Swiss Re

News release

Swiss Re targets earnings growth in improving market conditions

- Swiss Re continues to navigate the COVID-19 pandemic, supported by a proactive reserving approach and very strong balance sheet
- Swiss Re expects the normalised combined ratio in Property & Casualty Reinsurance (P&C Re) to improve to ≤ 96% in 2021, supported by positive rate momentum
- Life & Health Reinsurance (L&H Re) maintains its successful track record, despite COVID-19 impact
- Corporate Solutions' turnaround is well on track, with the business confident of achieving a normalised combined ratio of ≤ 98% in 2021
- iptiQ's strong growth trajectory continues; market-implied valuation estimated at approximately USD 2 billion
- Swiss Re's investment portfolio is well positioned to mitigate the current low interest rate environment
- Swiss Re confirms financial targets and capital management priorities, focusing on superior capitalisation and a stable or increasing dividend
- Swiss Re's strategy of building risk insights and successful risk partnerships complements its risk transfer business

Zurich, 20 November 2020 – At today's Investors' Day, Swiss Re will confirm its over-the-cycle financial targets and deliver a positive outlook, based on improving market conditions and targeted growth opportunities across the Group's businesses. The Group will also reiterate its capital management priorities, focusing on superior capitalisation and a stable or increasing dividend.

Swiss Re Group Chief Executive Officer Christian Mumenthaler said: "We are optimistic on the outlook for all of our businesses as we see positive momentum in the underlying earnings power of the Group. Our confidence is underpinned by Swiss Re's capital strength and the proactive approach we have taken to the Group's COVID-19 reserves. We expect that COVID-19 will remain an earnings and not a capital event for the Group, with declining exposures going forward. We are focused on delivering on our financial targets and capital management priorities. At the same time, our strategy positions Swiss Re for long-term success."

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Reinsurance is a powerful franchise with strong earnings momentum
Reinsurance is Swiss Re's key earnings contributor, with a strong franchise that serves 2 300 clients globally. P&C Re is pursuing targeted growth opportunities in a hardening market. The business is focused on expanding underwriting margins, partly to offset the negative impacts of lower interest rates. P&C Re is expected to improve its normalised combined ratio[1] to less than or equal to 96% in 2021.

L&H Re has maintained its successful track record despite the impact from COVID-19 in 2020. L&H Re has achieved strong new business generation, in particular in Asia. Together with active management of its in-force business, this lays the foundation for future underlying earnings growth.

Corporate Solutions' turnaround is well on track
Decisive execution of the management actions announced in 2019 is fuelling the successful turnaround of Corporate Solutions, with the business confident of achieving a normalised[2] combined ratio that is less than or equal to its 98% target in 2021. A pronounced hard market offers opportunities for profitable growth in areas where Corporate Solutions has a proven competitive advantage. Over the medium term, Corporate Solutions aims to move towards a better diversified and more cycle-resilient commercial insurance model, which provides complementary access to corporate clients for the Swiss Re Group.

Asset Management continues to deliver strong results
Proactive portfolio management has helped Swiss Re navigate the market volatility in 2020. The Group's return on investment (ROI) has remained strong despite the low interest rate environment, supported by Swiss Re's commitment to Environmental, Social and Governance (ESG) principles. The defensive portfolio positioning, combined with the significantly reduced financial market risk profile of the Group after the sale of ReAssure, provides opportunities to enhance investment yields going forward.

Swiss Re is pursuing risk partnerships to open up new long-term opportunities
Swiss Re's strategy focuses on risk insights and partnerships to complement its risk transfer business. In this spirit, the Group's white-label digital insurance platform, iptiQ, continues to grow. iptiQ's core business now has 40 distribution partners, more than 500 000 customers and USD 300 million in gross premiums written. Based on the current growth trajectory and peer valuation, iptiQ's market-implied valuation has grown to approximately USD 2 billion.

[1, 2] Assuming an average large natural catastrophe loss burden and excluding (i) prior-year reserve development and (ii) COVID-19 impacts.

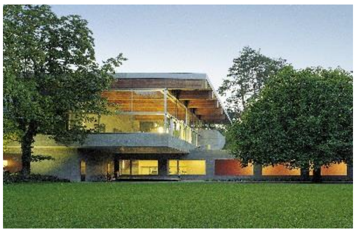
Investors' Day webcast
Swiss Re's 2020 Investors' Day can be followed via a live webcast starting at 10:30 am (CET). The presentation is available here.

For more information, please click here.

Swiss Re
The Swiss Re Group is one of the world's leading providers of reinsurance, insurance and other forms of insurance-based risk transfer, working to make the world more resilient. It anticipates and manages risk – from natural catastrophes to climate change, from ageing populations to cyber crime. The aim of the Swiss Re Group is to enable society to thrive and progress, creating new opportunities and solutions for its clients. Headquartered in Zurich, Switzerland, where it was founded in 1863, the Swiss Re Group operates through a network of around 80 offices globally. It is organised into three Business Units, each with a distinct strategy and set of objectives contributing to the Group's overall mission.

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



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;

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- 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.

This communication is not intended to be a recommendation to buy, sell or hold securities and does not constitute an offer for the sale of, or the solicitation of an offer to buy, securities in any jurisdiction, including the United States. Any such offer will only be made by means of a prospectus or offering memorandum, and in compliance with applicable securities laws.