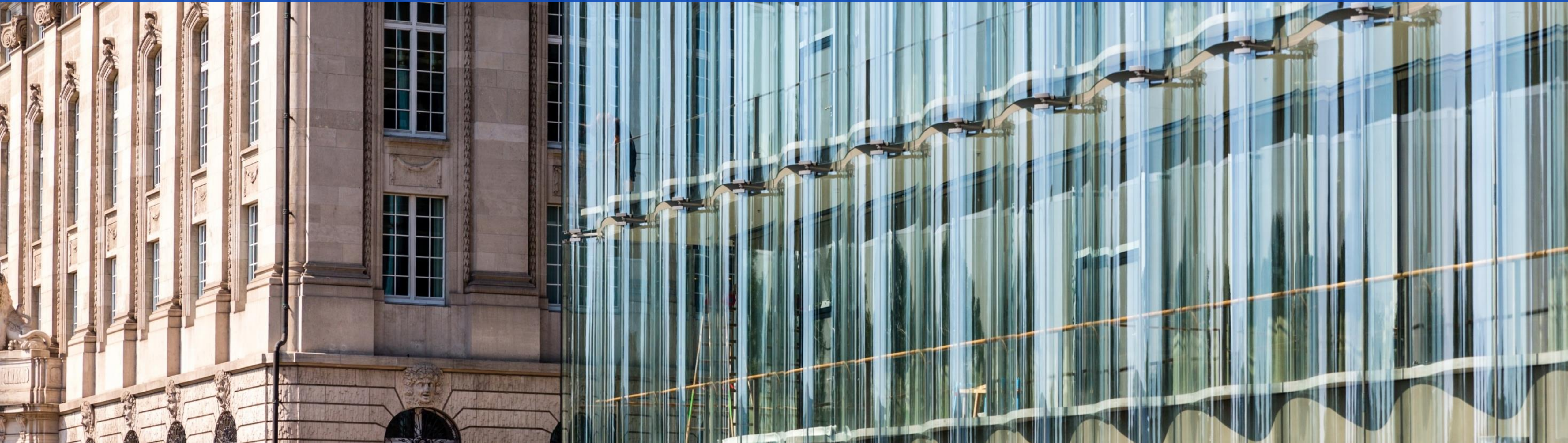
Swiss Re

Extracts from 2022 Annual Report

Swiss Re investor and analyst presentation
Zurich, 16 March 2023



Focus areas

Economic performance and solvency

Reserving update

Sustainability highlights

Economic performance and solvency

- **Economic performance**
- Economic solvency and capital generation

Swiss Re's economic framework (EVM) aligns closely with IFRS

2004
Introduction of EVM

2006
Transition to US GAAP

2008
Introduction of SST

2024
Transition to IFRS

EVM key objectives

- Measure economic value generated from underwriting activities on a stand-alone basis
- Measure economic value generated from investment activities after risk adjustment
- Assess different underwriting and investment opportunities on a consistent basis

✓ Supports portfolio steering

✓ Allows consistent measurement of economic performance

✓ Forms basis for capital actions

The switch to IFRS represents an opportunity to achieve greater comparability across the industry

Main headwinds of the Group's 2022 economic performance

L&H model and assumption changes[1]	Economic inflation[2]	Large nat cat losses above expectations[3]
USD 2.3bn	USD 1.7bn	USD 0.4bn

2022 contribution to ENW[4] (economic earnings)

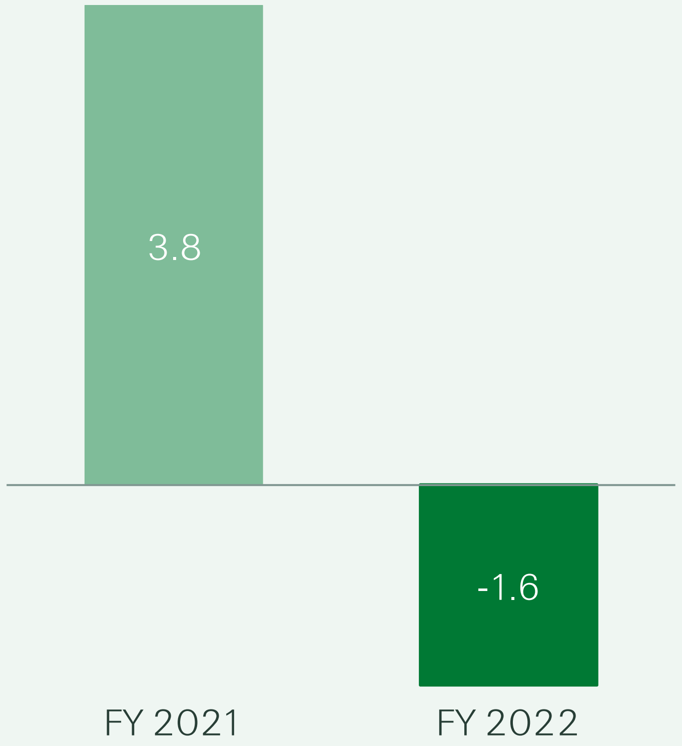
USD -1.6bn

1 Negative impact on EVM profit in L&H Reinsurance due to improved internal pandemic risk model, plus assumption and methodology changes
2 Negative impact on EVM profit in P&C Reinsurance and Corporate Solutions due to inflation scenario updates and assumption changes reflecting higher-than-expected economic inflation
3 Negative impact on EVM profit in P&C Reinsurance due to higher-than-expected large nat cat losses
4 Economic Net Worth

Economic result in 2022 impacted by model and assumption changes

Swiss Re Group

Contribution to ENW (USD bn)



FY 2022 key figures

USD 31bn
ENW at year-end

CHF 100
ENW per share

-5.9%
ENW per share growth

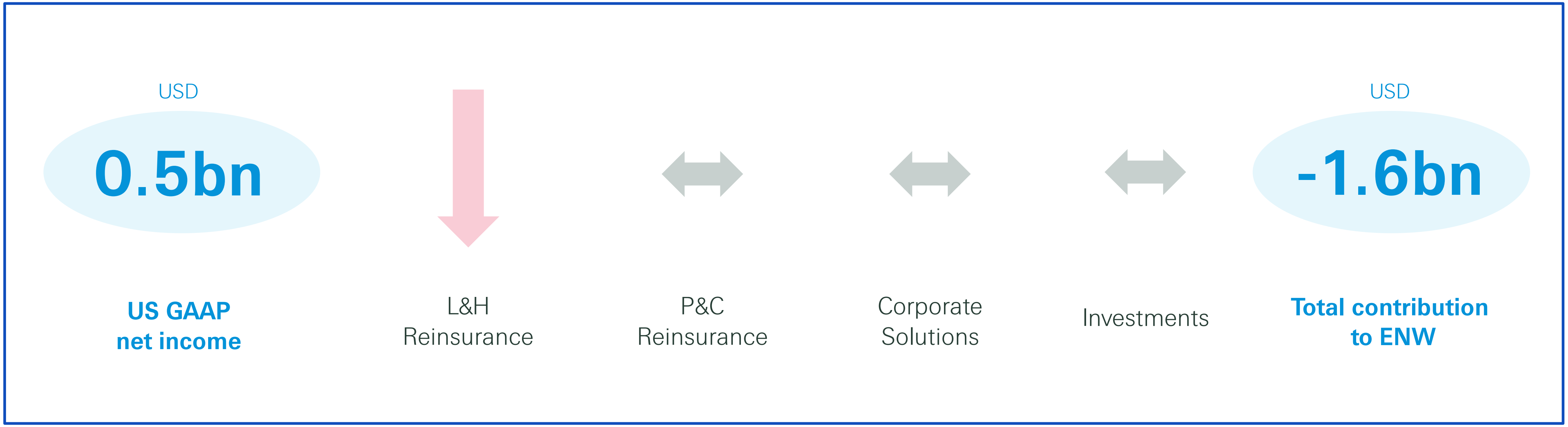
FY 2022 contribution to ENW by segment

P&C Reinsurance	USD 0.4bn
L&H Reinsurance	USD -2.1bn
Corporate Solutions	USD 0.6bn
Group items	USD -0.6bn

Compared to US GAAP, economic result reflects L&H model and assumption changes

Key differences between US GAAP reported net income and total contribution to ENW for FY 2022

illustrative



- L&H Reinsurance: pandemic risk model and assumption changes reflected in EVM, while US GAAP is based on locked-in assumptions and does not consider capital costs

Key EVM figures

USD m, unless otherwise stated	P&C Re	L&H Re	Corporate Solutions	Group items	Total FY 2022	Total FY 2021
• EVM profit – new business	379	1 030	172	-160	1 422	1 391
• EVM profit – previous years' business	-1 969	-2 789	231	-125	-4 652	-205
• EVM profit – investments	852	-1 525	-1	-222	-896	872
• **EVM profit**	**-738**	**-3 284**	**402**	**-506**	**-4 126**	**2 058**
• Release of current year capital costs	1 960	1 725	299	-144	3 840	2 644
• Cost of debt and additional taxes	-775	-504	-72	57	-1 293	-939
• **Total contribution to Economic Net Worth (ENW)**	**447**	**-2 063**	**629**	**-593**	**-1 579**	**3 762**
• **ENW**	**12 412**	**13 560**	**3 093**	**2 042**	**31 107**	**35 374**
• ENW per share (USD)					107.64	122.42
• ENW per share (CHF)					99.57	111.53
• ENW per share growth					-5.9%	10.7%

P&C Reinsurance impacted by economic inflation and elevated nat cat losses

EVM premiums

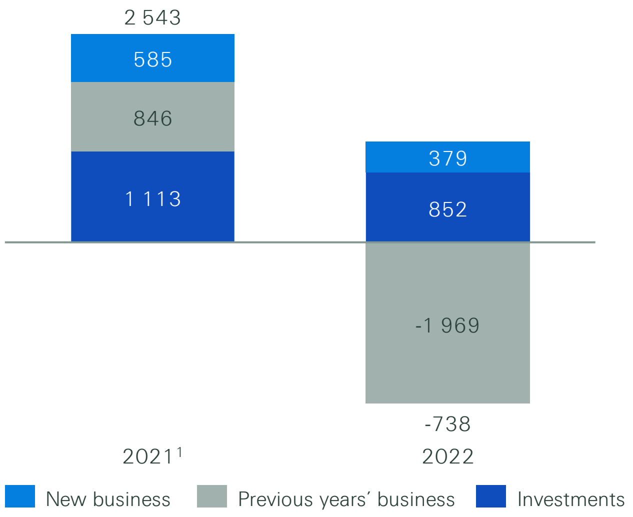
USD 23.5bn

In 2022

USD 25.4bn

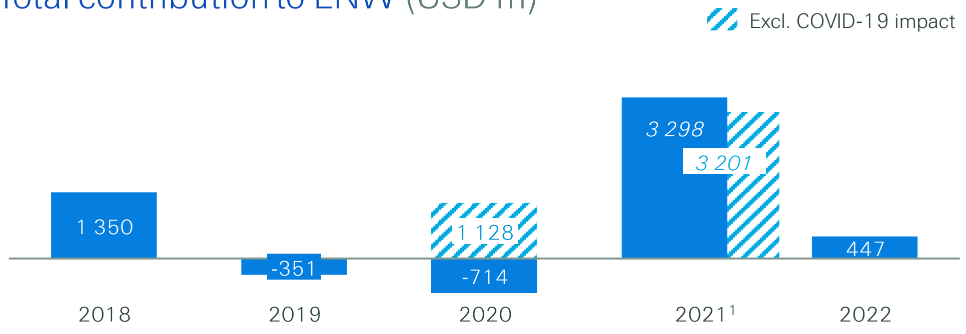
In 2021

EVM profit split (USD m)



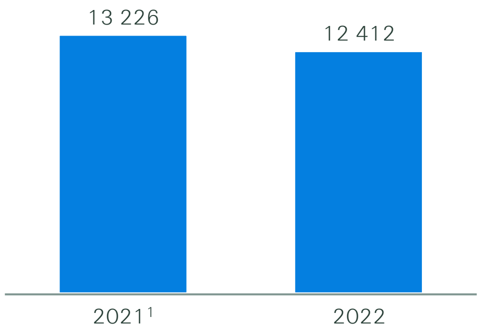
- Premiums decreased by 7% primarily due to unfavourable impact from FX, in addition to a reduction in proportional treaties across motor and liability
- New business profit in 2022 reflects higher-than-expected large nat cat losses, mainly related to Hurricane Ian and storms in Europe
- Previous years' business mainly impacted by inflation scenario and assumption changes reflecting higher-than-expected economic inflation, elevated large nat cat losses, adverse development in liability and impact from the Ukraine war
- Solid investment result driven by favourable impact from higher interest rates on a net short duration position

Total contribution to ENW (USD m)

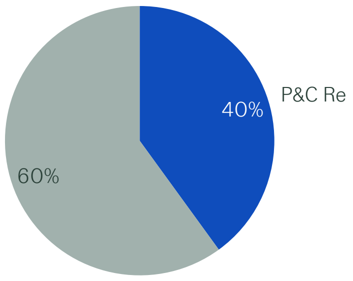


- Total contribution to ENW impacted by economic inflation and elevated large nat cat losses

ENW (USD m)



Share of 2022 Group ENW



[1] 2021 figures restated for Group items re-segmentation (figures before 2021 are not restated)

L&H Reinsurance impacted by assumption changes and pandemic risk model update

EVM premiums and fees

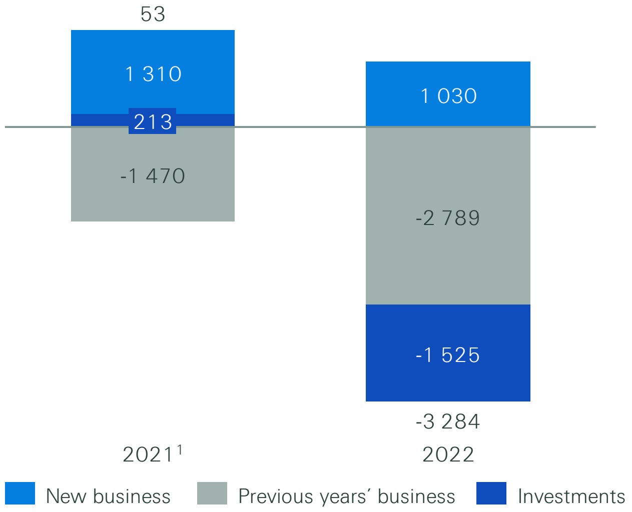
USD 16.7bn

In 2022

USD 35.0bn

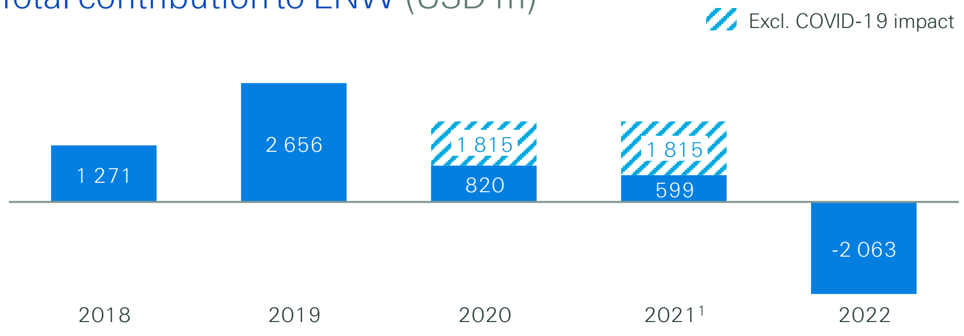
In 2021

EVM profit split (USD m)



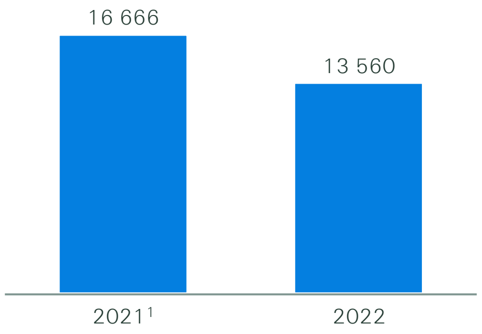
- Premiums and fees decreased as prior year benefitted from a large structured deal and longevity transactions, while 2022 was impacted by higher interest rates
- New business profit remained strong supported by improved margins
- Previous years' business mainly reflects the impact of assumption changes and pandemic risk model update
- Investment loss was driven by the adverse impact of higher interest rates on a net long duration position as well as credit spread widening

Total contribution to ENW (USD m)

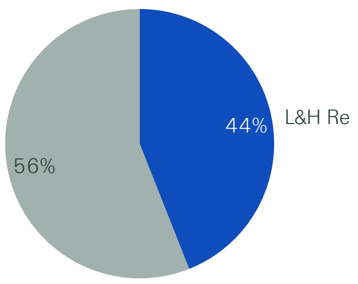


- Total contribution to ENW impacted by assumption changes and pandemic risk model update

ENW (USD m)



Share of 2022 Group ENW



[1] 2021 figures restated for Group items re-segmentation (figures before 2021 are not restated)

Corporate Solutions delivered resilient result

EVM premiums

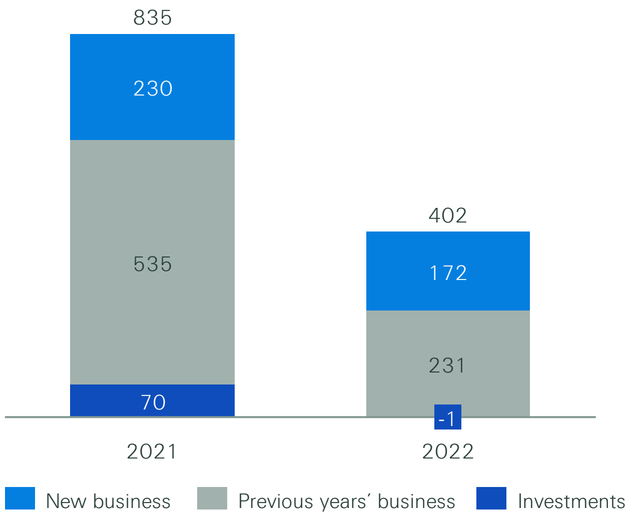
USD 5.8bn

In 2022

USD 5.5bn

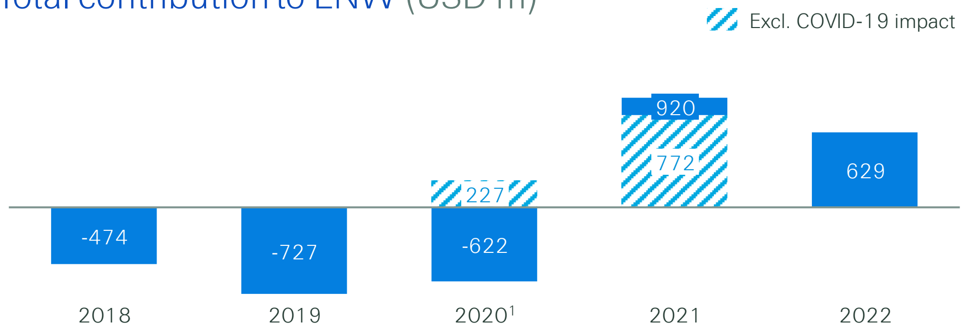
In 2021

EVM profit split (USD m)



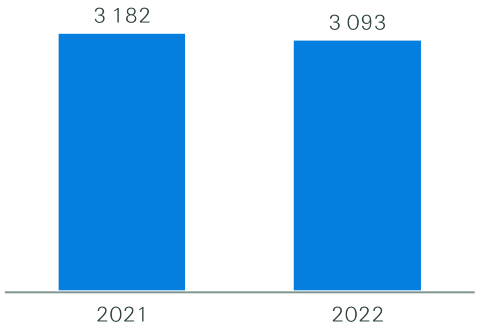
- Increase in premiums of 4.7% driven by continued price momentum and new business growth in selected focus portfolios, partly offset by FX impact
- Continued solid new business profit despite higher-than-expected claims activity as well as economic inflation, confirming improved resilience of the underlying business
- Previous years' business benefitted from favourable claims experience, partially offset by assumption updates for economic inflation and impact from the Ukraine war
- Investment loss driven by mark-to-market losses on equities and credit investments, partially offset by outperformance from rates' positioning

Total contribution to ENW (USD m)

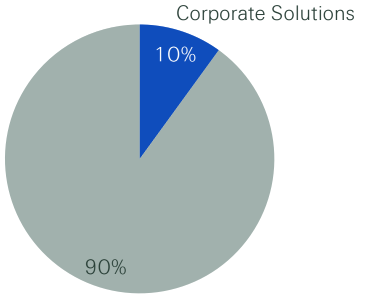


- Second consecutive year of positive contribution to ENW following successful turnaround

ENW (USD m)



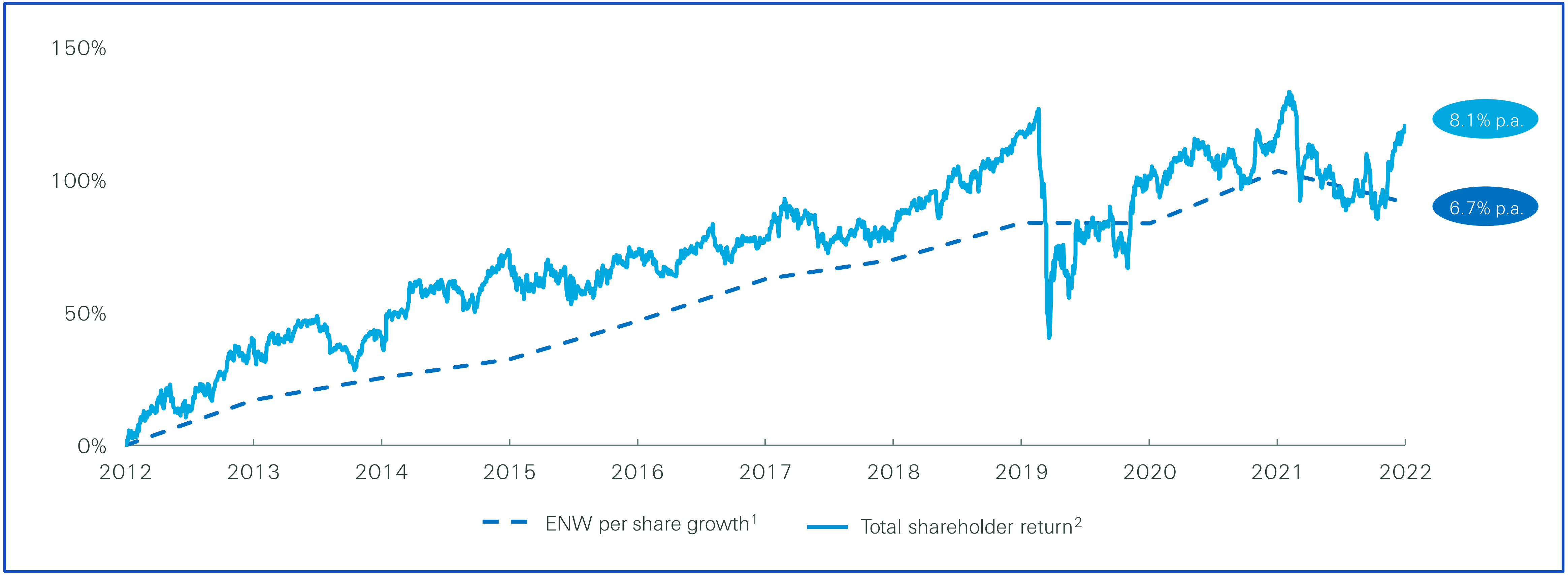
Share of 2022 Group ENW



[1] 2020 figures restated to include elipsLife which as of 1 January 2021 is reported as part of Corporate Solutions (figures before 2020 are not restated)

Total shareholder return is best tracked by Economic Net Worth developments

Economic Net Worth (ENW) per share growth vs. total shareholder return

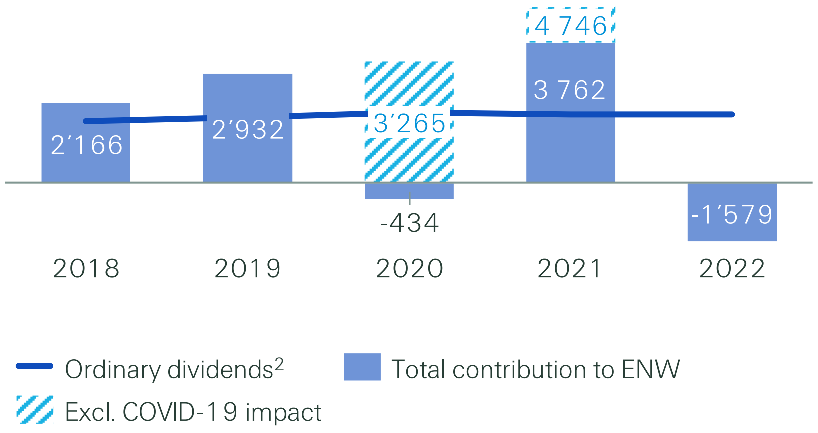


[1] (Current-year closing ENW per share + current-year dividends per share) / (prior-year closing ENW per share + current-year opening balance sheet adjustments per share); indexed at year-end 2012 and shown on a cumulative basis to year-end 2022

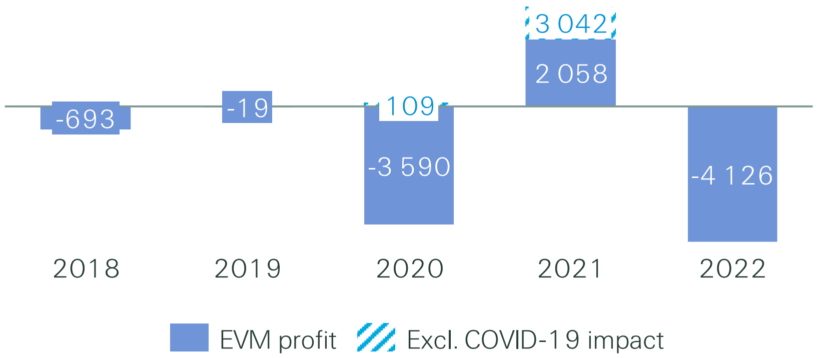
[2] Reflects share price development and dividends paid (no reinvestment) in USD; indexed at year-end 2012 and shown on a cumulative basis to year-end 2022

EVM profit impacted by model and assumption changes in 2022, while recurring economic earnings increased

Total contribution to ENW[1] (USD m)

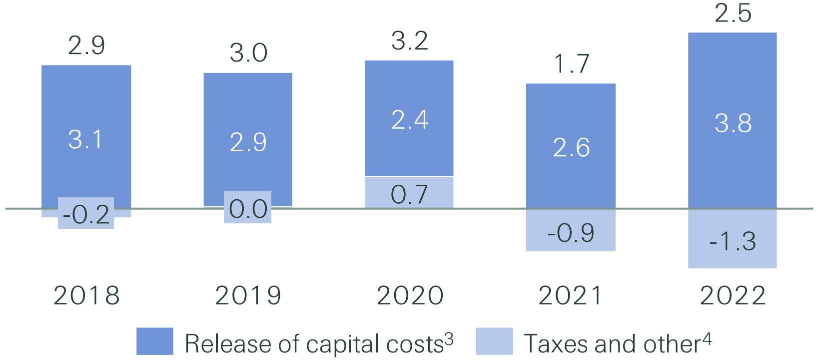


EVM profit (USD m)



- 2022 includes impact from L&H model and assumption changes (USD 2.3bn) and economic inflation (USD 1.7bn)

Capital cost release, tax and other (USD bn)



- Based on current interest rates, recurring economic earnings from the release of capital costs[3] have increased

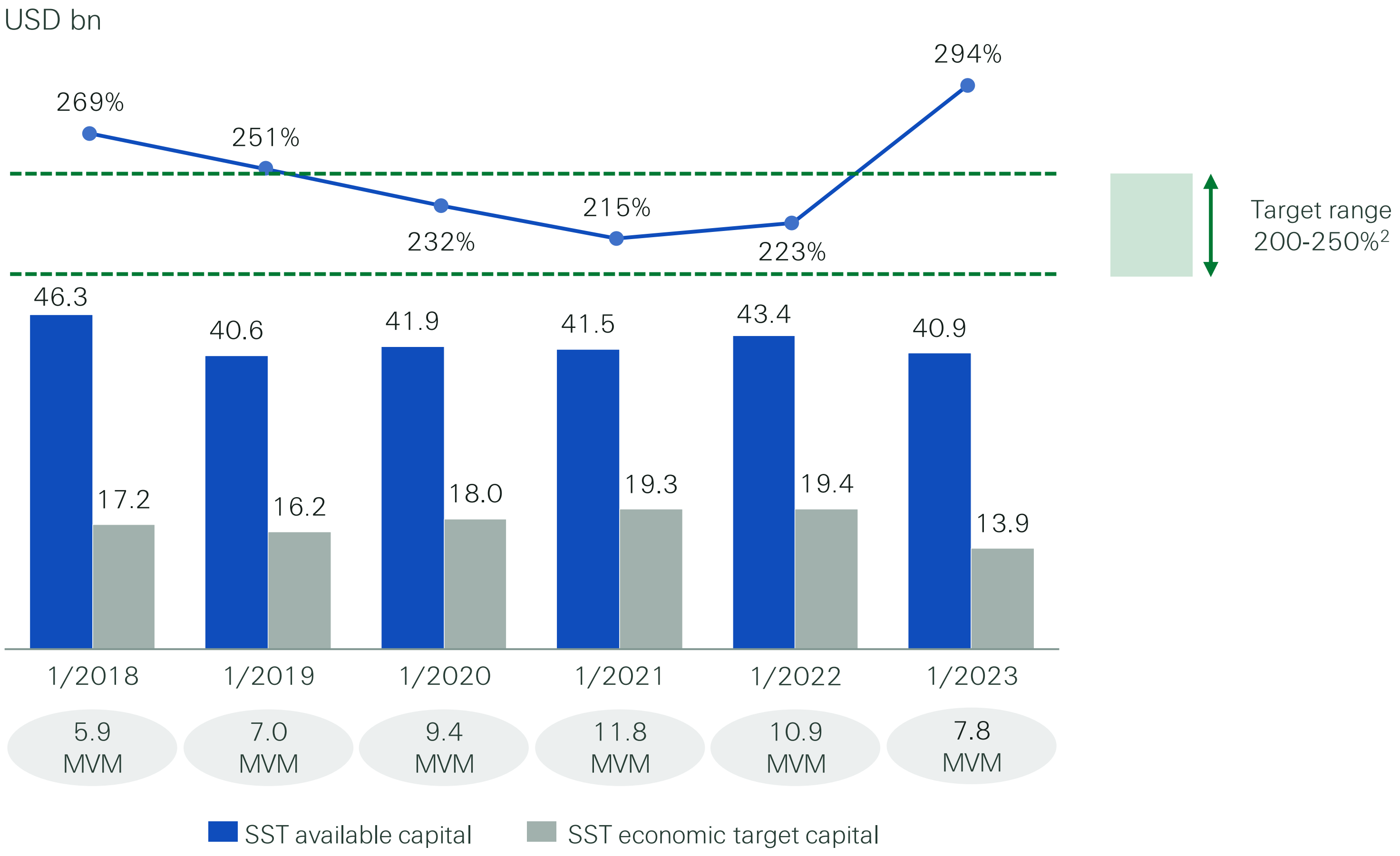
1 EVM profit + capital cost release, tax and other
2 2022 dividend subject to AGM 2023 approval
3 Release of capital costs from underwriting and investments
4 Predominantly taxes

Economic performance and solvency

- Economic performance
- **Economic solvency and capital generation**

Swiss Re maintains a very strong Group capital position

Group SST ratio[1] development

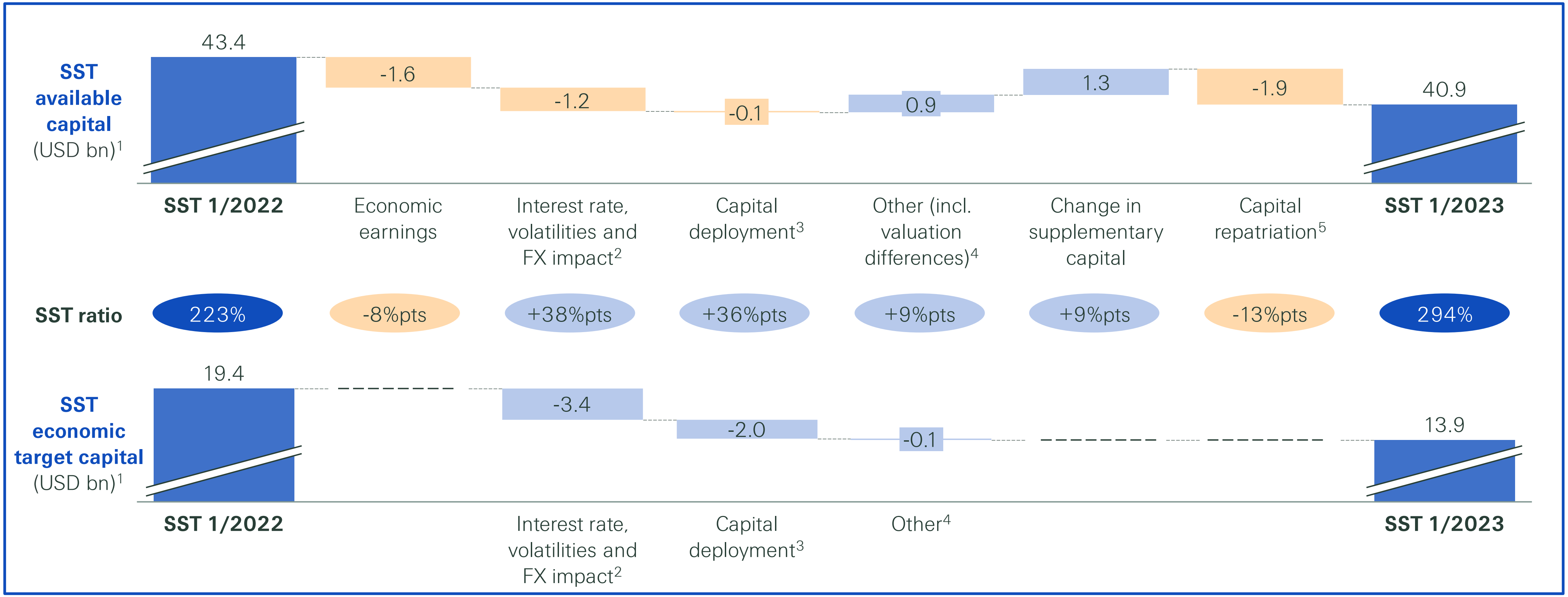


- Despite volatile financial markets and elevated large nat cat losses, the Group SST ratio increased compared to January 2022 and is well above the target range of 200-250%
- The increase of 71%pts is principally driven by lower SST economic target capital, mainly reflecting higher interest rates and impact of investment hedges on financial market risk
- The decrease in SST available capital is mainly driven by higher interest rates, impact of credit spreads widening and assumption changes
- The decrease in market value margin (MVM[3]) mainly reflects higher interest rates

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
3 Market Value Margin: minimum cost of holding capital after the one-year SST period until the end of a potential run-off period

Increase in Group SST ratio reflects positive impact of higher interest rates and lower financial market risk

Group solvency capital generation in 2022



1 SST available capital: SST risk bearing capital – MVM; SST economic target capital: SST target capital – MVM

2 Foreign exchange impact on SST available capital and interest rate impact on valuation differences between EVM and SST; interest rate impact on SST economic target capital includes the impact on underwriting risk as well as approximate impact on financial market risk

3 SST available capital: change in MVM from business update; SST economic target capital: change in shortfall from business update

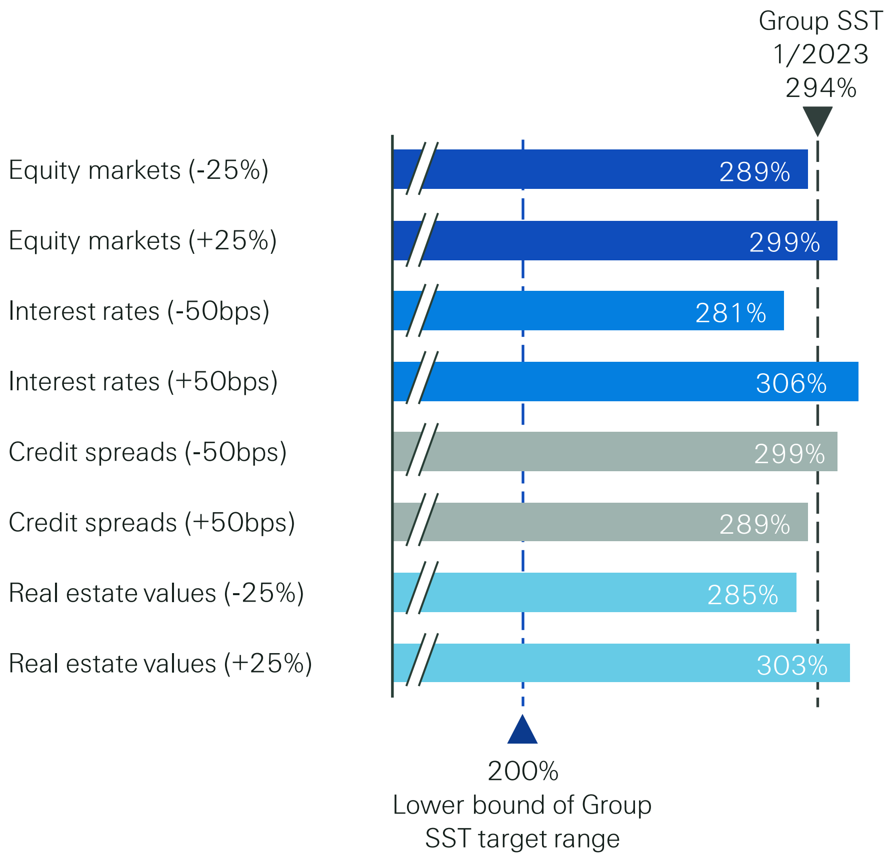
4 Includes model changes and updates to parameters and forecast business developments

5 Capital repatriation includes AGM 2023 proposal for ordinary dividend

Group capital strength is resilient to market volatility and large losses

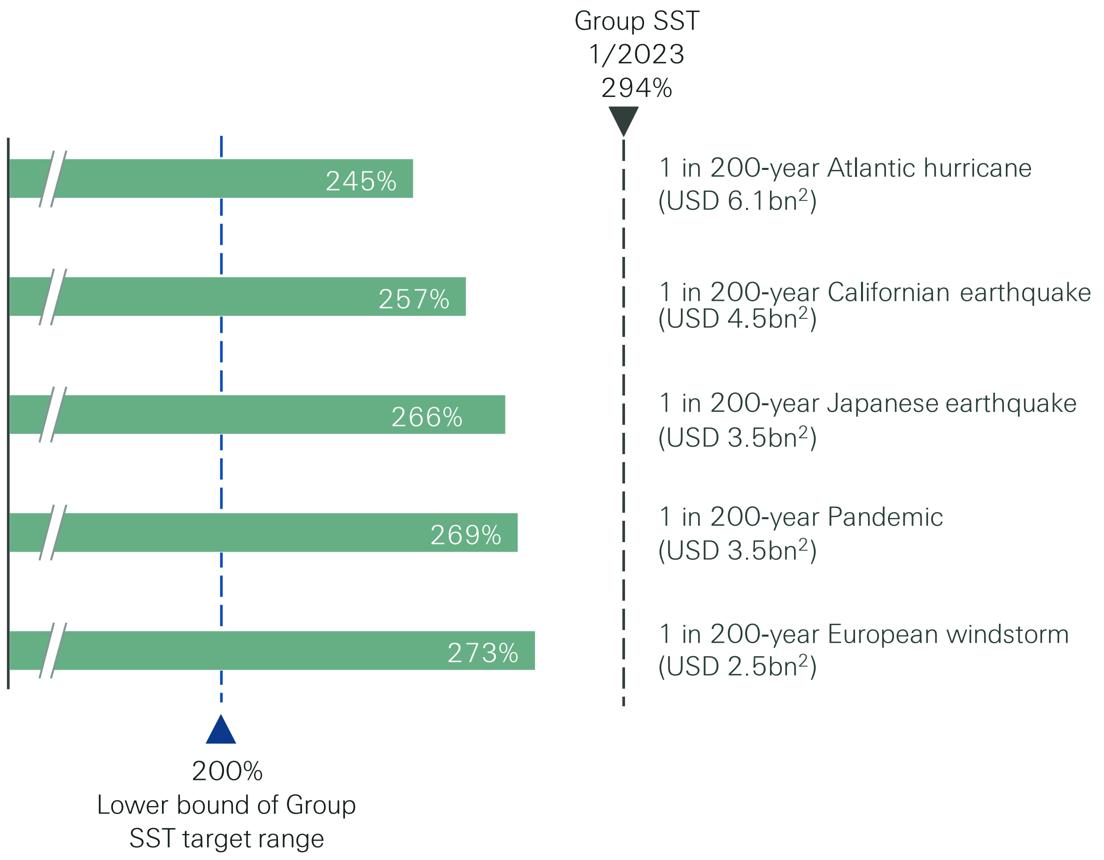
Financial market sensitivities

Resulting estimated Group SST ratio 1/2023



Insurance stresses

Resulting estimated Group SST ratio 1/2023[1]

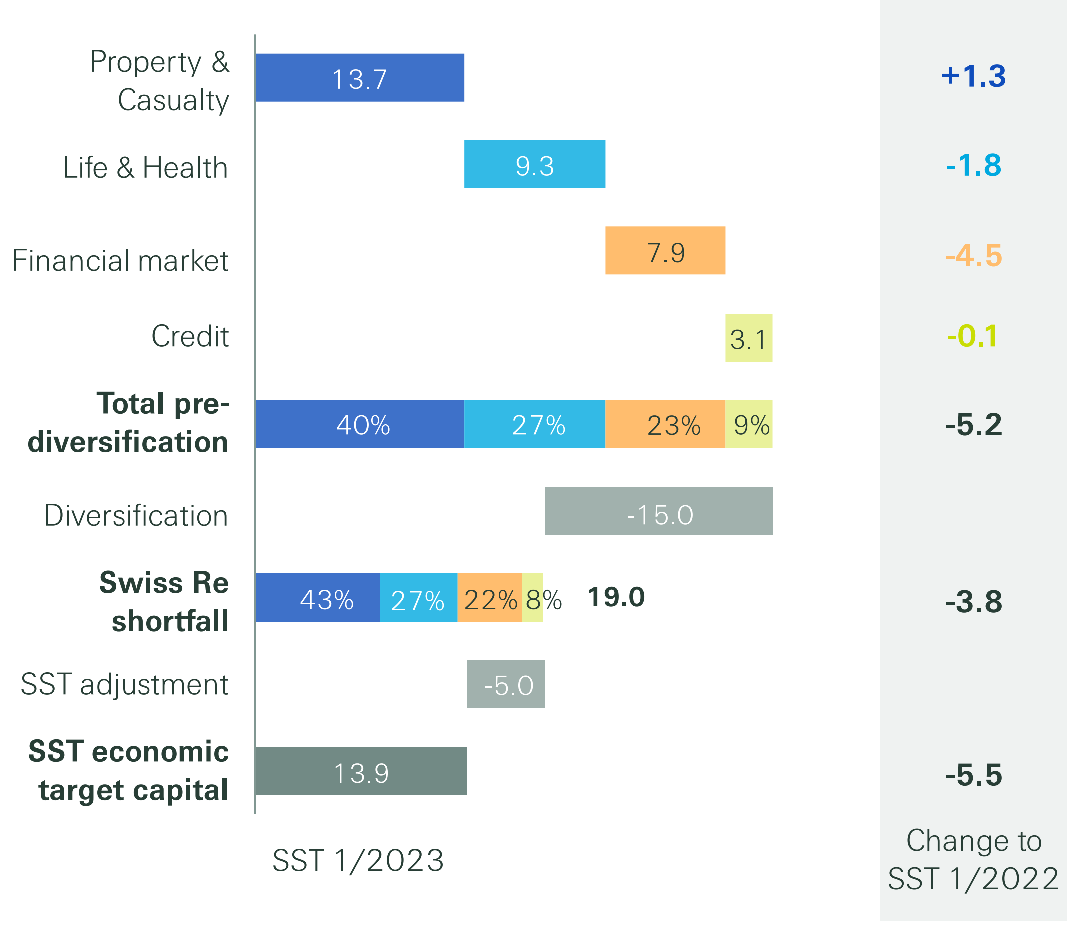


1 Excluding the impact of earned premiums for the business written and reinstatement premiums that could be triggered as a result of the event
2 Based on 99.5% VaR annualised unexpected loss

Total risk reduced due to lower financial market risk, partly offset by higher P&C risk

Group SST economic target capital

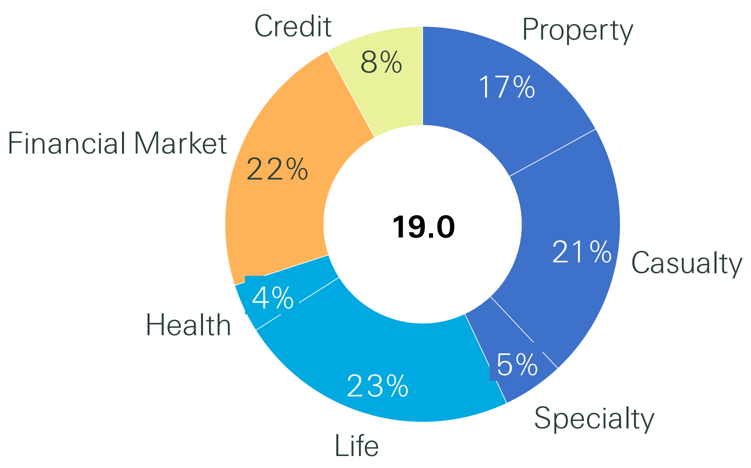
USD bn



- Higher P&C risk mainly driven by updated inflation scenarios
- Lower L&H risk mainly reflects impact of higher interest rates
- Lower financial market risk driven by reduction in risk exposure mainly reflecting decrease in asset valuations and additional investment hedges

Swiss Re shortfall by line of business

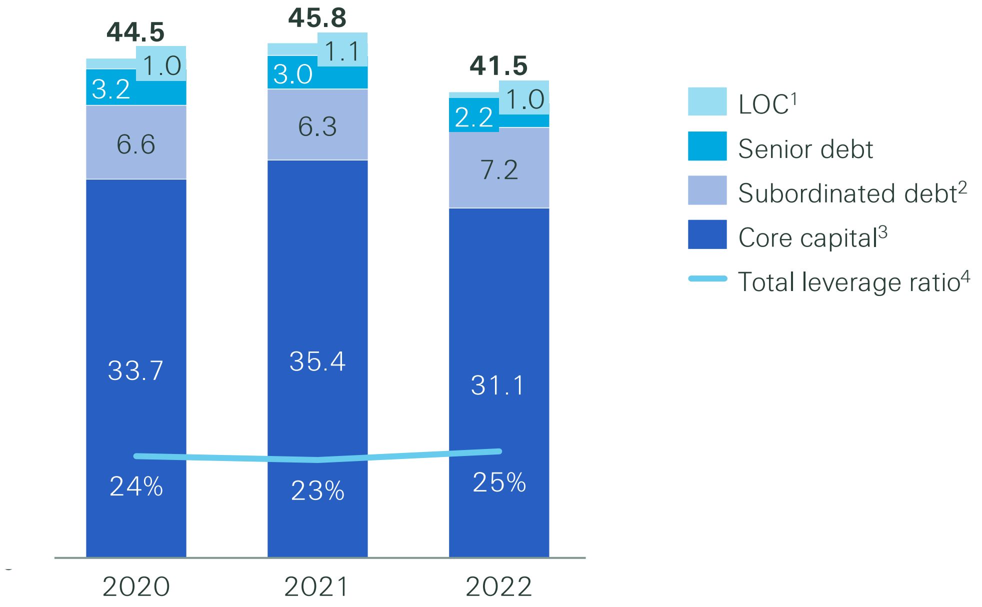
USD bn



The Group's capital structure provides significant financial flexibility

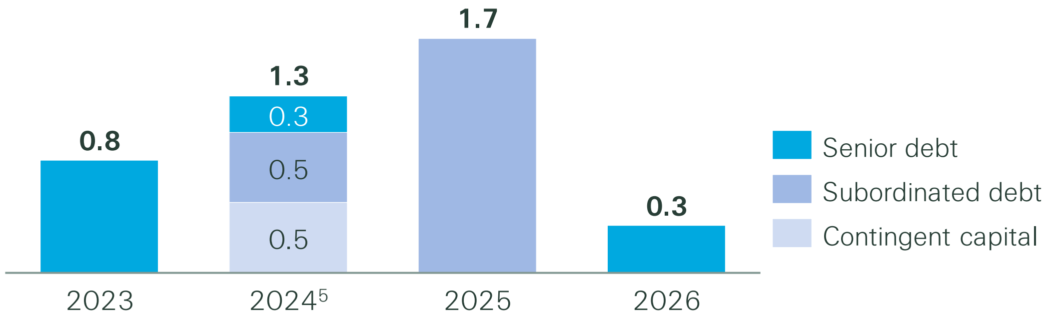
Group available capital and leverage

USD bn



Upcoming debt maturities

USD bn



- Strong access to diversified sources of funding
- Subordinated leverage: continued focus on optimising cost of capital and funding business growth
- Senior leverage: continued focus on reduction

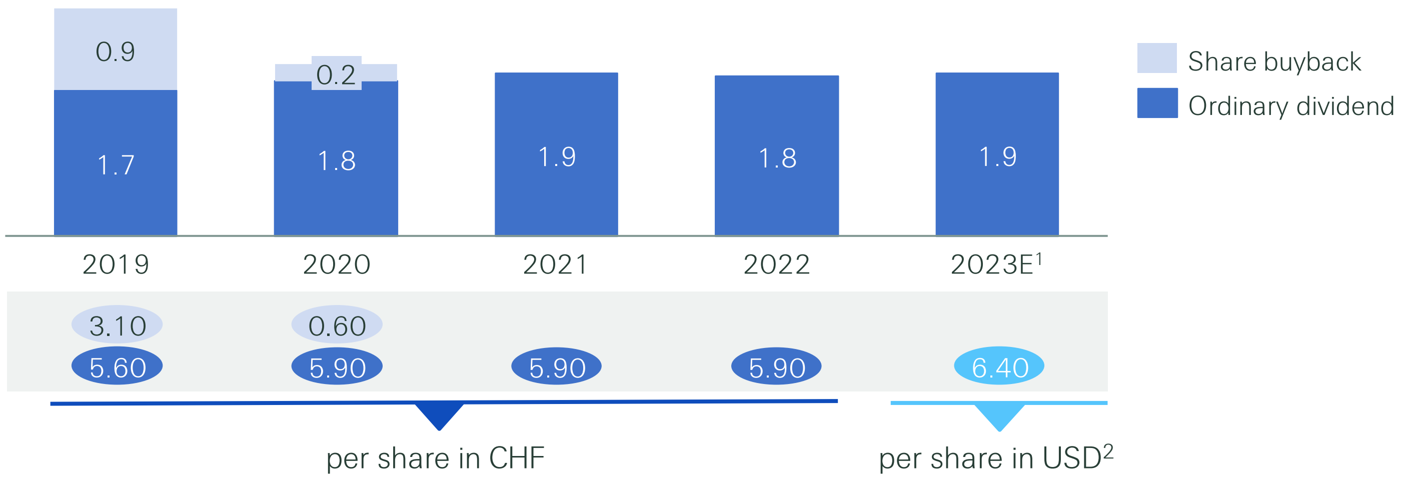
Continued focus on maximising financial flexibility by maintaining strong access to diversified sources of funding and prudent approach to leverage

1 Letters of credit. Utilised unsecured LOC usage and related instruments
2 Funded subordinated debt and contingent capital instruments, excluding non-recourse positions
3 Defined as Economic Net Worth (ENW)
4 (Total funded senior debt + subordinated debt + contingent capital, excluding non-recourse positions, including utilised LOCs) / total capitalisation
5 USD 1 bn Perpetual Subordinated Fixed Spread Callable Notes with economic call policy and first call in 2024 not included

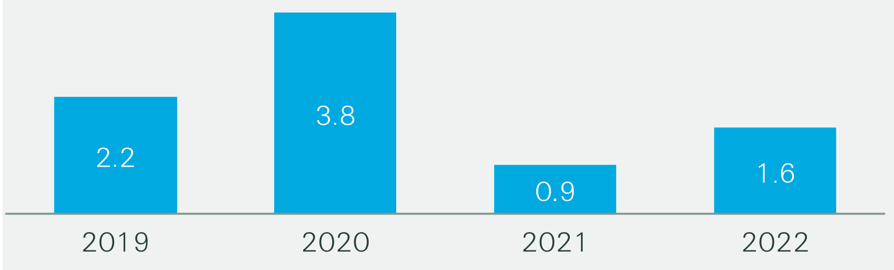
Strong capital position and holding funds provide the basis for ordinary dividend

Capital repatriation

USD bn



Internal dividend flows (USD bn, in year paid)



Group SST ratio

294%

as of 1/2023

Holding funds

USD

3.4bn

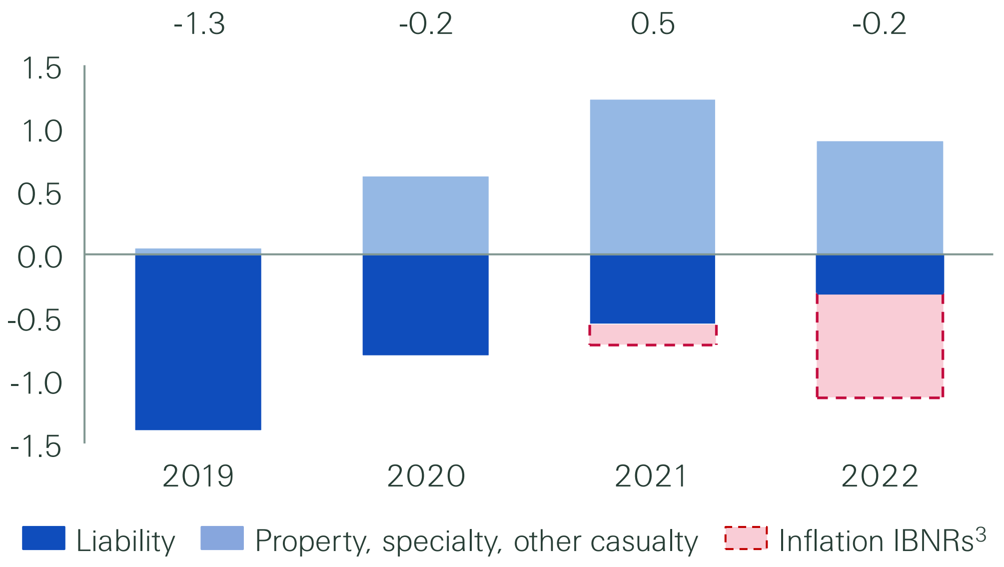
as at year-end 2022

1 Capital repatriation includes AGM 2023 proposal for ordinary dividend
2 Shareholders will receive a CHF amount, converted from USD on 13 April 2023 (prior to the ex-dividend date of 14 April 2023)

Reserving update

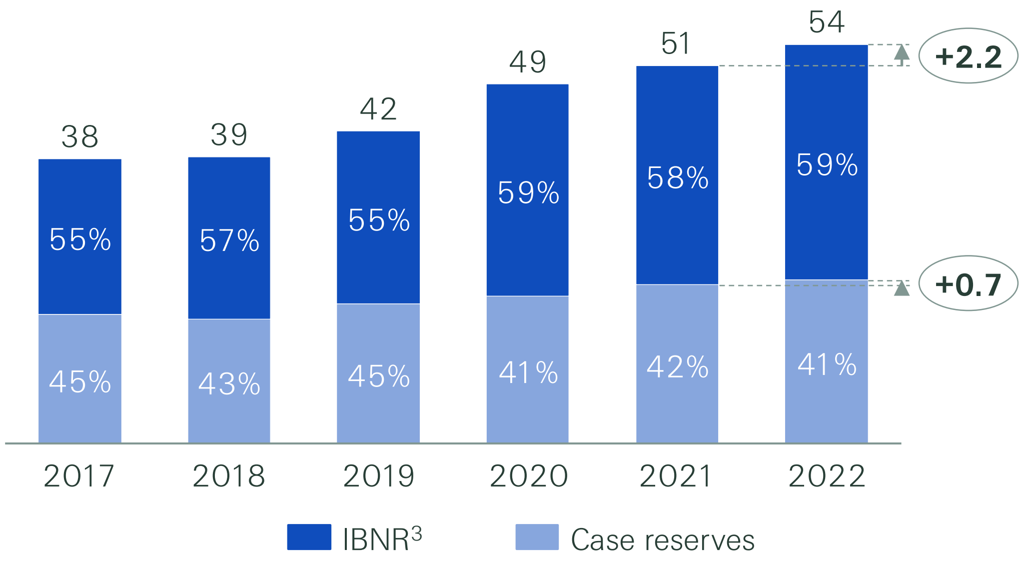
Prior-year reserve development includes actions taken on economic inflation

P&C prior-year technical result by financial year[1] (USD bn)



- Cumulative inflation IBNR[3] reserves of USD 1.0bn established since Q4 2021 (USD 0.8bn[4] in 2022), addressing higher-than-expected economic inflation in 2022 and 2023
- Continued strengthening of US liability reserves in 2022, but of lower magnitude compared to previous years, more than offset by favourable reserve development of non-liability book

P&C reserves by financial year[2] (USD bn)



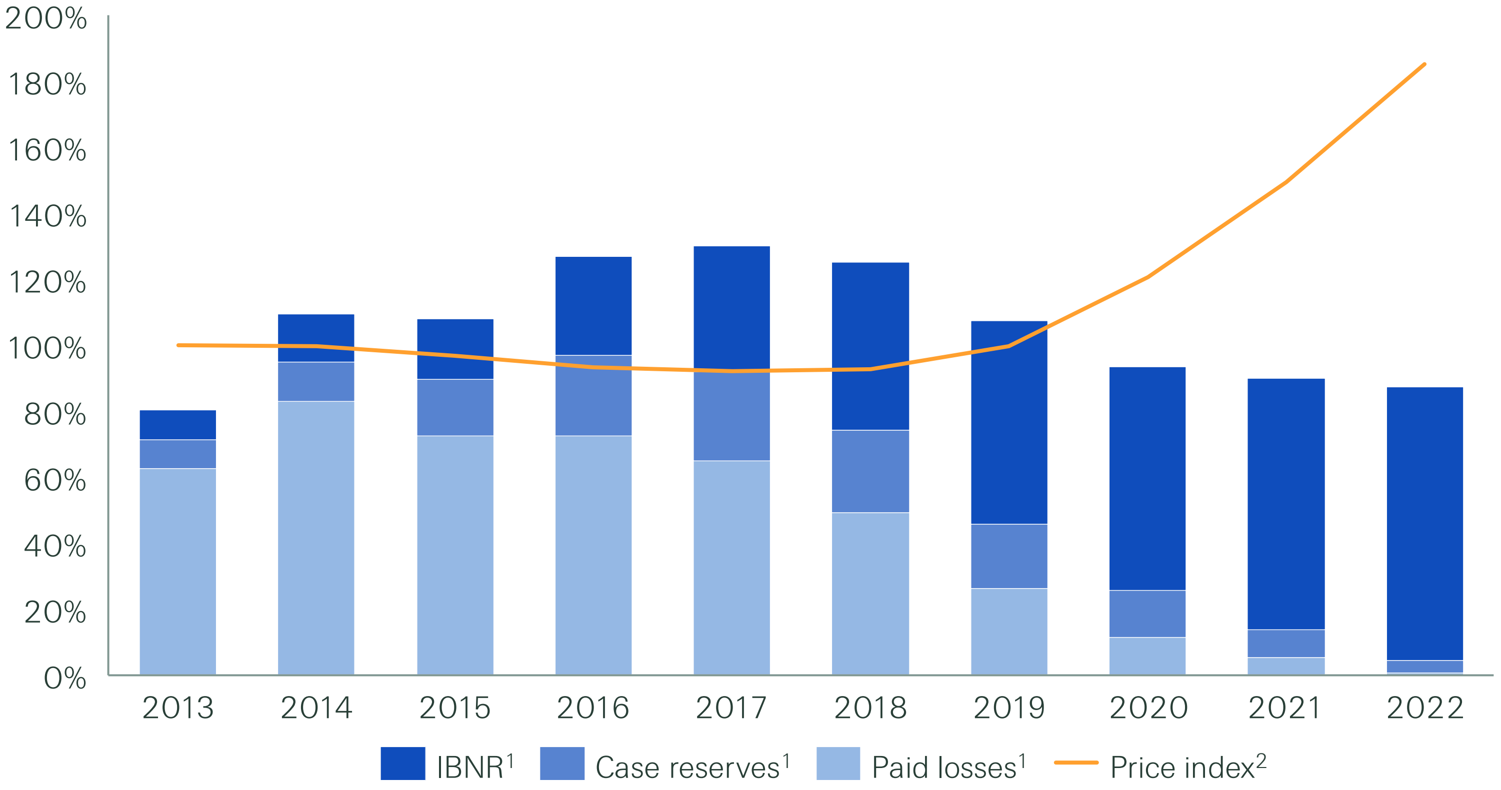
- USD >2bn of net IBNR[3] reserves added in 2022, including actions taken on economic inflation
- Continued high levels of case and IBNR[3] reserves, despite maturing of older liability underwriting years and COVID-19 reserves

1 Includes P&C Reinsurance and Corporate Solutions; positive figures represent reserve releases, negative figures reserve strengthening
2 Includes P&C Reinsurance and Corporate Solutions, reserves reflect most recent 16 underwriting years consistent with published loss ratio development triangles
3 IBNR = Incurred but not reported
4 Additional current-year inflation reserves of USD 0.3bn established in the financial year 2022 across P&C Reinsurance and Corporate Solutions

Recent liability loss picks reflect improved pricing environment and portfolio actions

Liability reinsurance portfolio by underwriting year

Ultimate loss ratio[1] and price index[2]



- We have meaningfully de-risked our US liability portfolio by reducing our exposure to Large Corporate Risks (LCRs) by ~70% vs. 2020 on new business
- Significant cumulative price increases achieved since 2018
- Ultimate loss picks include prudent view on loss trends

1 Defined as loss / earned premium net of commission
2 Illustrative nominal price index based on selected indices from Marsh and CIAB, not risk-adjusted, rebased at 100 at 2013 and shown on a cumulative basis to 2022

Sustainability highlights

Refined Group sustainability strategy for 2023 – 2025

- In 2022, Swiss Re conducted a materiality assessment and adjusted the strategy for the period from 2023 until 2025
- The strategy now focuses on two broad sustainability ambitions: "Advancing the net-zero transition" and "Building societal resilience"

Swiss Re vision

We make the world more resilient

Sustainability mission

We insure, invest, operate and share our knowledge in a way that tackles sustainability challenges and creates long-term value.

Sustainability ambitions

Advancing the **net-zero transition**

Building **societal resilience**

Sustainability enablers

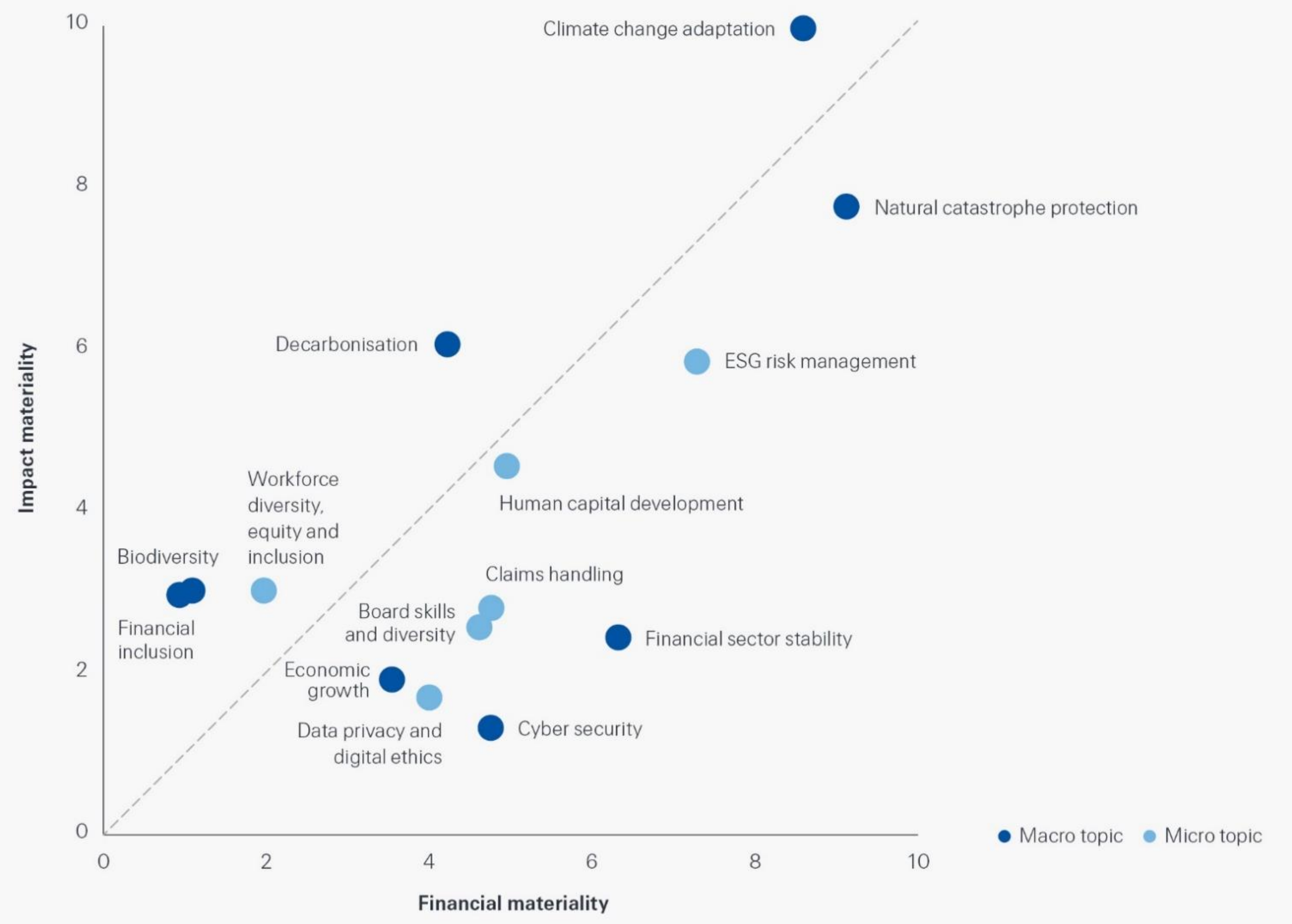
People and operations

ESG risk management

Governance and compliance

Materiality assessment 2022 formed the basis of the sustainability strategy update

Materiality assessment



- The materiality assessment surveyed a wide range of internal and external stakeholders to determine sustainability priority topics
- The assessment covered double materiality, i.e. the financial effects of sustainability matters on the firm (financial materiality), and the firm's effects on sustainability matters (impact materiality)
- The topics were grouped into macro topics (related to external challenges) and micro topics (related to Swiss Re's decisions and business practices)

Sustainability in underwriting: key actions in 2022

ESG Risk Framework

- Screened over 100 000 potential transactions for ESG risk exposure in 2022
- Expanded exclusions rolled out under the Oil and Gas Policy in 2022[1]:
  - Oil and gas companies or projects with >10% of production located in the Arctic AMAP[2] region (excluding Norway)
  - New oil and gas field projects that receive final investment decision after 2022
- Prepared for implementation of Thermal Coal Policy for reinsurance treaties[3]

Net-Zero Insurance Alliance (NZIA)

- Swiss Re was one of the eight founding members of the NZIA in 2021
- In 2022, Swiss Re chaired the NZIA Metrics and Targets Workstream, building the foundation for the Alliance members' individual target setting
- Version 1.0 of the NZIA Target-Setting Protocol published in January 2023[4]

Partnership for Carbon Accounting Financials (PCAF)

- Swiss Re chaired the Working Group that developed the Global Greenhouse Gas Accounting and Reporting Standard for Insurance-Associated Emissions
- First version of the Standard was launched in November 2022

1 Limited to direct and facultative re/insurance
2 Arctic Monitoring and Assessment Programme
3 The extension sets specific coal exposure thresholds for treaties across property, engineering, casualty, credit and surety and marine cargo lines of business, and became effective at the beginning of 2023
4 NZIA members, incl. Swiss Re, have committed to publish their respective first individual target by July 2023

Responsible investing: well on track to deliver on 2025 targets

Targets to be achieved by year-end 2024 and reported in 2025		Progress as of year-end 2022	
-35%	Carbon intensity reduction of corporate bond and listed equity portfolio[1]	**-42%**	Reduction of the carbon intensity of corporate bond and listed equity portfolio since 2018
USD +750m	Additional social and renewable energy infrastructure debt[2]	**USD +751m**	Capital deployed in social and renewable energy infrastructure debt since 2019
USD 4bn	Green, social and sustainability bonds[1]	**USD 3.8bn**	Green, social and sustainability bonds held at the end of 2022
1.5°C	Investee company engagement in alignment with Paris Agreement temperature goal	**80%**	Share of top 20 emitters in the actively managed listed equity portfolio engaged on "Alignment of Business Model with 1.5°C Target"

Approach to climate action

Set targets

Set targets to achieve net-zero by 2050[3]

Take actions

Actively manage climate risk & support real economy transition

Measure

Measure & monitor trajectory towards net-zero

Report

Inform share- & stakeholders transparently

1 Target relative to base year 2018
2 Target relative to base year 2019 and based on original face value
3 In alignment with Net-Zero Asset Owner Alliance Target Setting Protocol; net-zero refers to net-zero greenhouse gas emissions in investment portfolio

Sustainability in own operations: progressing on our journey to net zero

The CO2NetZero Programme: "Do our best, remove the rest"

- Do our best: reduce operational greenhouse gas emissions on a science-based, 1.5°C-aligned pathway: e.g., by sourcing 100% renewable electricity and cutting air travel
- Remove the rest: carbon removals accounted for 24% of our compensation mix for greenhouse gas emissions in 2022 (2030 target: 100%)
- Scale up carbon removal: key role in developing the concept of the NextGen[1] carbon removal buyer club, joined as founding buyer in 2022

Triple digit internal carbon price: Carbon Steering Levy

- Do our best: stringent internal carbon price incentivises emissions reduction
- Carbon Steering Levy: increased to USD 112 per tonne of CO_2e from USD 100 in 2021 (plan to increase to USD 200 by 2030)
- Remove the rest: funds used to finance the transition to high-quality carbon removal certificates

Engaging employees on net-zero

- The NetZeroYou2 Programme engages employees since 2021 to take action individually
- Do your best: employees calculate their footprint and complete challenges in an app suggesting actions to reduce their personal carbon footprint
- Remove the rest: employees are offered access to the same carbon certificates mix that Swiss Re uses to compensate operational emissions

[1] The NextGen Carbon Dioxide Removals (CDR) Facility aims to collectively source verified CDRs from a broad range of suppliers, technologies and geographies in order to scale up carbon removal technologies

Appendix

EVM segmental income statement FY 2022

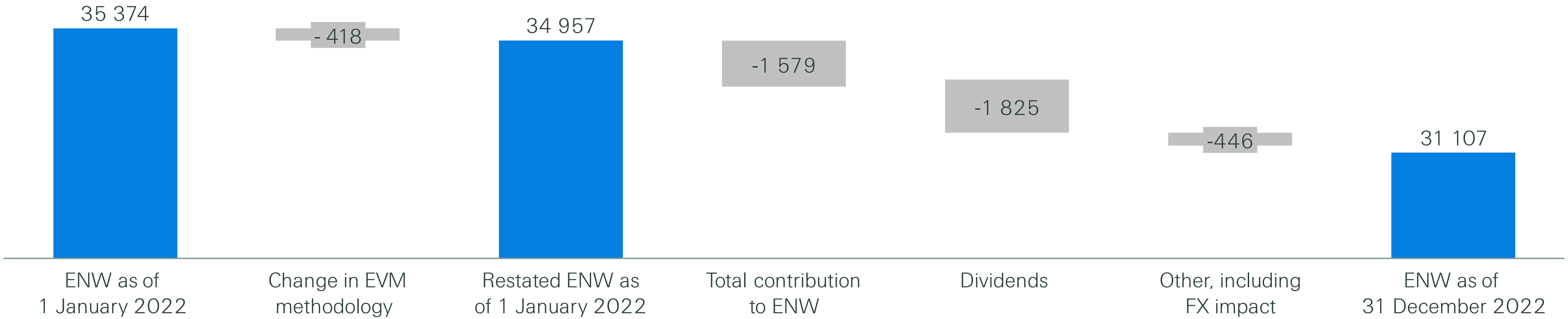
USD m	Reinsurance	P&C Re	L&H Re	Corporate Solutions	Group items	Total FY 2022	Total FY 2021
Underwriting result							
Gross premiums and fees	41 717	24 500	17 218	7 642	1 202	49 615	69 207
Premiums and fees	40 289	23 543	16 746	5 786	840	46 914	67 104
Claims and benefits	−27 245	−15 442	−11 803	−3 663	−526	−31 434	−44 926
Commissions	−7 584	−5 455	−2 129	−738	−156	−8 477	−14 309
Other	−27	−48	21	9	−21	−39	70
Gross underwriting result – new business	**5 433**	**2 599**	**2 834**	**1 394**	**137**	**6 964**	**7 939**
Expenses	−2 068	−1 267	−801	−977	−652	−3 697	−4 067
Net underwriting result – new business	**3 366**	**1 332**	**2 034**	**417**	**−515**	**3 267**	**3 872**
Taxes	−604	−314	−290	−109	112	−601	−742
Capital costs	−1 352	−639	−714	−135	243	−1 245	−1 740
EVM profit – new business	**1 409**	**379**	**1 030**	**172**	**−160**	**1 422**	**1 391**
EVM profit – previous years' business	**−4 758**	**−1 969**	**−2 789**	**231**	**−125**	**−4 652**	**−205**
EVM profit – underwriting	**−3 349**	**−1 590**	**−1 759**	**403**	**−284**	**−3 230**	**1 186**
Investment result							
Mark-to-market investment result	−8 870	−3 599	−5 271	−686	−353	−9 909	−150
Benchmark investment result	8 863	5 220	3 642	730	219	9 811	2 483
Gross outperformance (underperformance)	**−7**	**1 621**	**−1 628**	**44**	**−135**	**−97**	**2 333**
Other	108	81	27	14	1	123	118
Expenses	−192	−126	−66	−20	−23	−235	−258
Net outperformance (underperformance)	**−91**	**1 577**	**−1 667**	**38**	**−157**	**−210**	**2 192**
Taxes	9	−305	314	−11	−2	−5	−470
Capital costs	−591	−420	−171	−28	−62	−681	−850
EVM profit – investments	**−673**	**852**	**−1 525**	**−1**	**−222**	**−896**	**872**
EVM profit	**−4 022**	**−738**	**−3 284**	**402**	**−506**	**−4 126**	**2 058**
Cost of debt	−115	−93	−22	23	142	51	−284
Release of current year capital costs	3 685	1 960	1 725	299	−144	3 840	2 644
Additional taxes	−1 163	−681	−482	−95	−85	−1 343	−655
Total contribution to ENW	**−1 616**	**447**	**−2 063**	**629**	**−593**	**−1 579**	**3 762**

EVM segmental balance sheet FY 2022

USD m	Reinsurance	P&C Re	L&H Re	Corporate Solutions	Group items	Consolidation	Total FY 2022	Total FY 2021
Assets								
Investments	98 621	64 680	33 941	9 751	6 132	–9 598	104 906	119 488
Cash and cash equivalents	3 319	1 604	1 715	715	39		4 073	5 046
In-force business assets	253 077	22 621	230 455	3 625	4 970	–494	261 177	330 999
Retrocession assets	22 586	2 185	20 401	6 652	348	–4 205	25 381	29 580
Other assets	13 676	8 307	5 369	1 241	3 278	–15 085	3 111	3 180
Total assets	**391 279**	**99 398**	**291 881**	**21 984**	**14 767**	**–29 381**	**398 648**	**488 293**
Liabilities								
In-force business liabilities	297 053	66 929	230 124	15 798	6 392	–3 898	315 344	392 822
Retrocession liabilities	20 716	1 259	19 457	1 585	55	–795	21 562	24 996
Provision for capital costs	10 717	1 859	8 858	295	122		11 134	11 161
Future income tax liabilities	3 901	–559	4 460	–132	–650		3 119	4 255
Debt	14 828	5 693	9 135	480	3 941	–8 021	11 228	13 606
Other liabilities	18 091	11 804	6 286	865	2 866	–16 667	5 154	6 078
Total liabilities	**365 306**	**86 985**	**278 321**	**18 891**	**12 725**	**–29 381**	**367 541**	**452 919**
Economic net worth	**25 973**	**12 412**	**13 560**	**3 093**	**2 042**	**0**	**31 107**	**35 374**
Total liabilities and economic net worth	**391 279**	**99 398**	**291 881**	**21 984**	**14 767**	**–29 381**	**398 648**	**488 293**

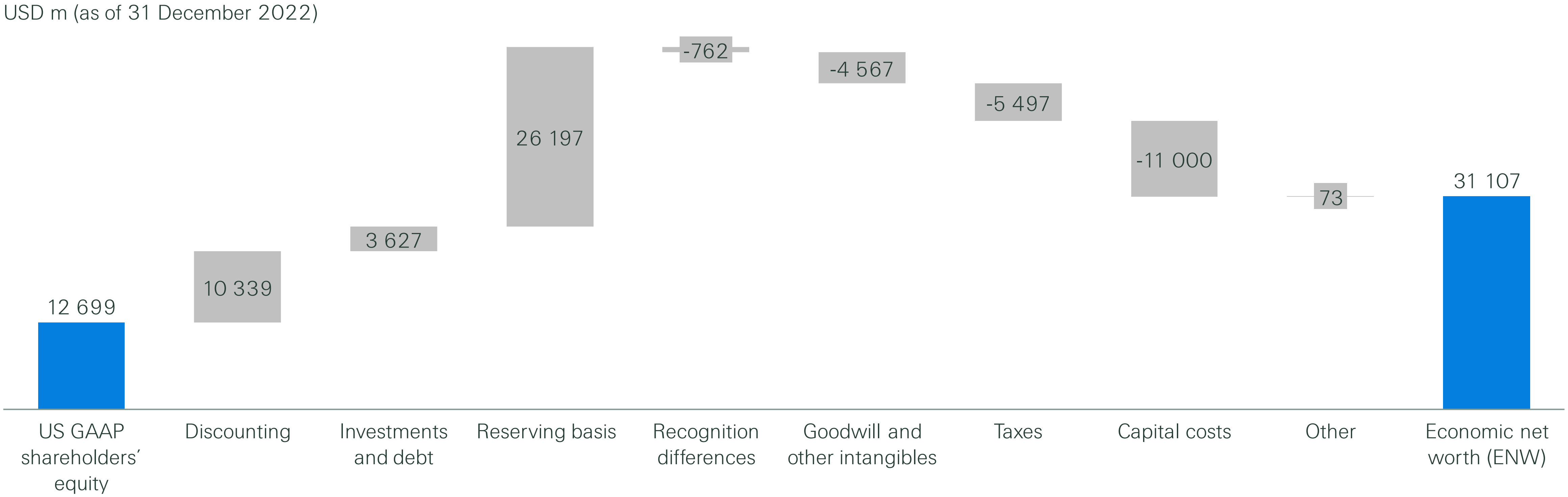
Development of Economic Net Worth

USD m



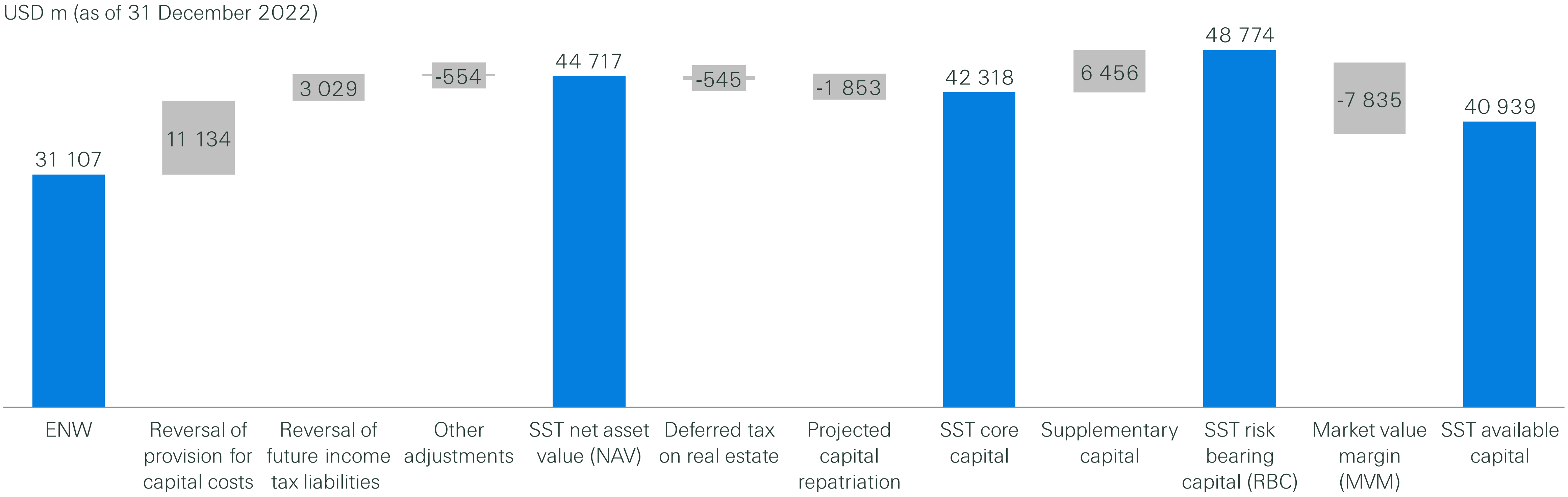
- Economic Net Worth impacted by model and assumption changes across P&C Reinsurance and L&H Reinsurance in 2022

Reconciliation of US GAAP shareholders' equity to ENW



- Main variance represents the valuation of liabilities (mainly US GAAP margins), especially for L&H Reinsurance
- US GAAP margins within "Reserving basis" decreased by USD 2.0bn to USD 26.0bn mainly due to assumption changes

Reconciliation of ENW to SST available capital



- Main adjustments involve reversal of EVM capital costs not relevant for SST capital, as well as supplementary capital and the MVM

Swiss Re's reserve setting and governance process remains robust, with several layers of oversight

Underwriting
(incl. setting of initial costing view)

First line of defence

Regional Reserving Actuaries (RRAs)
propose reserve levels, initially based on costing

Regional Reserving Committees (RRCs)
reviews and approves proposals of RRAs (including any deviations from costing)

Group Reserving Committee
carries out RRC oversight, with four members from the Group Executive Committee

Second line of defence

Actuarial Control
conducts quarterly reviews, deep-dive reviews and assesses positioning within best estimate range

- Reserving approach starts with initial costing view provided by underwriting, which may be challenged based on actuarial analysis
- In-depth initial loss pick reviews are regularly conducted, leading to potential movements in reserves
- Qualitative information feeds into reserving process via constant dialogue between reserving, underwriting/pricing and claims management

P&C reserving methods

No to little reported experience ↑

Costing view
The costing loss ratio (P0) is the starting reserving estimate based on the underwriter's view of the risk

Initial loss pick
The initial loss pick (*a priori loss ratio or* APLR) could be the same as P0 or be adjusted for new information regarding loss trends, rate changes or more conservative/optimistic underwriter estimates (as approved by the Regional Reserving Committees)

BF
The Bornhuetter-Ferguson (BF) method assumes that the future claims experience is in line with that anticipated by the initial loss pick assumption and is not based on year to date claims experience

Benktander
The Benktander method is a weighted average of the BF and Chain Ladder methods. The weighted average is linked to the reported development pattern (i.e. the older the Underwriting Year, the more weight is given to Chain Ladder method)

Chain Ladder
The Chain Ladder method assumes past trends will be repeated (i.e. based on experience) and extrapolates the current position to ultimate using historical development trends. It is completely independent of P0 or initial loss pick

Credible reported experience ↓

- P&C reserving indications, particularly for long-tail lines, are generally a blend of the initial costing loss ratio and actual reported experience, with more weighting given to experience over time
- Reserving for non-traditional business, such as retroactive deals, is carried out on a deal-by-deal basis according to each deal's specifications
- For large events, which are sudden and unexpected, a separate process combines all the relevant expertise in estimating the ultimate loss
- Reserving for claims subject to periodic payments depending on survival, e.g. workers' comp or motor liability, is performed separately
- Reserving for asbestos and environmental (A&E) claims is based on benchmarks which are reassessed annually

Underwriting year triangles disclosed online and accident year triangles disclosed in the Financial Report

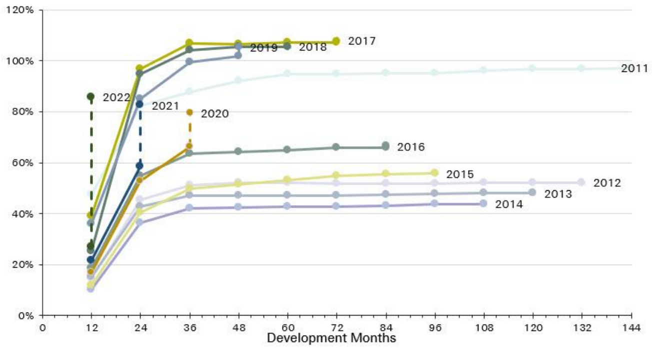
Underwriting year (UY) triangle

Reported Loss Ratios per Development Month

Treaty Year	Earned Premium in USDm	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192
2007	3'838	18%	49%	53%	53%	53%	52%	52%	53%	52%	52%	52%	52%	52%	52%	52%	52%
2008	3'960	20%	49%	53%	53%	53%	53%	53%	53%	53%	52%	52%	52%	52%	52%	52%	
2009	4'155	24%	63%	65%	65%	65%	66%	65%	65%	65%	64%	65%	65%	64%	64%		
2010	3'985	23%	95%	101%	104%	110%	114%	118%	118%	118%	118%	118%	118%	118%			
2011	4'921	47%	82%	88%	92%	95%	95%	95%	95%	96%	97%	97%	97%				
2012	6'433	15%	45%	51%	52%	52%	52%	52%	52%	52%	52%	52%					
2013	5'849	15%	43%	47%	47%	47%	47%	47%	48%	48%	48%						
2014	5'295	10%	36%	42%	42%	43%	43%	43%	44%	44%							
2015	5'593	12%	40%	50%	51%	53%	55%	56%	56%								
2016	5'532	19%	55%	64%	64%	65%	66%	66%									
2017	5'408	39%	97%	107%	106%	107%	107%										
2018	5'552	25%	95%	104%	105%	106%											
2019	6'856	36%	85%	100%	102%												
2020	6'888	17%	53%	66%													
2021	7'137	21%	58%														
2022	5'300	27%															

Treaty Year	Ult Loss Ratio	Paid Losses	Case Reserves	IBNR
2007	52%	52%	0%	0%
2008	52%	51%	0%	0%
2009	64%	64%	0%	0%
2010	119%	117%	1%	1%
2011	97%	96%	1%	0%
2012	52%	52%	1%	0%
2013	48%	47%	1%	0%
2014	44%	43%	1%	0%
2015	56%	55%	1%	0%
2016	66%	63%	3%	0%
2017	108%	102%	5%	1%
2018	106%	98%	8%	0%
2019	105%	90%	12%	4%
2020	80%	51%	15%	13%
2021	83%	34%	24%	24%
2022	86%	8%	19%	59%

Reported Losses as % of Earned Premiums - Latest ten years



The above shows Swiss Re Property Reinsurance figures and chart as an example of the underwriting year P&C loss ratio development triangles

Accident year (AY) triangle

Property & Casualty Reinsurance – Property

Incurred claims and allocated claim adjustment expenses, net of reinsurance

USD millions	Reporting year										
Accident year	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**	**thereof IBNR**
2013	*2 994*	*3 004*	*2 837*	*2 756*	*2 733*	*2 718*	*2 713*	*2 706*	*2 723*	2 724	0
2014		*2 605*	*2 443*	*2 269*	*2 237*	*2 233*	*2 220*	*2 232*	*2 219*	2 220	−1
2015			*2 717*	*2 649*	*2 480*	*2 450*	*2 410*	*2 393*	*2 401*	2 400	−3
2016				*3 732*	*3 477*	*3 191*	*3 182*	*3 157*	*3 180*	3 190	3
2017					*5 886*	*5 774*	*5 539*	*5 510*	*5 488*	5 495	27
2018						*4 313*	*4 682*	*4 448*	*4 374*	4 358	46
2019							*4 783*	*4 735*	*4 563*	4 537	58
2020								*7 010*	*6 695*	6 574	862
2021	*RSI*[1]								*5 804*	5 714	945
2022										6 877	3 944
Total										**44 089**	**5 881**

[1] Required supplementary information

The above triangle shows P&C Reinsurance – Property as an example of the accident year triangles disclosed in the Financial Report

- Underwriting year triangle is the basis to determine best estimate ultimate claims
- Accident year triangle can give an indication of how Swiss Re's initial estimation has developed over time

Underwriting and accident year triangles serve different purposes

	Underwriting year (UY) triangle	Accident year (AY) triangle
Definition	Underwriting year groups claims information according to the calendar year in which the original policy or reinsurance contract was incepted	Accident year groups claims information by the calendar year in which the claim event (the date of loss) falls
Basis	Gross of external retrocession	Net of internal and external retrocession
Data	Paid and reported loss ratio triangles, earned premiums net of commissions and *latest* IBNR	Paid and incurred (i.e. reported plus IBNR) claims triangles
Scope	Traditional P&C business	Traditional and non-traditional business
Purpose	• Project paid or reported claims to ultimate and are the basis for deriving the best estimate reserves • Used internally to project to ultimate	• Give an indication on how the ultimate loss (i.e. *reported plus IBNR*) developed over time • Constructed in order to comply with US GAAP reporting requirement
Number of years disclosed	16 underwriting years	10 accident years for Reinsurance and Corporate Solutions

Considerations for projecting underwriting year (UY) triangles

- Earned premiums are shown net of commissions
- UY 2022 premiums have not been fully earned, so ratios for paid and reported appear artificially high – both the premiums and losses need to be projected to an ultimate basis to derive an appropriate loss ratio

In scope of UY triangles
(2007-22 underwriting years)

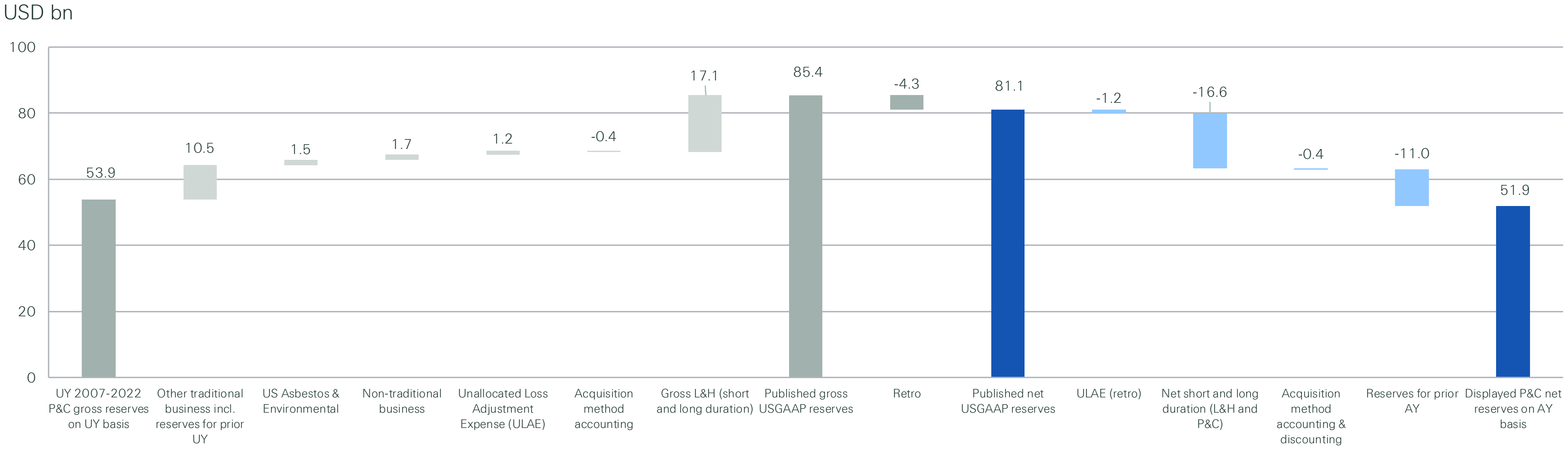
Property	• P&C Re and Corporate Solutions impacted by large nat cats for the most recent underwriting years (with COVID-19 affecting 2020) – therefore any development factors need to allow for those impacts
Casualty	• Chain Ladder method not appropriate for recent underwriting years given their lack of maturity – applying a Bornhuetter-Ferguson method would be more suitable • Liability Corporate Solutions: UY 2015 to 2018 impacted by large losses from portfolios pruned and impact of a change in portfolio mix from UY 2019 • A&H Reinsurance: UY 2019 to 2022 business mix has a shorter tail than in the past, with a different development pattern, making historic loss factors inappropriate • A&H Corporate Solutions: change in business mix where most recent underwriting years mainly include short tail business, while older underwriting years relate to long tail business – therefore tail for older underwriting years can not be applied to the most recent underwriting years
Specialty	• P&C Re and Corporate Solutions impacted by large man made and nat cat losses in recent underwriting years – therefore any development factors need to allow for those impacts

Reserve walk between underwriting and accident year triangles

P&C gross reserves displayed in the **underwriting year (UY)** triangles to **gross US GAAP reserves** as published in Note 5 in the Financial Report

P&C and L&H reserves as published in the Financial Report

Net US GAAP reserves to net P&C reserves displayed in the **accident year (AY)** triangles



- UY triangles and AY triangles are used for different purposes and are on a different basis
- AY triangles show paid and incurred claims, i.e. reported claims and IBNR, while UY triangles show paid and reported claims

Corporate calendar and contacts

Corporate calendar

2023

17 March	**Management Dialogues 2023**	London
12 April	**159th Annual General Meeting**	Zurich
04 May	**Q1 2023 Results**	Conference call
04 August	**H1 2023 Results**	Conference call
03 November	**9M 2023 Results**	Conference call
01 December	**Investors' Day 2023**	Zurich

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- 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 frequency, severity and development of, and losses associated with, insured claim events, particularly natural catastrophes, man-made disasters, pandemics, including the coronavirus ("COVID-19"), social inflation litigation, 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;
- the Group's ability to comply with standards related to environmental, social and governance ("ESG"), sustainability and corporate social responsibility ("CSR") matters and to fully achieve goals, targets, or ambitions related to such matters;
- the Group's ability to achieve its strategic objectives;
- 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;
- 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;
- mortality, morbidity and longevity experience;
- the cyclicality of the reinsurance sector;
- the Group's ability to maintain sufficient liquidity and access to capital markets, including sufficient liquidity t<o 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 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;;
- matters negatively affecting the reputation of the Group, its board of directors or its management;
- the lowering, loss or giving up 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;
- 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 as well as 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 dis<positions, 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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