

News release

Swiss Re announces a strategic alliance with Microsoft

- **Swiss Re to create a Digital Market Center using Microsoft's data analytics and artificial intelligence capabilities to transform how risks are predicted, managed and insured**
- **Microsoft to support Swiss Re in developing go-to-market strategies for new risk management solutions and insurance products based on data insights**
- **The Digital Market Center's initial focus will be on connected vehicles and mobility, Industry 4.0 and natural catastrophe resilience**

Zurich, 12 March 2020 – Swiss Re and Microsoft Corp. announced today a strategic alliance to further advance insurance innovation and extend financial protection to more people globally. The centrepiece of the strategic alliance is the launch of Swiss Re's Digital Market Center, which will help develop next-generation, large-scale tools to transform the way the insurance industry predicts and manages risks, as well as how the industry creates tangible products based on Swiss Re's risk knowledge.

Swiss Re's new Digital Market Center will draw on Microsoft's next-generation Azure cloud technologies, internet of things and artificial intelligence capabilities. The first areas of application are planned to be connected vehicles and mobility, industrial manufacturing ("Industry 4.0"), and natural catastrophe resilience. The Digital Market Center will also develop innovative cyber platforms to measure business risks in a digital environment, enabling a new class of risk technology solutions.

Swiss Re's Digital Market Center will offer insurers a broader understanding of risks and their ripple effects on society, governments and economies. For example, powered by Microsoft's automotive data capabilities, Swiss Re will be able to develop a much deeper analysis of automotive risks such as a car's safety performance when using the latest driving assistance technologies. By providing data-driven insights from this type of data, Swiss Re can enable insurers to design innovative new motor insurance products, such as pay-as-you-drive covers.

Swiss Re's work in this area will go beyond new product creation and provide broader risk insights for complex, interconnected systems. For example, risk managers can get a greater understanding of how the loss of a ship's cargo may impact global supply chains, or how natural catastrophes will impact a

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government's key infrastructure investments. Based on these type of data insights, insurers can develop solutions that proactively mitigate losses before they occur.

As part of the strategic alliance, Swiss Re will transform its internal operating platform by modernising and moving it to the Azure cloud. This move will increase the efficiency and effectiveness of the core processes by leveraging the most advanced data processing and AI capabilities at scale.

Thierry Léger, CEO Swiss Re Life Capital, said: "Swiss Re's alliance with Microsoft will help accelerate the digital transformation of the insurance industry, with benefits across all lines of business. By building digital markets and not just isolated products, we aim to transform the way businesses approach the risks they face. The alliance between Swiss Re and Microsoft presents an exciting opportunity for the insurance industry."

Anette Bronder, Swiss Re Group Chief Operating Officer, said: "Digital transformation can only be achieved through strong partnerships. The strategic alliance with Microsoft will greatly advance our ability to make our risk expertise available to our clients. At the same time, we can achieve significant efficiency gains for our own internal platforms and processes. This is an important step for Swiss Re's evolution as a leading data-enabled risk knowledge company."

Jean-Philippe Courtois, Executive Vice President and President, Microsoft Global Sales, Marketing and Operations at Microsoft, added: "I am looking forward to seeing how this collaboration enables new pathways for innovation in how insurance solutions are built and managed. By combining Swiss Re's risk expertise with Microsoft Azure, we have the opportunity to deliver greater peace of mind to people and to enrich their experience with the insurance industry."

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 cybercrime. 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.

About Microsoft

Microsoft (Nasdaq "MSFT" @microsoft) enables digital transformation for the era of an intelligent cloud and an intelligent edge. Its mission is to empower every person and every organization on the planet to achieve more.

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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 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 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 enough 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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