Swiss Re

Swiss Re – Leading Global Re/Insurer

The Octavian Seminar
Giovanni Gentile, CFO Reinsurance
Flims, 13 January 2023

Today's focus areas

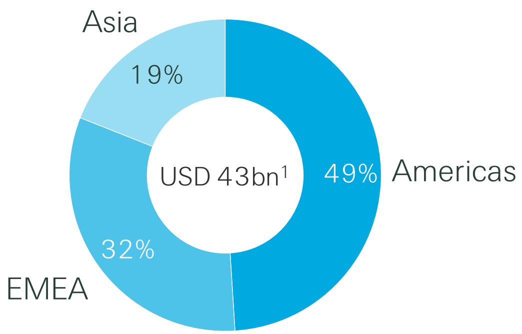
Group strategy

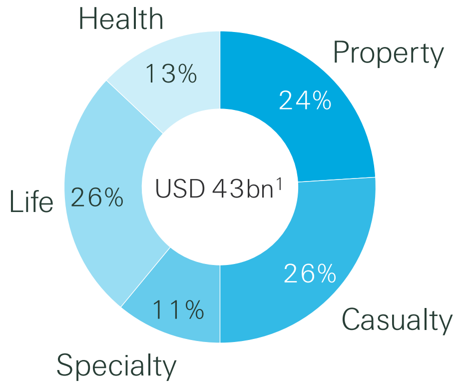
Business update

Capital management

Swiss Re in a nutshell

A truly global and diversified reinsurer...





... with profitable long-term growth

- Premium[1] CAGR of 6% over FY 2012-21
- Market growth of 5-6% p.a. until 2030[2]

... with very strong capital position

- Group SST ratio of 274% as of 7/2022
- Group S&P rating of AA-

... with attractive dividend policy

- Dividend per share CAGR of 6% over FY 2012-21 period

Group financial targets

14%

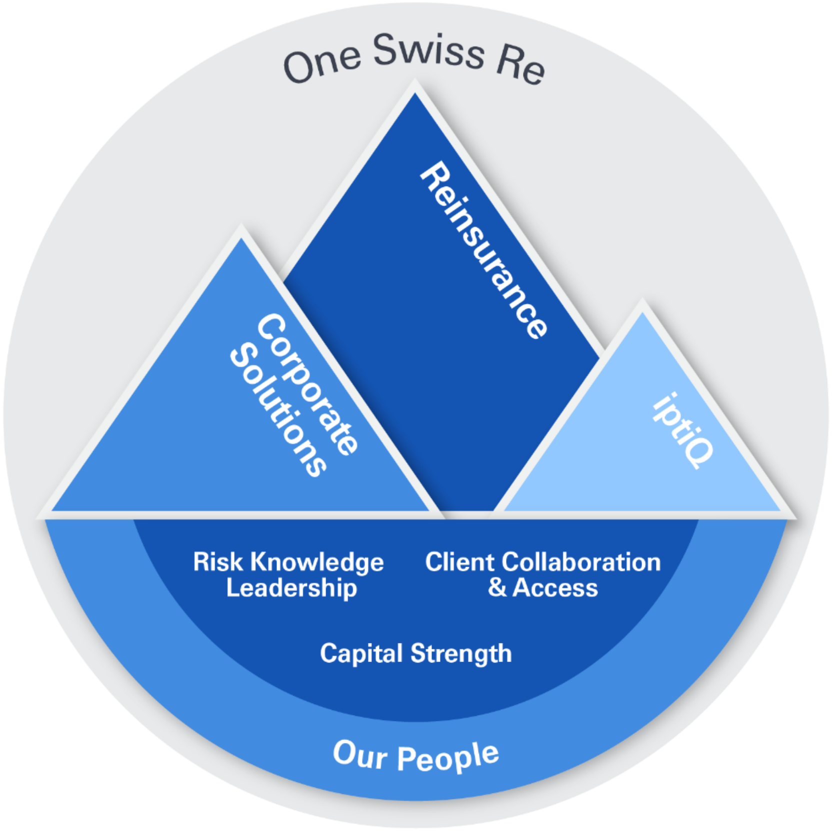
Return on equity[3] in 2024

10%

ENW per share growth[4] per year

[1] Premiums earned and fee income
[2] Source: Swiss Re Institute, based on gross premiums written
[3] US GAAP return on equity
[4] Calculated as: (current-year closing ENW per share + current-year dividends per share) / (prior-year closing ENW per share + current-year opening balance sheet adj. per share)

We run three distinct businesses supported by "one" Group foundation

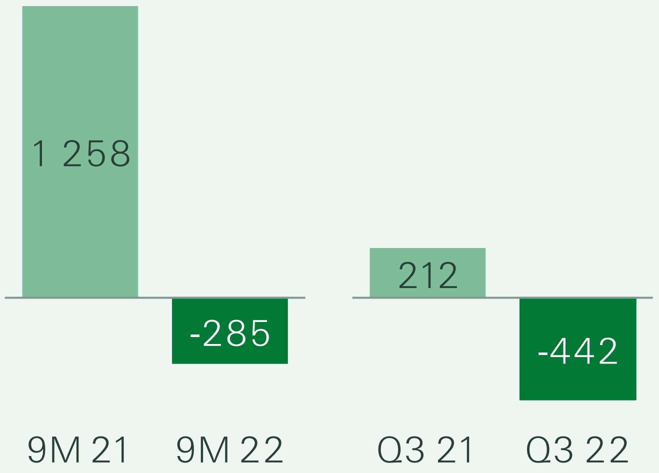


- **Reinsurance** is at the core of our business as a leading global reinsurer
- **Corporate Solutions** is a specialised risk partner to corporate clients
- **iptiQ** is our globally leading digital B2B2C insurance platform, focusing on personal lines
- Acting as **"One Swiss Re"** based on one foundation with the flexibility to create new businesses

Third quarter performance heavily impacted by elevated P&C Reinsurance loss activity, while L&H Reinsurance and Corporate Solutions delivered strong results

Swiss Re Group

Net income
(USD m)



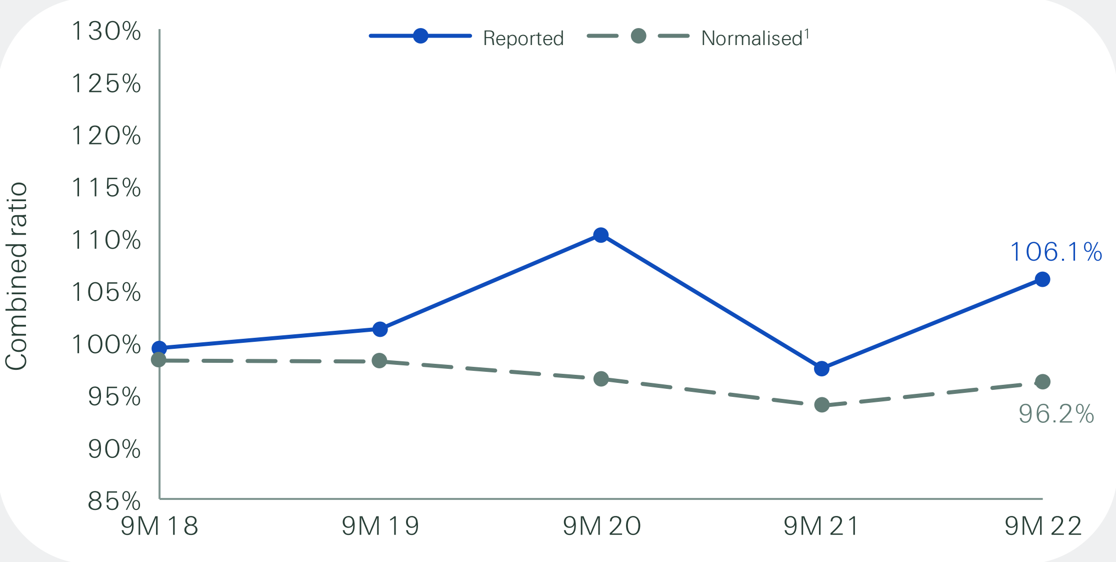
	9M 22	Q3 22
Premium growth[1]	+1.3% (+5.0%[3])	+0.1% (+5.1%[3])
Return on investments[2]	1.6%	2.4%

		9M 2022 key figures	Q3 2022 key figures
P&C Reinsurance	Combined ratio	106.1%	119.5%
	Normalised[4] combined ratio	96.2%	96.9%
L&H Reinsurance	Net income (USD)	221m	219m
Corporate Solutions	Combined ratio	93.1%	92.9%
Swiss Re Group	Return on equity[2]	- 2.1%	- 13.2%

[1] Net premiums earned and fee income
[2] Annualised
[3] At constant fx rates
[4] Assuming an average large nat cat loss burden and excluding prior-year reserve development

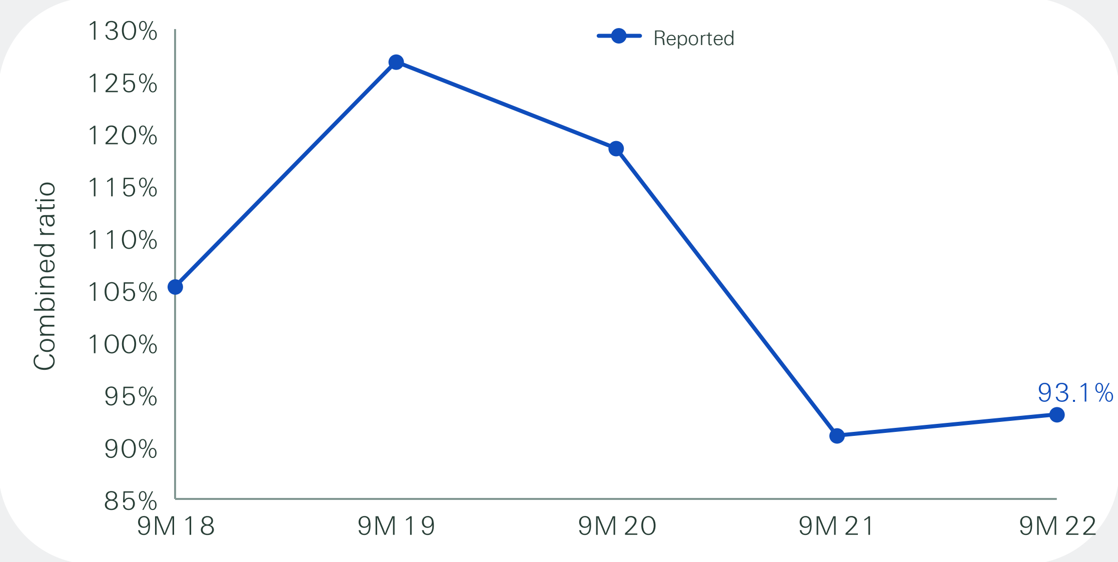
Corporate Solutions well on track to achieve its 2022 combined ratio target, while P&C Re's result impacted by elevated nat cat losses and higher small- to mid-sized claims

P&C Reinsurance



- 9M 2022 reported combined ratio impacted by large nat cat losses (7.4%pts above expectations), mainly driven by Hurricane Ian
- 9M 2022 reported and normalised[1] combined ratios additionally affected in Q3 2022 by higher small- to mid-sized claims, mostly driven by economic inflation
- Unlikely to reach <94% normalised[1] combined ratio target for 2022

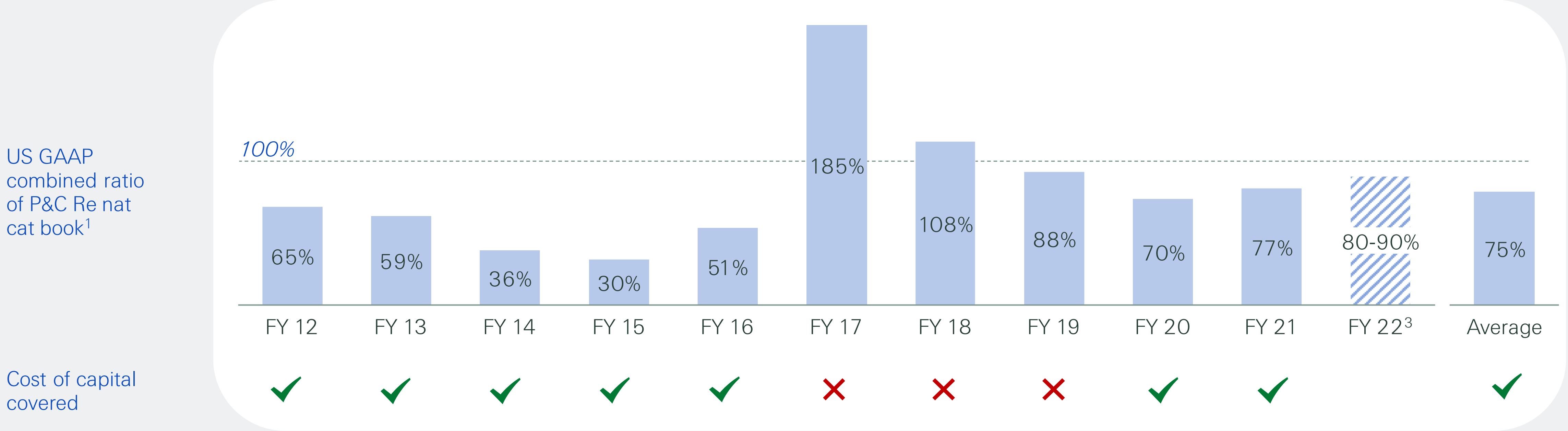
Corporate Solutions



- 9M 2022 reported combined ratio slightly higher compared to 9M 2021, primarily driven by less favourable prior-year development
- elipsLife sale completed with effect from 1 July 2022. Excluding elipsLife 9M 2022 pro forma[2] combined ratio of 91.6%
- Well on track to achieve <95% reported combined ratio target for 2022

[1] Assuming an average large nat cat loss burden and excluding (i) prior-year reserve development and (ii) COVID-19 impacts
[2] Excl. all Elips Life AG business sold to Swiss Life International for H1 2022 and incl. the medical business of Elips Versicherungen AG in Ireland, which remains with Swiss Re

In the past 10 years, our nat cat book achieved resilient underwriting profits, supported by our global scale, diversification and modelling capabilities



75%
10-year average US GAAP combined ratio[1]

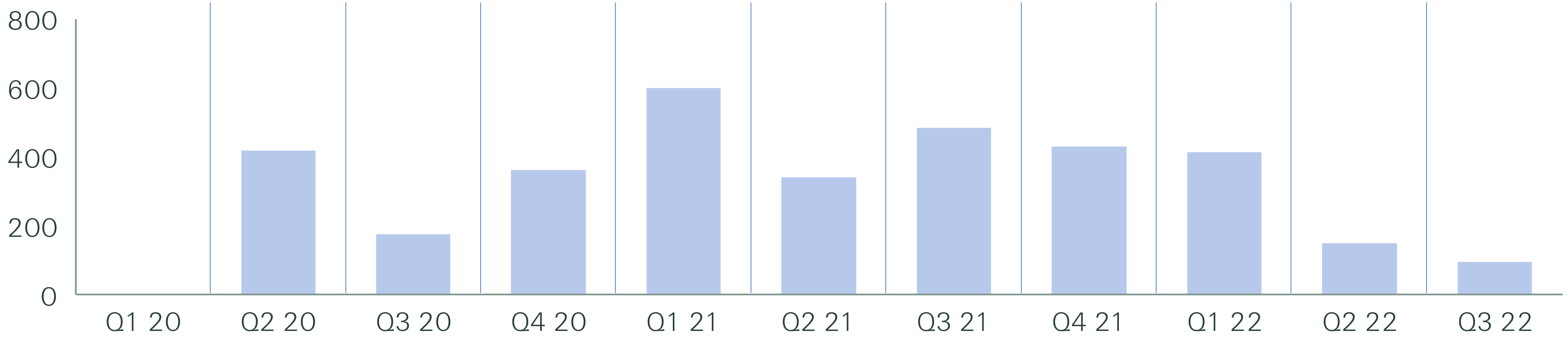
69%
10-year average US GAAP combined ratio incl. favourable prior-year development

USD ~9bn
US GAAP underwriting profits[2] over the last 10 years

[1] Current accident year only
[2] Incl. favourable prior-year development
[3] Illustrative for FY 2022, dependent on Q4 developments

L&H Reinsurance with strong results in Q2 and Q3 2022, supported by significantly lower COVID-19 impacts

COVID-19 mortality losses (US GAAP, USD m)



	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22
Net income[1] (USD m)	299	-225	-2	-1	-193	64	97	-446	-230	232	219

- Strong performance in Q3 2022, supported by positive contribution of Americas, partially offset by adverse experience in Asia
- Well on track to achieve net income target of USD ~300m in 2022
- Reduced drag of pre-2004 US book expected to benefit net income by USD ~175m in 2023[2] and USD ~250m in 2024[2] with an additional earnings uplift expected under IFRS in 2024

[1] 2021 figures restated for Group items re-segmentation (figures before 2021 are not restated)
[2] Reduced net income drag vs. 2022E

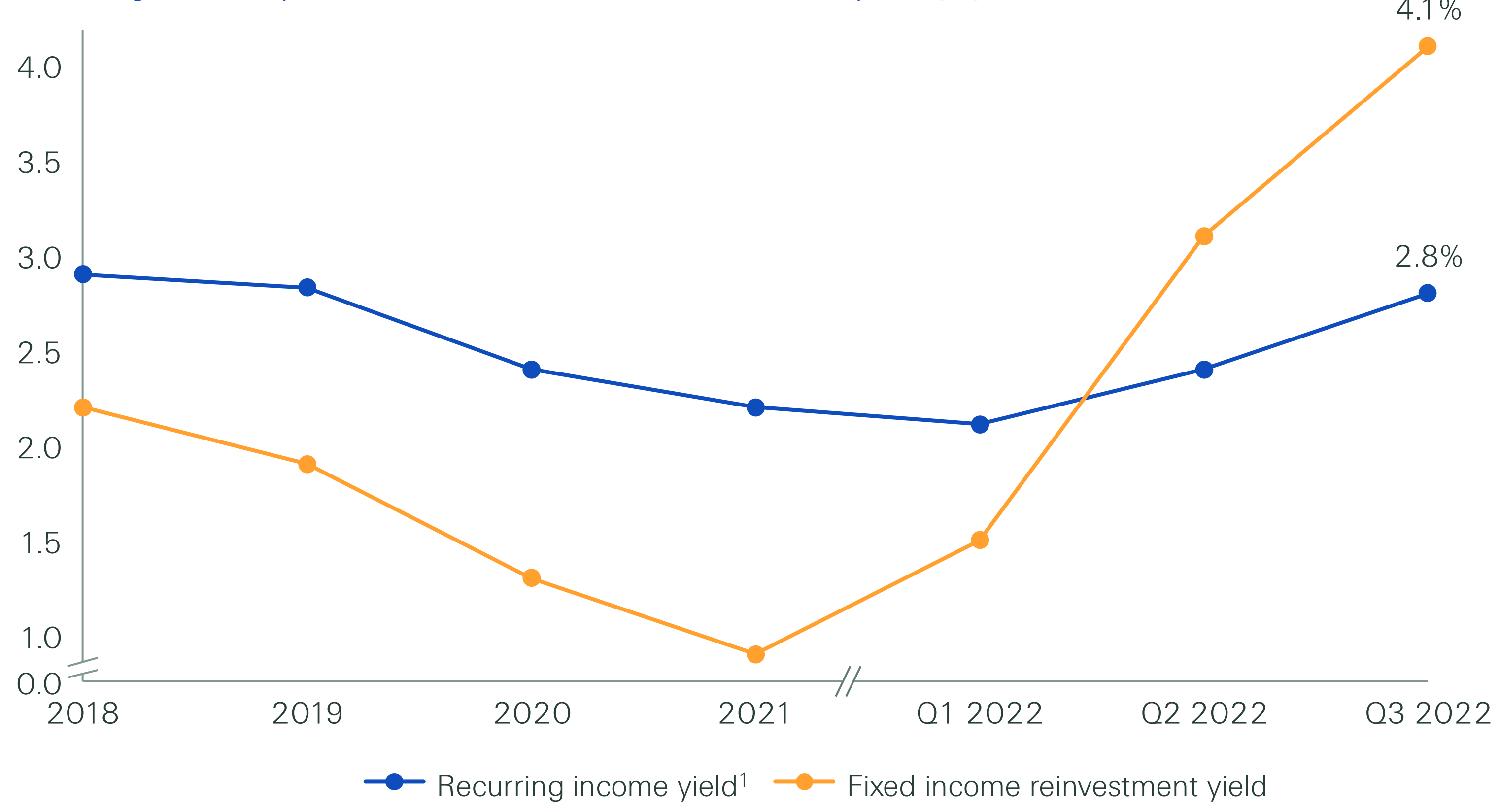
Rising interest rates provide significant uplift to recurring income

4.1 %

fixed income reinvestment yield in Q3 2022

Quarterly recurring income increased by USD ~100m in Q3 2022 vs. Q3 2021

Recurring income yield[1] and fixed income reinvestment yield (%)

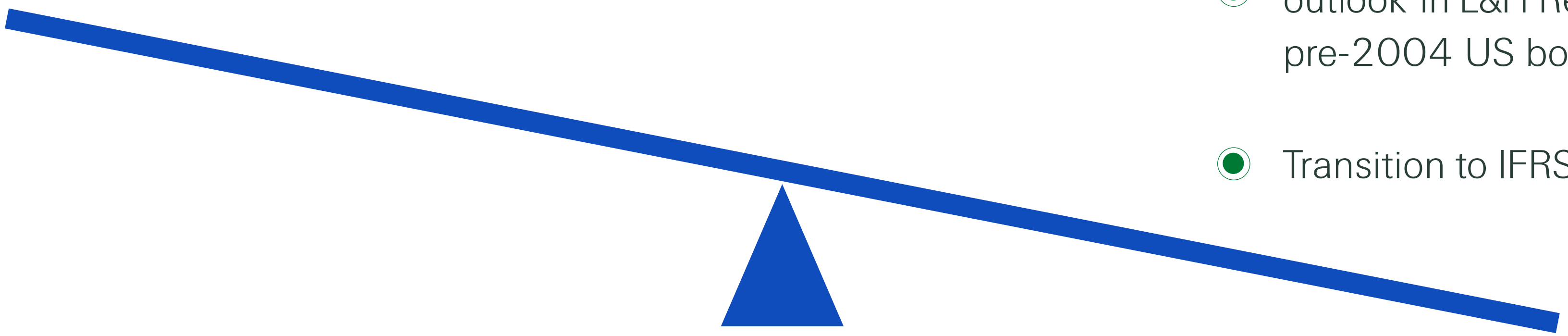


[1] From 2021 recurring income yield includes income from fixed income, loans and short-term investments, listed equity dividends and real estate investment income

Positive outlook for 2023

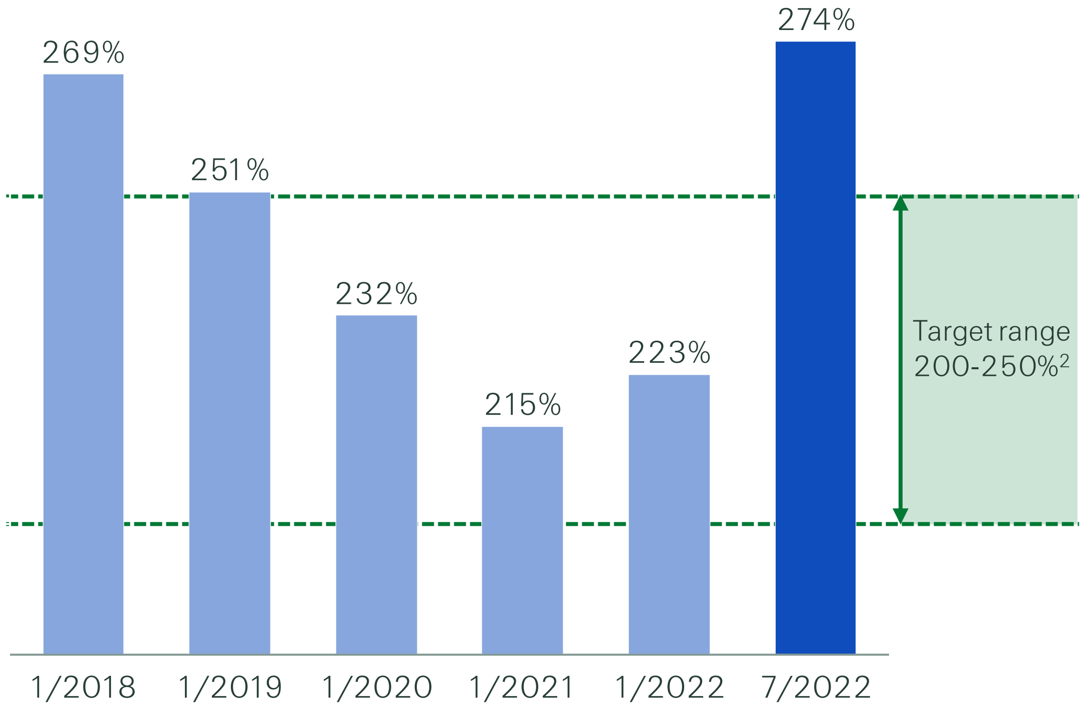
- Geopolitical crisis
- Risk of elevated inflation

- Hard P&C reinsurance market
- Higher reinvestment yields
- Much improved earnings outlook in L&H Re (COVID-19, pre-2004 US book)
- Transition to IFRS in 2024



Our capital management priorities remain unchanged

Group SST ratio[1] development



Our capital management priorities

Capital management priorities

Ensure **superior capitalisation** at all times and maximise **financial flexibility**

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

Repatriate excess capital to shareholders

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

[1] Group SST ratio calculation: SST available capital / SST economic target capital = (SST risk-bearing capital – MVM) / (SST target capital – MVM)
[2] Group SST target range was introduced in 2021

Key messages

- Swiss Re is **truly global and diversified reinsurer** with very **strong capital position** and **attractive growth opportunities**
- 9M 2022 performance heavily impacted by elevated P&C Reinsurance loss activity, while **L&H Reinsurance and Corporate Solutions** are **well on track to reach their 2022 financial targets**
- We remain **confident in our mid-term outlook**, given **rising interest rates** and our **favourable position for upcoming renewals** amid rising prices and constrained market capacity
- We **remain committed to our capital management priorities,** including growing the dividend with long term earnings and at minimum maintaining it
- **ROE target of 14% in 2024** to be achieved by higher L&H Re profits, attractive margins in P&C businesses and continued cost discipline
- **Transition to IFRS in 2024 to bring additional benefits**. We currently expect a higher level of shareholders' equity and higher earnings

Swiss Re

Corporate calendar & contacts

Corporate calendar

2023

17 February	**Annual Results 2022**	Conference call
16 March	**Publication of Annual Report 2022**	
12 April	**159th Annual General Meeting**	
04 May	**Q1 2023 Results**	Conference call

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Forward-looking statements typically are identified by words or phrases such as "anticipate", "target", "aim", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend" and similar expressions, or by future or conditional verbs such as "will", "may", "should", "would" and "could". These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Swiss Re Group's (the "Group") 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 the Group 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, including the coronavirus ("COVID-19"), acts of terrorism or acts of war, including the ongoing war in Ukraine, and any associated governmental and other measures such as sanctions, expropriations and seizures of assets as well as the economic consequences of the foregoing;
- 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;
- macro-economic events or developments including increased volatility of, and/or disruption in, global capital, credit, foreign exchange and other markets and their impact on the respective prices, interest and exchange rates and other benchmarks of such markets, and historically high inflation rates;
- 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 realise 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, including changes related to environment, social and governance ("ESG") and sustainability matters, 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 Group's ability to fully achieve one or more of its ESG or sustainability goals or to fully comply with applicable ESG or voluntary sustainability standards;
- matters negatively affecting the reputation of the Group, its board of directors or its management, including matters relating to ESG or sustainability, such as allegations of greenwashing, lack of diversity and similar allegations;
- 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, pandemics, including COVID-19, and certain large man-made losses, as well as claims resulting from the ongoing war in Ukraine and social inflation litigation, 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 intensity and frequency of which may also increase as a result of social inflation;
- the outcome of tax audits, the ability to realise tax loss carryforwards and the ability to realise 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, including the contemplated adoption of IFRS;
- 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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