

Swiss Re Ltd

**11th Annual General Meeting
Post-AGM shareholder information event
Zurich, Wednesday, 13 April 2022**

Speech
by

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Group Chief Executive Officer

Check against delivery.

Dear shareholders,

Ladies and Gentlemen,

I would also like to welcome you to today's event.

In my presentation, I will first provide an overview of Swiss Re's results over the past financial year. I will then venture an outlook on the market environment. Finally, I would like to share a few thoughts on the topic of climate change, the biggest long-term challenge our company and the industry faces.

First, let me turn to our full-year results.

In 2021, Swiss Re posted a net profit of USD 1.4 billion, compared with a loss of USD 878 million in the previous year. Our premium volume has grown by almost 5%. The return on equity was 5.7%.

Without the impact of the pandemic, our net profit would have stood at an impressive USD 3 billion.

In particular, the result in property and casualty businesses was very strong. Our Property & Casualty Reinsurance business generated a profit of USD 2.1 billion, even though Swiss Re also had to cover large natural catastrophe losses of USD 2.1 billion. These losses were primarily driven by Hurricane Ida in the US and the floods in Europe during the summer of 2021.

Our primary insurance business with large corporate clients also performed very well. The Corporate Solutions Business Unit reported a net income of USD 578 million, after a net loss of USD 467 million in 2020. The turnaround of Corporate Solutions is now complete. While this involved a lot of work and many difficult decisions, it was well worth the effort.

An important key performance indicator in the insurance business is the combined ratio. The lower the combined ratio, the higher the underwriting margin for us.

I am proud to say that we succeeded in decreasing the combined ratio for our P&C Re business to 97.1%, and for direct business with corporate clients even to 90.6%. Both figures were still well above 100% in the previous year. Taken together, our property and casualty businesses achieved a combined ratio of 95.8%. Each one-percentage-point improvement in the combined ratio translated into an increase in underwriting profit of approximately USD 270 million.

The turnaround in Corporate Solutions and the success of our P&C Re business are rounded off by the continued solid growth of our internal start-up iptiQ and an attractive return on investments of 3.2% in asset management.

Now to the more sombre side of the 2021 result: the Life & Health Reinsurance business. 2021 was obviously the second year of the pandemic, and COVID-19 hit us hard in this business area,

where we posted a net loss of USD 523 million as a result. In the US, the mortality rates for the third and fourth quarters were significantly higher than in the years before COVID-19. As a result of the pandemic, we absorbed losses of USD 2 billion in the life and health business.

This shouldn't come as a surprise. We are the world's largest reinsurer in the life and health segment. In North America, our market share is higher than that of our direct competitors. By its very nature, this kind of business will be particularly impacted by a pandemic. Our role as reinsurers is to act as shock absorbers for such disasters. That is our primary purpose.

We have absolute confidence in the Life & Health Reinsurance business. Since 2015, the new business profits have steadily increased. Seven years ago, the economic new business profit was USD 730 million. Last year, it was USD 1.3 billion. Despite an environment marked by the global pandemic, we were able to achieve price increases and improved contractual arrangements. The Life & Health Reinsurance business remains an important pillar of income for us.

All in all, 2021 marked an important turning point. We have increased our profitability. We are on the right path, but it is not over yet. We will continue to pursue it consistently.

A few additional words about the second year of the pandemic and how our employees experienced it. Working from home was still a day-to-day reality for them. When restrictions and lockdowns were relaxed, we left it up to them whether they wanted to come to the office or not. The physical and mental health of our employees is always our top priority.

An important lesson learnt from the past two years of home office is that working remotely is possible without any problems thanks to the digital infrastructure available to us today. Many of our renewal rounds in the reinsurance business were carried out from the kitchen table or the living room. The pandemic also enabled us to drastically reduce our business travel – compared with 2018, we had 93% less air travel in 2021.

However, working from home was not always easy for many employees. As such, I would like to express my sincere gratitude to all employees for the great commitment they have shown.

Let me now move to the outlook.

The consequences of the Ukraine war cannot be assessed in detail yet. In addition, COVID-19 will continue to impact our business in 2022. While we are seeing a transition from the pandemic to the endemic phase in many places – signifying a certain normalisation – the emergence of a new, more aggressive variant of the virus could throw this development off course again.

In addition, we will continue to be faced with the economic repercussions of the pandemic in 2022. Inflation will be a key area of attention. However, the marked pick-up of inflation rates in the US and Europe has also caused central banks to announce interest rate hikes. As investors, one is inclined to say: "At last!" The past few years with low to negative interest rates have been tough.

Going forward, we will need to strike a balance between the exposure to higher inflation in the insurance business and the improved scope for returns on the investment side.

The pandemic will once again impact the North American life and health business in 2022. Unfortunately, we expect the excess mortality in the US to continue for some time. This contrasts with price increases seen in the property and casualty reinsurance market. At this year's January renewal rounds, we achieved encouraging price increases, particularly in our natural catastrophe business.

In the market, we continue to build on strengths that set us apart from our competitors:

- Capital strength;
- Excellent, long-standing client relationships;
- And our well-recognised risk expertise.

We will continue to partner with innovative companies wherever possible to develop new products, strengthen our business model and expand the limits of insurability.

Finally, a few words on climate change.

Its effects are becoming more and more noticeable worldwide. Wherever you go, one can see predictions becoming reality: heat waves, droughts, heavy rains, floods. Climate change is becoming part of people's realities.

Accordingly, opposition to climate change is mounting. More and more investors are demanding that companies do their part to limit global warming to 1.5 degrees Celsius.

I've been dealing with climate change for more than 15 years now. In 2005, when I was Chief Risk Officer and wanted to discuss the issue with public officials and business leaders, I was usually told: "Not interested!" That has now changed completely.

Today, I'm met with open ears.

Since the topic of climate change is so central to the future of our company, our industry, and our planet, I am engaging publicly on it.

Together with the CEO of Ikea, I co-chair the WEF Alliance of CEO Climate Leaders. In order to participate in this alliance, CEOs have to commit to making their companies "carbon neutral" by 2050. In practice, this means that the company, all its suppliers and all its products no longer produce carbon emissions.

Today, the Alliance already comprises more than 100 companies. If the Alliance were a country, it would be the third largest in terms of greenhouse gas emissions, behind China and the US.

In 2021, we attended the COP-26 climate conference in Glasgow to discuss the role and contribution of private industry in achieving climate neutrality. We plan to participate in this year's climate conference in November too.

The private sector is taking the initiative. It is inspiring to see that interest in long-term returns is key to driving this development.

Dear shareholders,

2021 was not an easy year. However, I dare to say that it was also a year of new beginnings for Swiss Re. I look to the future with confidence.

In order for us to do our work, we are in need of risk capital, which is what you provide us with.

That is why it is very important to me to conclude my remarks by once again explicitly addressing you, our shareholders, and giving you a heartfelt thank you for your loyalty and support.

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