	1 214	2 784	-10 467	10 673	9 354
Assets held for sale	-	-	-	-	67 187	-	-400	66 787	74 439
<b>Total assets</b>	<b>159 060</b>	<b>94 645</b>	<b>64 415</b>	<b>21 408</b>	<b>79 297</b>	<b>8 248</b>	<b>-29 114</b>	<b>238 899</b>	<b>238 567</b>
<b>Liabilities</b>									
Unpaid claims and claim adjustments expenses	64 617	50 998	13 619	12 959	2 405	2	-5 305	74 678	72 373
Liabilities for life and health policy benefits	19 123	-	19 123	727	1 461	-	-379	20 932	19 836
Policyholder account balances	1 220	-	1 220	-	4 024	-	-	5 244	5 405
Other reinsurance liabilities	18 309	16 800	1 509	4 193	1 198	2	-1 503	22 199	17 775
Short-term debt	1 875	375	1 500	-	66	60	-1 815	186	185
Long-term debt	16 700	5 627	11 073	498	839	1 406	-8 528	10 915	10 138
Other	21 366	12 971	8 395	860	1 239	2 256	-11 546	14 175	13 232
Liabilities held for sale	-	-	-	-	60 830	-	-38	60 792	68 586
<b>Total liabilities</b>	<b>143 210</b>	<b>86 771</b>	<b>56 439</b>	<b>19 237</b>	<b>72 062</b>	<b>3 726</b>	<b>-29 114</b>	<b>209 121</b>	<b>207 530</b>
<b>Equity</b>									
Shareholders' equity	15 849	7 873	7 976	2 064	5 498	4 522	-	27 933	29 251
Non-controlling interests	1	1	-	107	1 737	-	-	1 845	1 786
<b>Total equity</b>	<b>15 850</b>	<b>7 874</b>	<b>7 976</b>	<b>2 171</b>	<b>7 235</b>	<b>4 522</b>	<b>-</b>	<b>29 778</b>	<b>31 037</b>
<b>Total liabilities and equity</b>	<b>159 060</b>	<b>94 645</b>	<b>64 415</b>	<b>21 408</b>	<b>79 297</b>	<b>8 248</b>	<b>-29 114</b>	<b>238 899</b>	<b>238 567</b>



# Total equity and ROE H1 2020

USD m	Reinsurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Total H1 2020
<b>Shareholders' equity at 31 December 2019</b>	<b>16 571</b>	<b>8 318</b>	<b>8 253</b>	<b>2 005</b>	<b>5 289</b>	<b>5 386</b>	<b>29 251</b>
Net income attributable to shareholders	- 445	- 519	74	- 301	- 217	- 172	- 1 135
Dividends and share buyback	- 1 670	- 470	- 1 200	-	-	- 286	- 1 956
Capital contributions	-	-	-	300	197	- 497	-
Net change in unrealised gains/losses	1 314	523	791	135	410	- 131	1 728
Other (incl. fx)	79	21	58	- 75	- 181	222	45
<b>Shareholders' equity at 30 June 2020</b>	<b>15 849</b>	<b>7 873</b>	<b>7 976</b>	<b>2 064</b>	<b>5 498</b>	<b>4 522</b>	<b>27 933</b>
Non-controlling interests	1	1	-	107	1 737	-	1 845
<b>Total equity at 30 June 2020</b>	<b>15 850</b>	<b>7 874</b>	<b>7 976</b>	<b>2 171</b>	<b>7 235</b>	<b>4 522</b>	<b>29 778</b>

ROE calculation	Reinsurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Total H1 2020
USD m							
<b>Net income/loss attributable to shareholders</b>	<b>- 445</b>	<b>- 519</b>	<b>74</b>	<b>- 301</b>	<b>- 217</b>	<b>- 172</b>	<b>- 1 135</b>
Opening shareholders' equity	16 571	8 318	8 253	2 005	5 289	5 386	29 251
Average shareholders' equity	16 211	8 096	8 115	2 035	5 394	4 952	28 592
<b>ROE H1 2020 annualised<sup>1</sup></b>	<b>-5.5%</b>	<b>-12.8%</b>	<b>1.8%</b>	<b>-29.6%</b>	<b>-8.0%</b>	<b>-6.9%</b>	<b>-7.9%</b>

## Shares outstanding<sup>2</sup>

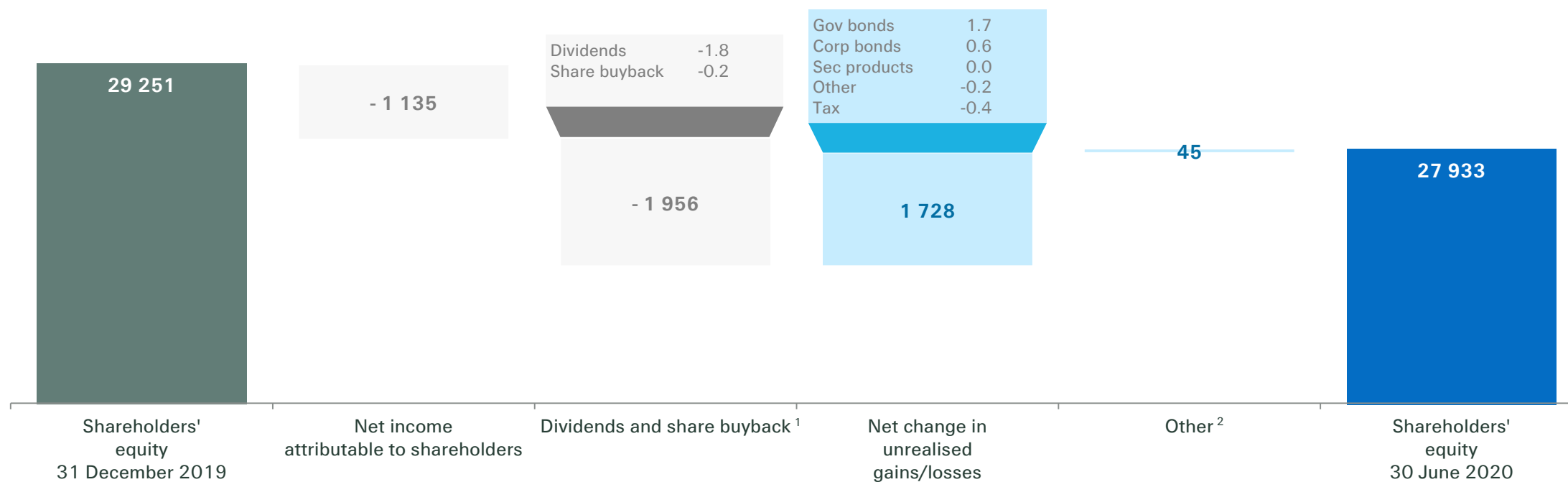
in millions

<b>As at 30 June 2020</b>	<b>289.0</b>	<b>Weighted average</b>	<b>289.3</b>
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# Change in shareholders' equity mainly driven by net loss, dividend payments and share buyback, partially offset by unrealised gains

USD m



<sup>1</sup> Includes USD -191m of the share buyback programme announced in 2019 and completed on 18 February 2020

<sup>2</sup> Includes a USD 30m impact from transactions with non-controlling interests (MS&AD) in connection with the agreement to sell ReAssure to Phoenix Group Holdings plc

# P&C Reinsurance renewals overview

## Gross premium volume by line of business<sup>1</sup> (USD bn)

	Up for renewal YTD	Premium change	Estimated outcome YTD	Price change
Nat cat	3.3	+14%	3.8	➔
Property <sup>2</sup>	3.3	+11%	3.7	➔
Specialty <sup>2</sup>	1.9	+5%	2.0	➔
Casualty <sup>2</sup>	7.5	0%	7.5	➔
<b>Total</b>	<b>16.0</b>	<b>+6%</b>	<b>17.0</b>	

## Gross premium volume by region<sup>1</sup> (USD bn)

	Up for renewal YTD	Premium change	Estimated outcome YTD
Americas	6.4	+8%	6.9
EMEA	6.5	+2%	6.7
Asia <sup>3</sup>	3.1	+12%	3.4
<b>Total</b>	<b>16.0</b>	<b>+6%</b>	<b>17.0</b>

- Economic capital deployed increased by 8%, with +12% for nat cat
- Growth in nat cat business while pruning underperforming casualty accounts, in line with previously communicated Swiss Re appetite
- Successful execution of growth strategy in Asia
- Underwriting discipline maintained across all lines of business and regions





# P&C underwriting performance

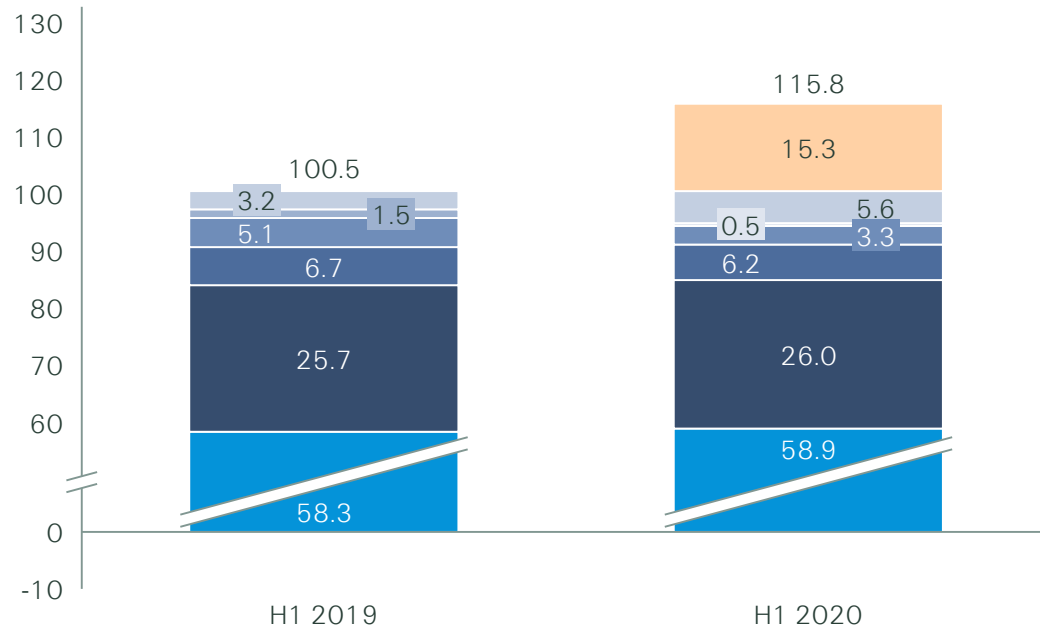
## P&C Reinsurance and Corporate Solutions

	Combined ratio		Main drivers of change	Net premiums earned	Underwriting result
	H1 2019	H1 2020		H1 2020 USD m	H1 2020 USD m
<b>P&amp;C Reinsurance</b>					
<b>Property</b>	100.5%	120.4%	<ul style="list-style-type: none"> <li>Impacted by business interruption and event cancellation losses related to COVID-19 and slightly adverse large nat cat experience, partly offset by reserve releases particularly due to Typhoon Jebi and Hurricane Dorian</li> </ul>	3 543	-722
<b>Casualty</b>	105.5%	118.1%	<ul style="list-style-type: none"> <li>Impacted by adverse experience reported in the first quarter of 2020 and COVID-19 losses</li> </ul>	4 684	-848
<b>Specialty</b>	82.7%	96.4%	<ul style="list-style-type: none"> <li>Impacted by COVID-19 losses as well as unfavourable developments in the marine line of business whereas the prior year benefited from positive updates</li> </ul>	1 374	50
<b>Total</b>	<b>100.5%</b>	<b>115.8%</b>		<b>9 601</b>	<b>-1 520</b>

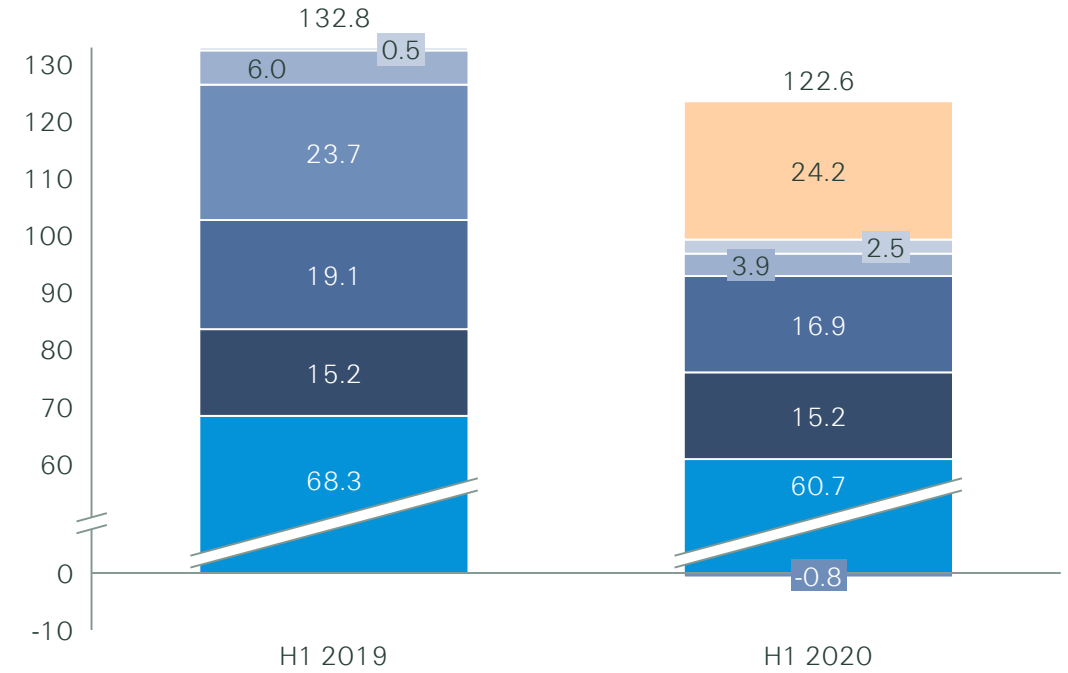
	Combined ratio		Main drivers of change	Net premiums earned	Underwriting result
	H1 2019	H1 2020		H1 2020 USD m	H1 2020 USD m
<b>Corporate Solutions</b>					
<b>Property</b>	117.3%	138.8%	<ul style="list-style-type: none"> <li>Deterioration driven by COVID-19-related losses, in particular reserves for claims related to event cancellation, a line exited in 2019</li> </ul>	719	-279
<b>Casualty</b>	156.2%	112.7%	<ul style="list-style-type: none"> <li>Both periods were impacted by large man-made losses, mainly from prior accident years, though to a significantly lesser extent in H1 2020 vs. H1 2019</li> </ul>	719	-91
<b>Specialty</b>	121.2%	114.5%	<ul style="list-style-type: none"> <li>Improvement mainly driven by management actions taken to improve profitability, partially offset by COVID-19-related losses, mainly in credit &amp; surety</li> </ul>	566	-82
<b>Total</b>	<b>132.8%</b>	<b>122.6%</b>		<b>2 004</b>	<b>-452</b>

# P&C Reinsurance and Corporate Solutions: combined ratio split

## P&C Reinsurance (%)



## Corporate Solutions (%)



■ CAY losses excl. large losses 
 ■ Acquisition costs 
 ■ Expenses 
 ■ Prior Accident Year development 
 ■ Large man-made losses 
 ■ Large nat cat losses 
 ■ COVID-19

- CAY losses excl. large losses include a modest volume impact and lower loss frequency related to COVID-19 economic consequences
- Large nat cat loss impact of USD 536m (vs. USD 477m expected)
- Adverse prior-year development of USD 327m, driven by additions in the first quarter

- Significant reduction in prior-year development and decrease in CAY losses mainly driven by management actions
- Large nat cat loss impact of USD 50m (vs. USD 90m expected)
- Decrease in operating expenses driven by productivity gains and pruning measures

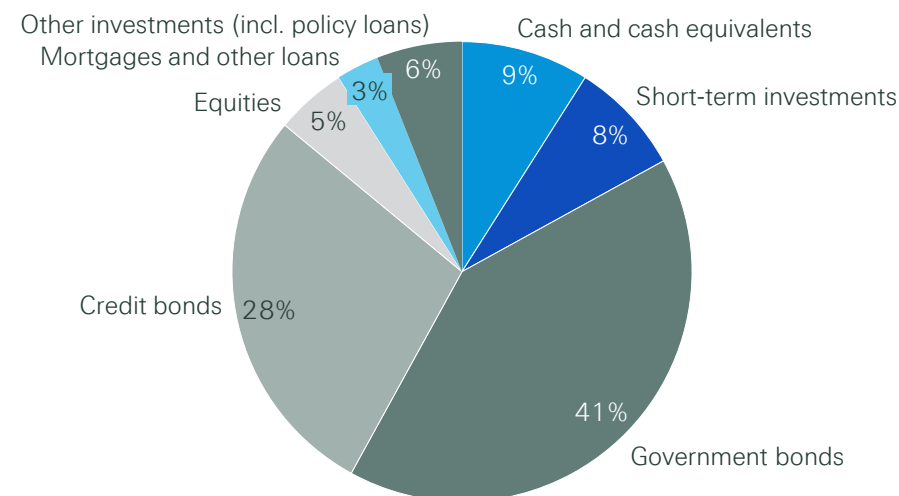
# Return on investments (ROI)

USD m	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Consolidation	Total H1 2020	Total H1 2019 <sup>2</sup>
<b>Investment related net investment income</b>	<b>446</b>	<b>544</b>	<b>89</b>	<b>58</b>	<b>-58</b>	<b>-185</b>	<b>894</b>	<b>1 609</b>
Fixed income	345	504	86	44	3	-	982	1 455
Equities and alternative investments – incl. RE, PE, HF	90	22	1	-	-125	-	-12	207
Other	118	66	10	17	77	-190	98	137
Investment expenses	-107	-48	-8	-3	-13	5	-174	-190
<b>Investment related net realised gains/losses</b>	<b>524</b>	<b>251</b>	<b>39</b>	<b>20</b>	<b>-113</b>	<b>-</b>	<b>721</b>	<b>903</b>
Fixed income	697	305	37	-6	-	-	1 033	593
Equities and alternative investments – incl. RE, PE, HF	-117	-58	-12	25	-108	-	-270	514
Other	-56	4	14	1	-5	-	-42	-204
<b>Other revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investment related operating income</b>	<b>970</b>	<b>795</b>	<b>128</b>	<b>78</b>	<b>-171</b>	<b>-185</b>	<b>1 615</b>	<b>2 512</b>
Less income not related to investment return <sup>1</sup>	-13	-8	-7	-1	-39	44	-24	-43
<b>Basis for ROI</b>	<b>957</b>	<b>787</b>	<b>121</b>	<b>77</b>	<b>-210</b>	<b>-141</b>	<b>1 591</b>	<b>2 469</b>
<b>Average invested assets</b>	<b>53 305</b>	<b>38 347</b>	<b>8 200</b>	<b>4 425</b>	<b>5 546</b>	<b>-11 220</b>	<b>98 603</b>	<b>117 168</b>
<b>ROI</b>	<b>3.6%</b>	<b>4.1%</b>	<b>3.0%</b>	<b>3.5%</b>	<b>-7.6%</b>	<b>n.a.</b>	<b>3.2%</b>	<b>4.2%</b>
Insurance related net investment income	39	49	-8	474	-	-	554	298
Insurance related net realised gains/losses	2	66	-46	178	1	-	201	28
Foreign exchange gains/losses	-30	22	7	-84	31	-	-54	-114
<b>Net investment income/loss – non participating</b>	<b>485</b>	<b>593</b>	<b>81</b>	<b>532</b>	<b>-58</b>	<b>-185</b>	<b>1 448</b>	<b>1 907</b>
<b>Net realised investment gains/losses – non participating</b>	<b>496</b>	<b>339</b>	<b>-</b>	<b>114</b>	<b>-81</b>	<b>-</b>	<b>868</b>	<b>817</b>

- Decrease in investment related net investment income, largely due to reclassification of ReAssure investment portfolio to the insurance related result as well as the impact of lower reinvestment yields and losses on equity method investments within Principal Investments
- Decrease in investment related net realised gains due to equity market value losses, partially offset by gains on sales of fixed income
- Increase in both insurance related net investment income and net realised gains due to the inclusion of ReAssure

# Overall investment portfolio

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

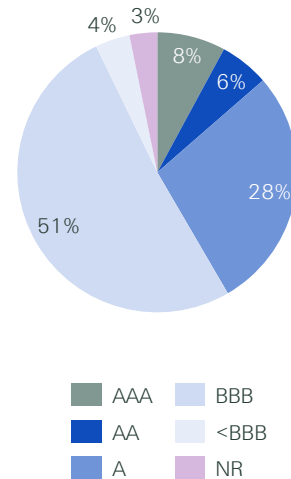
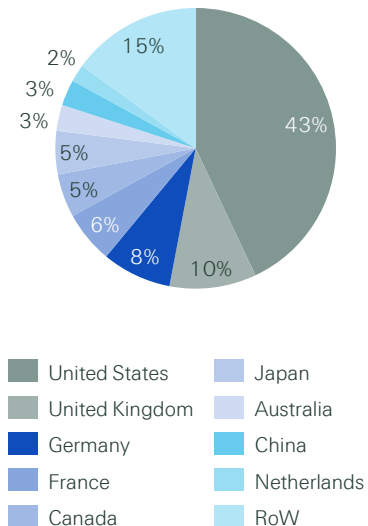


USD bn	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Consolidation	End H1 2020	End FY 2019 <sup>2</sup>
Cash and cash equivalents	6.3	2.8	1.2	0.4	0.1	-	10.8	8.6
Short-term investments	4.7	2.8	1.0	0.5	-	-	9.0	5.9
Government bonds	27.1	14.1	5.0	1.3	-	-	47.5	56.4
Credit bonds	10.2	17.3	1.9	2.1	0.1	-	31.6	45.6
Equities <sup>1</sup>	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
<b>Total</b>	<b>64.3</b>	<b>41.9</b>	<b>9.5</b>	<b>5.1</b>	<b>5.4</b>	<b>-11.8</b>	<b>114.4</b>	<b>134.5</b>



# Fixed income securities

USD m	Government bonds	Credit bonds
End FY 2019 (ReAssure included) <sup>1</sup>	56 399	45 624
End FY 2019 (ReAssure excluded) <sup>1</sup>	50 995	30 578
End H1 2020	47 498	31 563



- Decrease in government bonds (ReAssure excluded) driven by net sales and negative fx impact, partially offset by market value gains stemming from declining interest rates
- Credit bonds include corporate bonds (USD 28.1 bn) as well as securitised products and catastrophe bonds (USD 3.5bn)
- Increase in credit bonds (ReAssure excluded) driven by net purchases and market value gains, partially offset by unfavourable fx impacts

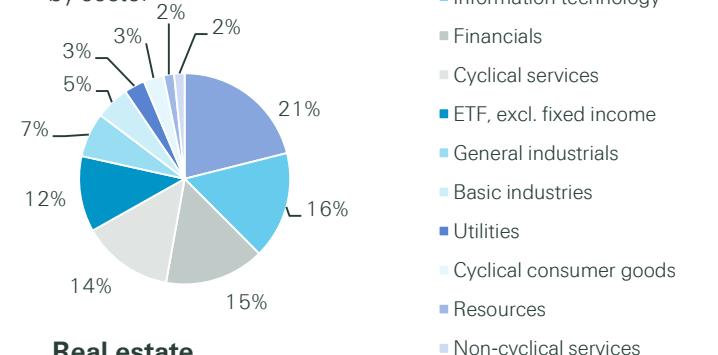
# Equities and alternative investments

USD m	End FY 2019 <sup>1</sup>	End H1 2020
Equity securities	2 599	1 969
Private equity	1 626	1 598
Hedge funds	352	355
Real estate	4 802	4 788
Principal Investments	2 068	2 222
<i>Equity securities</i>	394	778
<i>Private equity</i>	1 674	1 444
<b>Total market value</b>	<b>11 447</b>	<b>10 932</b>

- Decrease in equity securities mainly due to net sales and to a lesser extent market value losses
- Increase in equity securities within Principal Investments driven by the investment in China Pacific Insurance Company
- Decrease in private equity in Principal Investments driven by losses on equity-accounted investments

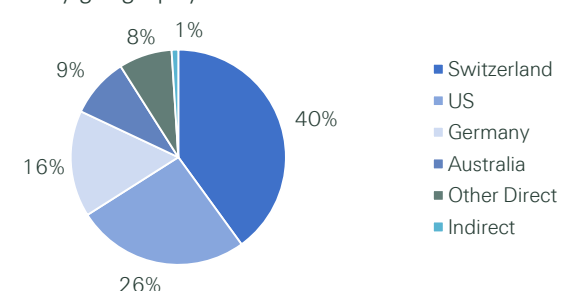
## Equity securities

by sector



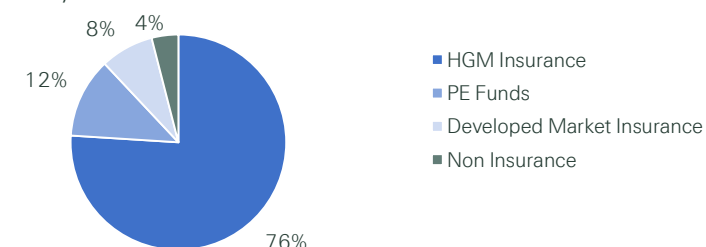
## Real estate

by geography



## Principal Investments

by sector



# Sensitivities

USD bn, pre-tax

## Change in market values

(Equities and Alternative Investments, excl. Real Estate)

	-25%	-10%	+25%
Estimated impact on <b>shareholders' equity</b>	-1.1	-0.5	+1.3
Estimated impact on <b>economic net worth (EVM)</b>	-1.1	-0.5	+1.3
Estimated impact on <b>income/loss before income tax expense</b>	-1.0	-0.4	+1.1

## Change in interest rates

	-50bps	-25bps	+50bps	+100bps
Estimated impact on <b>shareholders' equity</b>	+3.7	+1.8	-3.3	-6.3
Estimated impact on <b>economic net worth (EVM)</b>	+0.3	+0.1	-0.1	-0.2

## Change in credit spreads

	-50bps	+50bps	+100bps
Estimated impact on <b>shareholders' equity</b>	+1.5	-1.4	-2.6
Estimated impact on <b>economic net worth (EVM)</b>	+1.5	-1.4	-2.8





# Swiss Re continues to drive sustainability leadership in insurance and decarbonise its business activities

## Recent highlights



Revised Sustainable Business Risk Framework, incl. updated Oil & Gas Policy



SONAR 2020 report on emerging risk, incl. special features on carbon capture & low carbon future



Sustainability Leadership in Insurance event series with UNEP FI, incl. launch of iSDG initiative



New key publications on Natural World Heritage protection and Carbon Footprinting in Underwriting Methodology

## Focus areas of our Group Sustainability Strategy: 2030 sustainability ambitions



Mitigating **climate risk** and advancing the **energy transition**



Building **societal resilience**



Driving **affordable insurance** with **digital solutions**



## Our pledges for the future:

- **Net-zero carbon emissions** across **assets and liabilities** by **2050**
- **Net-zero carbon emissions** across **operations** by **2030**

Read more about the renewed Group Sustainability Strategy [here](#)

# Corporate calendar & contacts

## Corporate calendar

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### 2020

08 September	<b>Rendez-Vous de Septembre 2020</b>	Virtual media conference
10 September	<b>Launch of Swiss Re's new <i>sigma</i> publication</b>	Virtual media conference
30 October	<b>9M 2020 Key Financial Data</b>	Conference call
20 November	<b>Investors' Day 2020</b>	Zurich

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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 (such as the coronavirus), acts of terrorism or acts of war;
- mortality, morbidity and longevity experience;
- the cyclical nature 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 similar 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 ability to realize amounts on sales of securities on its balance sheet equivalent to their values recorded for accounting purposes;
- the Group’s ability 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.

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