

# Annual Results 2019

Swiss Re investor and analyst presentation  
Zurich, 20 February 2020



# Focus areas of Annual Results 2019



Earnings in  
context



P&C pricing  
update



Life Capital  
transition



Capital  
actions



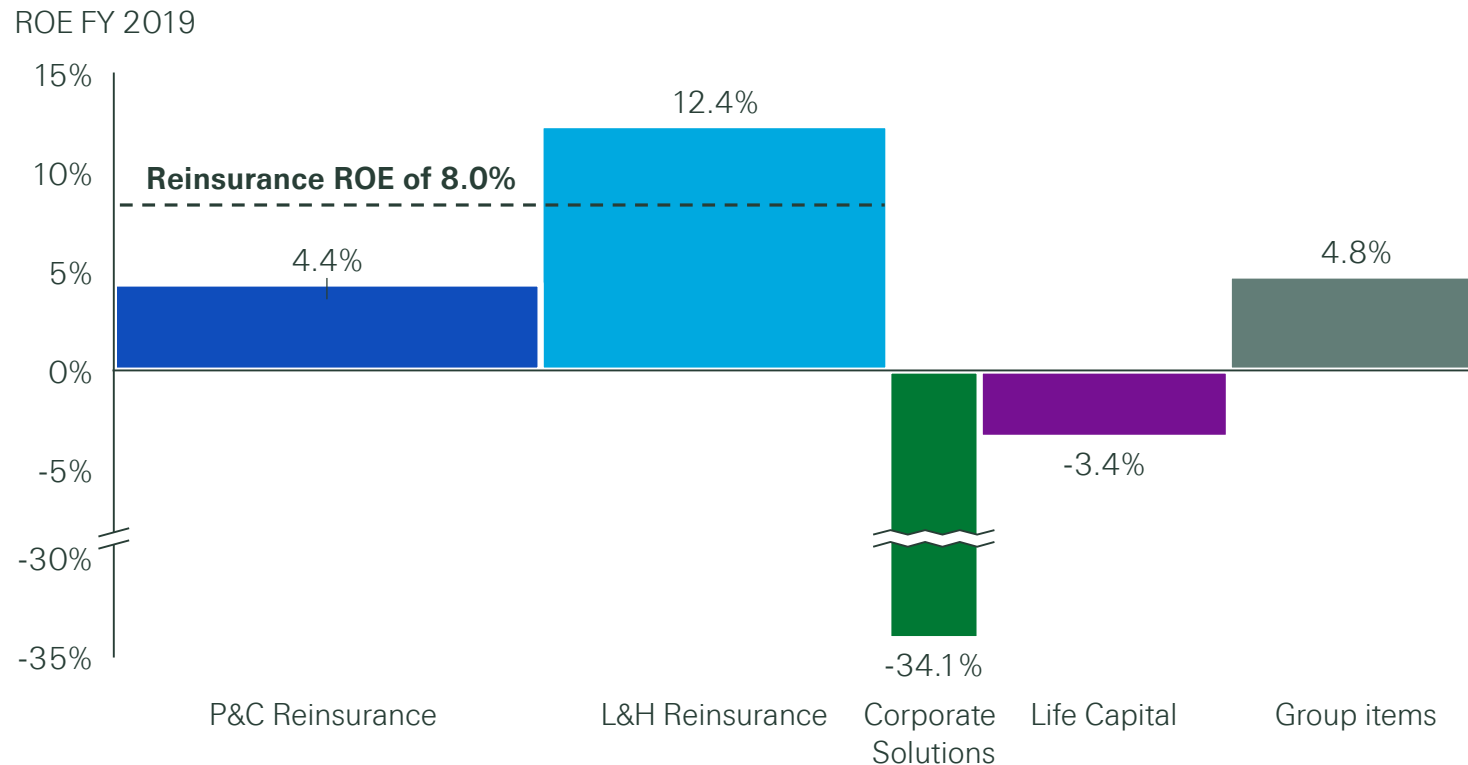
Leadership in  
sustainability

# Swiss Re has weathered multiple cycles in its recent history



▶ Current industry environment displaying 'end of soft cycle' market characteristics

# Breakdown of capital allocation and 2019 performance



Average shareholders' equity FY 2019

- Majority of capital allocated to Reinsurance, meeting cost of capital in a challenging year
- Further decisive management actions to restore Corporate Solutions profitability
- Strategic milestone achieved in Life Capital, expecting to reduce the impact on Group ROE

# Main elements driving the Group's 2019 results



## **Elevated nat cat losses**

Multiple nat cat events and late reported losses on Typhoon Jebi



## **Corporate Solutions turnaround**

Decisive management actions and pronounced increase in US casualty claims



## **US casualty impact on P&C Reinsurance**

Proactive measures to address ongoing US casualty market trends



## **Excellent investment result**

Strong equity and fixed income performance and SulAmérica divestment

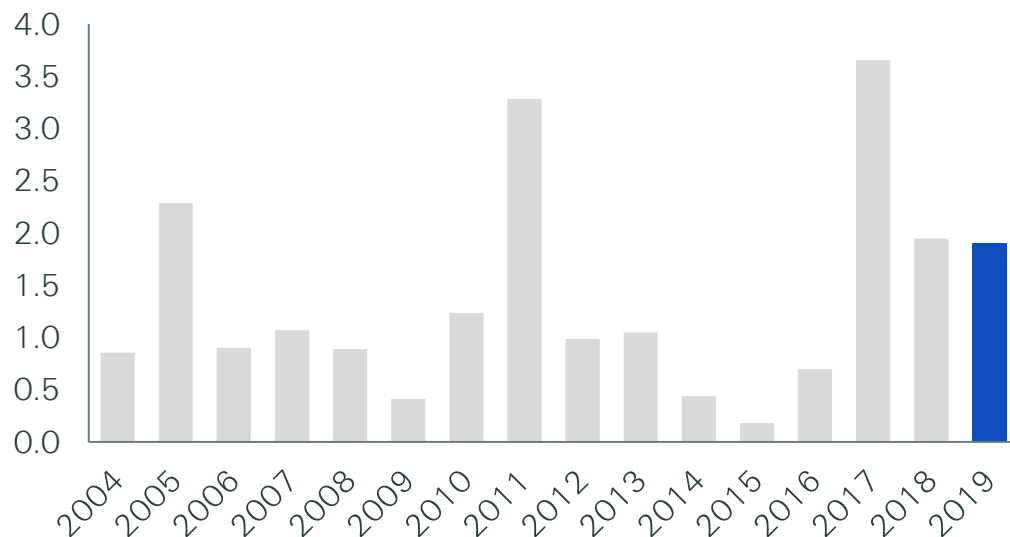
2019 reported Group net income

# USD 727m

# Nat cat market remains attractive, despite another year of high losses

## Heavy nat cat burden in 2019...

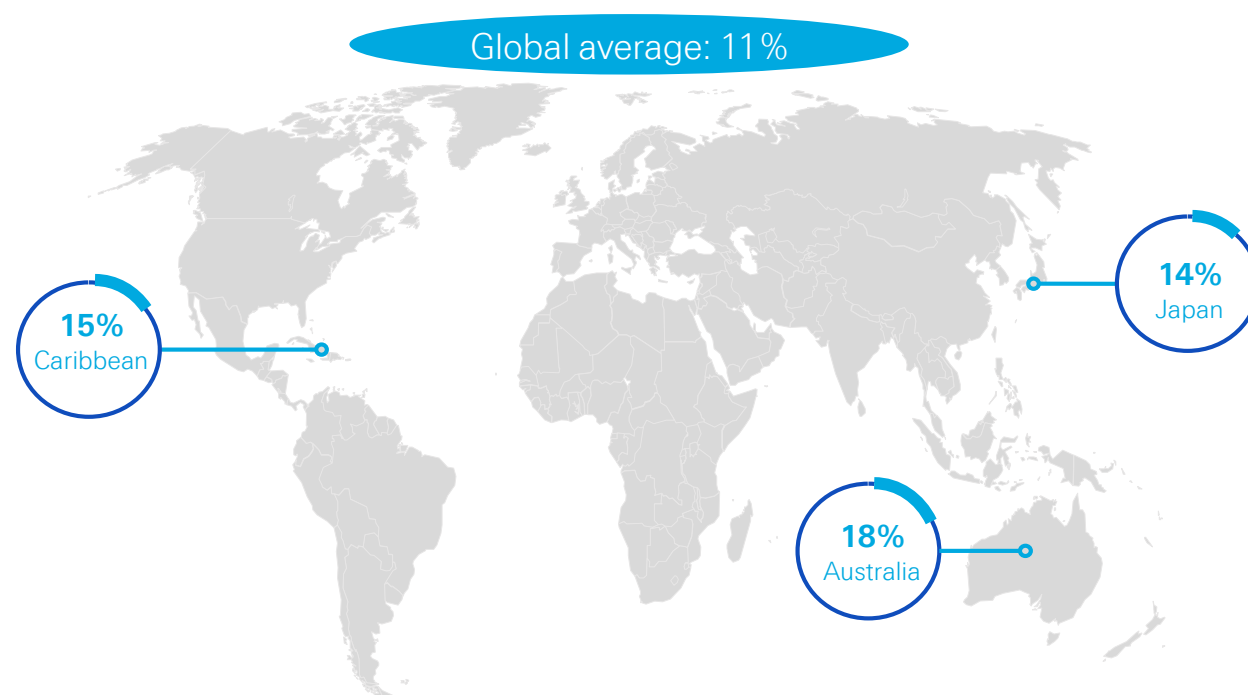
P&C Re large nat cat claims<sup>1</sup>, USD bn



- Nat cat losses 52% above 2019 expectations, driven by typhoons in Japan (Faxai and Hagibis), Hurricane Dorian in the Bahamas as well as a series of events in Australia (wildfires, floods and hailstorms)

## ... given overweight positions in affected regions

Swiss Re's indicative market share in nat cat business



▶ Japan, Australia and the Bahamas are attractive markets, which are profitable for Swiss Re over the cycle



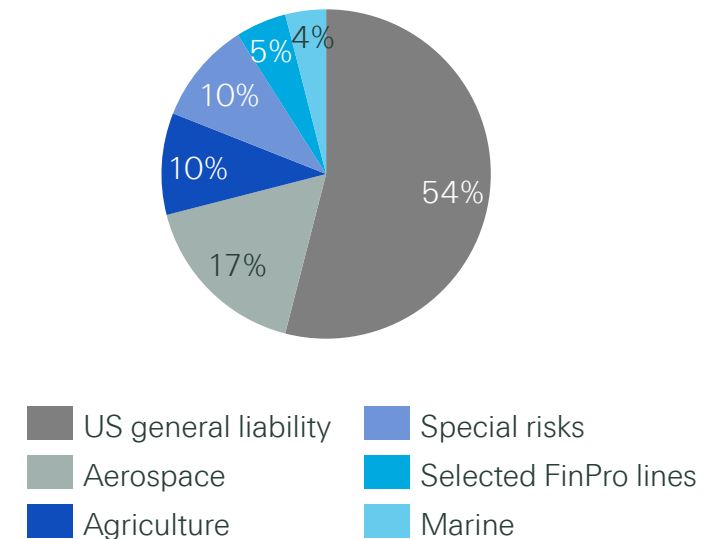
# Corporate Solutions results impacted by increased US casualty claims and decisive actions to address underperformance

## Corporate Solutions results impacted by management actions and US casualty trends

<b>Claims developments and reserving actions</b>	<ul style="list-style-type: none"> <li>Pronounced increase in severity / frequency of US casualty claims</li> <li>H1 reserve increase and further strengthening in H2 including increased initial loss picks</li> </ul>
<b>Portfolio pruning</b>	<ul style="list-style-type: none"> <li>25% of planned pruning actions achieved in GPW in FY 2019 (mostly US liability)</li> <li>Majority of overall pruning to be reflected in FY 2020</li> </ul>
<b>Operating expense savings</b>	<ul style="list-style-type: none"> <li>USD 60m of cost savings executed in 2019, expected to be reflected in FY 2020 earnings</li> </ul>
<b>Improved reinsurance structure</b>	<ul style="list-style-type: none"> <li>Tactical and strategic reinsurance protection put in place to protect back book and new business</li> </ul>

## Split of pruning actions 2019

Gross premiums written (USD 231 m)



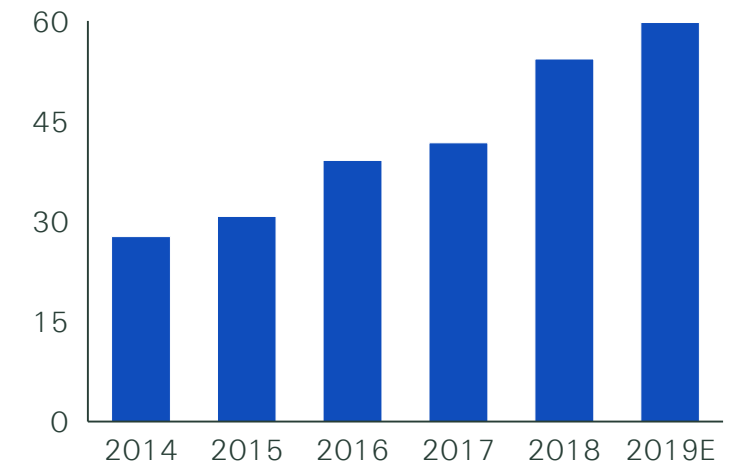
▶ Actions taken to restore stable foundation and underwriting profitability of Corporate Solutions

# Proactive measures taken in P&C Reinsurance to remain ahead amid rising US casualty claims costs

## P&C Reinsurance 2019 results reflect actions to address US casualty trends

<p><b>Impact on current accident year</b></p>	<ul style="list-style-type: none"> <li>Casualty trends have been deteriorating in the US, with growing average tort verdicts and rising lawsuit frequency</li> <li>US liability claims observed and reported increased in recent quarters</li> <li>2019 initial loss picks reviewed and adjusted</li> </ul>
<p><b>Prior-year reserve strengthening</b></p>	<ul style="list-style-type: none"> <li>Proactive response by continuing to reinforce casualty reserves, as in recent years, maintaining reserve adequacy</li> </ul>

Top 50 US tort verdicts: median verdict value, USD m<sup>1</sup>



Social inflation trends affecting US liability  
~10% severity increase in US primary claims in 2019<sup>1</sup>

▶ Measures taken reduce the risk of further reserve additions in most exposed lines

<sup>1</sup> Shaub, Ahmuty, Citrin & Spratt; Swiss Re Institute estimate for 2019



## Group investments delivered excellent results

4.7%

Return on investments

Reflecting strong global equity market performance, the sale of SulAmérica and fixed income gains

2.8%

Running yield

Stable running yield, moderately impacted by the low interest rate environment

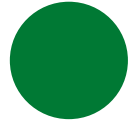
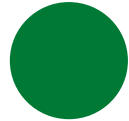

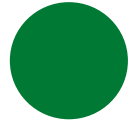
USD 5m

Impairments

Very low impairments continuing to reflect a high quality portfolio

▶ Investment portfolio well positioned to deliver consistent returns, supported by industry-leading ESG investment approach and high quality portfolio

# Overview of business segment results and outlook

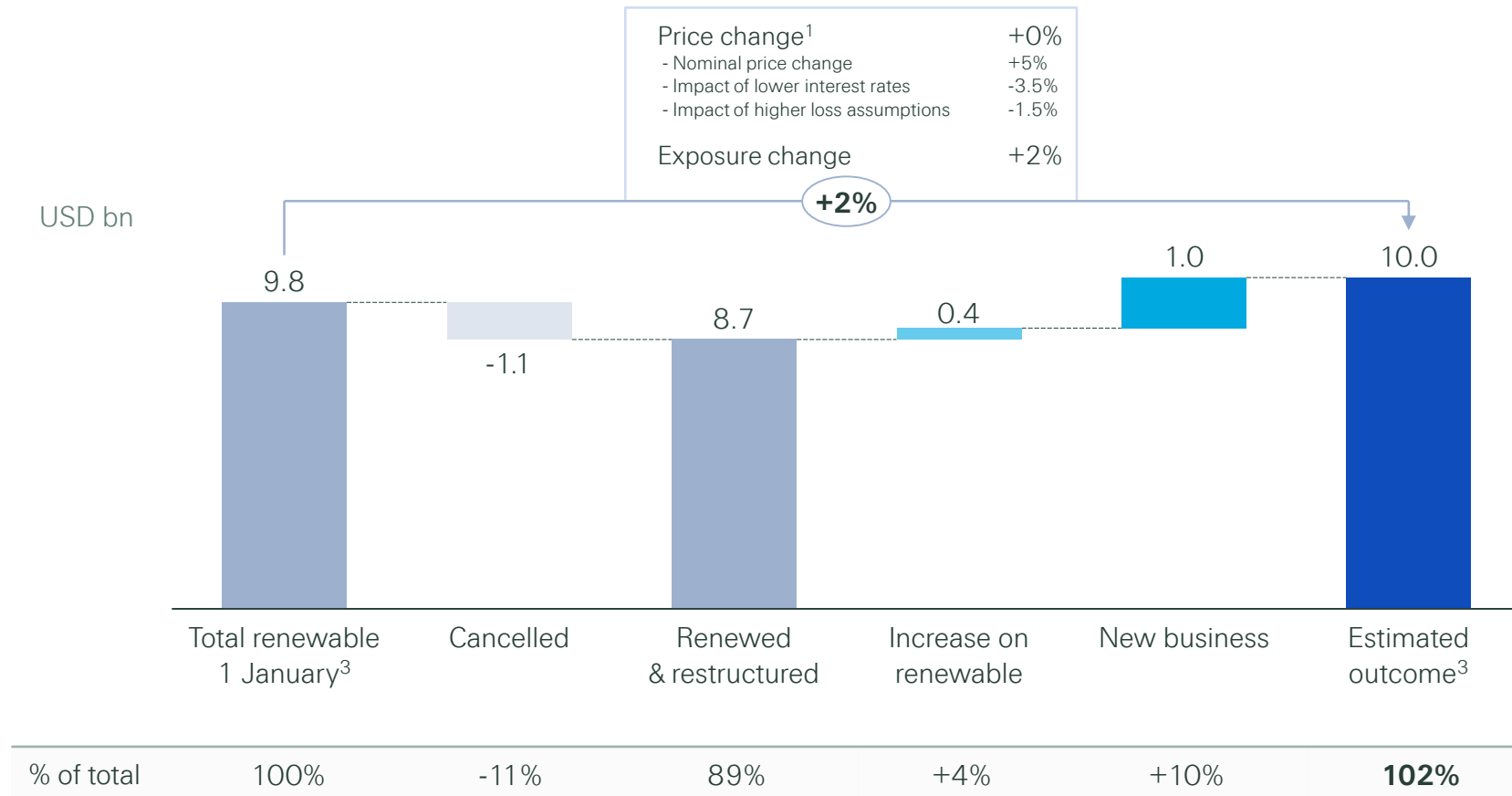
	2019 performance		2020 outlook
P&C Reinsurance	4.4% Return on equity	<ul style="list-style-type: none"> <li>Results impacted by large nat cat losses and adverse prior-year development</li> <li>Underlying 2019 performance in line with 98% combined ratio estimate; efficiency gains supported by strong premium growth</li> <li>Estimated combined ratio of 97%<sup>1</sup> for 2020 and ongoing positive pricing trends</li> </ul>	
L&H Reinsurance	12.4% Return on equity	<ul style="list-style-type: none"> <li>Overall mortality experience in line with expectations</li> <li>Return on equity at the top end of over-the-cycle target range</li> <li>Growth outlook supported by transactions and Asia</li> </ul>	
Corporate Solutions	-34.1% Return on equity	<ul style="list-style-type: none"> <li>Execution of decisive management actions with significant portfolio pruning</li> <li>Price increases of 12% in 2019 and 14% further increases in January 2020</li> <li>Estimated 2020 combined ratio of 105%<sup>1</sup> supported by pruning actions and rates</li> </ul>	
Life Capital	USD 1.1 bn Gross cash generation	<ul style="list-style-type: none"> <li>Strategic milestone achieved with agreement to sell ReAssure to Phoenix<sup>2</sup></li> <li>22% open book GPW growth in 2019</li> <li>iptiQ partnership with IKEA signed in early 2020</li> </ul>	



<sup>1</sup> Assuming an average large nat cat loss burden and excluding prior-year reserve development

<sup>2</sup> Transaction results in US GAAP net loss and EVM economic profit

# Solid outcome of January renewals for P&C Reinsurance







## P&C Reinsurance renewals

- Volume up 2% YTD – driven by 14% growth in nat cat business
- 5% nominal price increases, excluding impact of interest rates and updated loss assumptions
- Price quality<sup>1</sup> is flat overall: sufficient rate increases achieved to offset the negative impact of lower interest rates and higher loss assumptions
- Further price improvements expected in forthcoming renewals in 2020
- 2020 combined ratio estimate<sup>2</sup> of 97%, reflecting price changes and scale effects

► Solid volume growth at attractive price quality, leading to improvement in estimated combined ratio for 2020

# January Reinsurance renewals see improved pricing and volume growth in nat cat business

Gross premium volume by line of business<sup>1</sup> (USD bn)

	Up for renewal Jan	Premium change	Estimated outcome Jan	Price change <sup>3</sup>
Nat cat	1.5	+14%	1.7	
Property <sup>2</sup>	1.7	+3%	1.7	
Specialty	1.3	+8%	1.4	
Casualty	5.3	-2%	5.2	
<b>Total</b>	<b>9.8</b>	<b>+2%</b>	<b>10.0</b>	

Gross premium volume by region<sup>1</sup> (USD bn)

	Up for renewal Jan	Premium change	Estimated outcome Jan
Americas	3.6	+1%	3.6
EMEA	4.8	+2%	4.9
Asia	1.4	+5%	1.5
<b>Total</b>	<b>9.8</b>	<b>+2%</b>	<b>10.0</b>

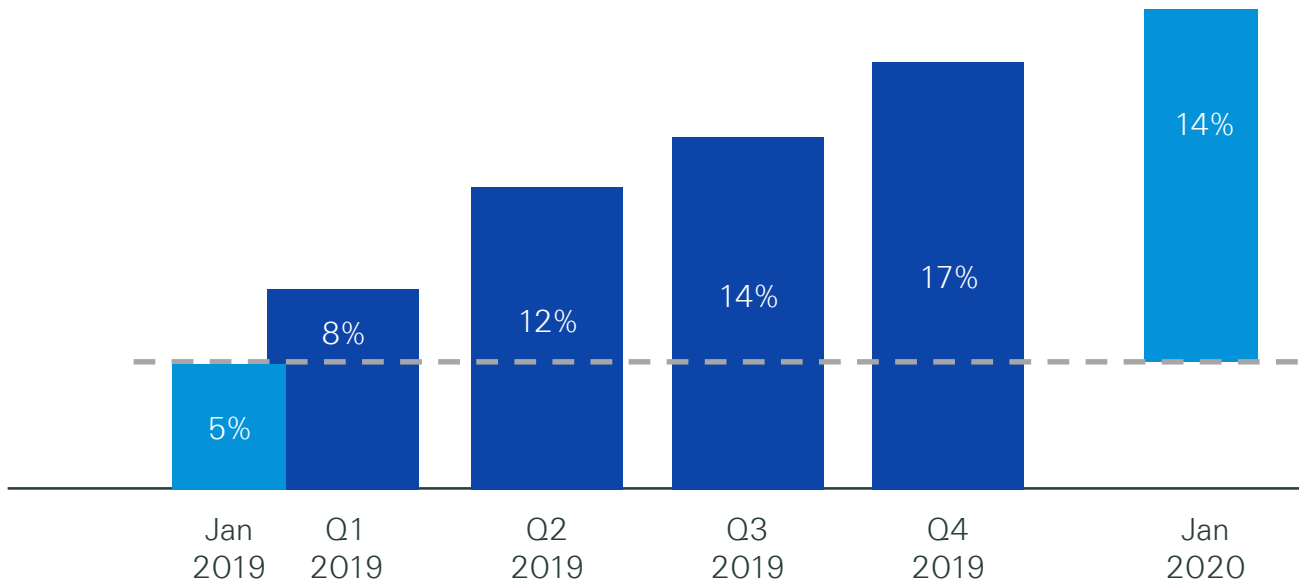
- Economic capital deployed overall unchanged, with +11% for non-proportional property nat cat business and -6% for casualty
- Growth in nat cat reflects improved pricing as well as previously communicated Swiss Re appetite to grow in this attractive line of business
- Underwriting discipline maintained across all lines of business and regions
- Earnings uplift expected over time, with benefit from shifting into more profitable and short tail lines of business



# Pricing momentum for Corporate Solutions remains strong

## Corporate Solutions achieved significant price increases since 2019

Price increases



- 12% price increases achieved in 2019 following 3% in 2018
- Strong pricing momentum continued in January 2020 with 14% price increases
- Strongest increases in loss-affected property lines. Modest rate increases captured in casualty given exit from underperforming segments. Specialty correcting but changes vary between sub-lines
- 2020 combined ratio<sup>1</sup> estimate of 105%, reflecting price increases, pruning effects and cost savings

▶ Expected return to underwriting profitability with combined ratio target<sup>1</sup> of 98% in 2021

# Strategic milestone achieved with agreement to sell ReAssure, improving the Group's return on capital profile

## ReAssure sale expected to close mid-2020<sup>1</sup>



GBP 3.25bn

transaction  
valuation

GBP 1.2bn

cash proceeds  
to Swiss Re

- 13-17% stake in Phoenix post-closing<sup>2</sup>
- Economic profit<sup>3</sup> and benefit to Group SST ratio of 12%pts expected at closing

## Focus on dynamically growing B2B2C businesses



+22%

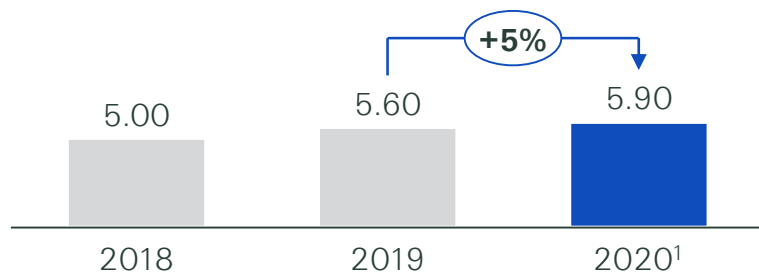
Open book GPW  
growth in 2019

- Further expansion in 2019
- New KPIs to be communicated mid-2020

# Proposed capital management actions are attractive for shareholders

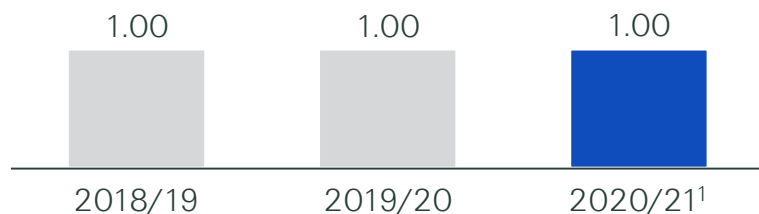
## 5% regular dividend per share increase

CHF

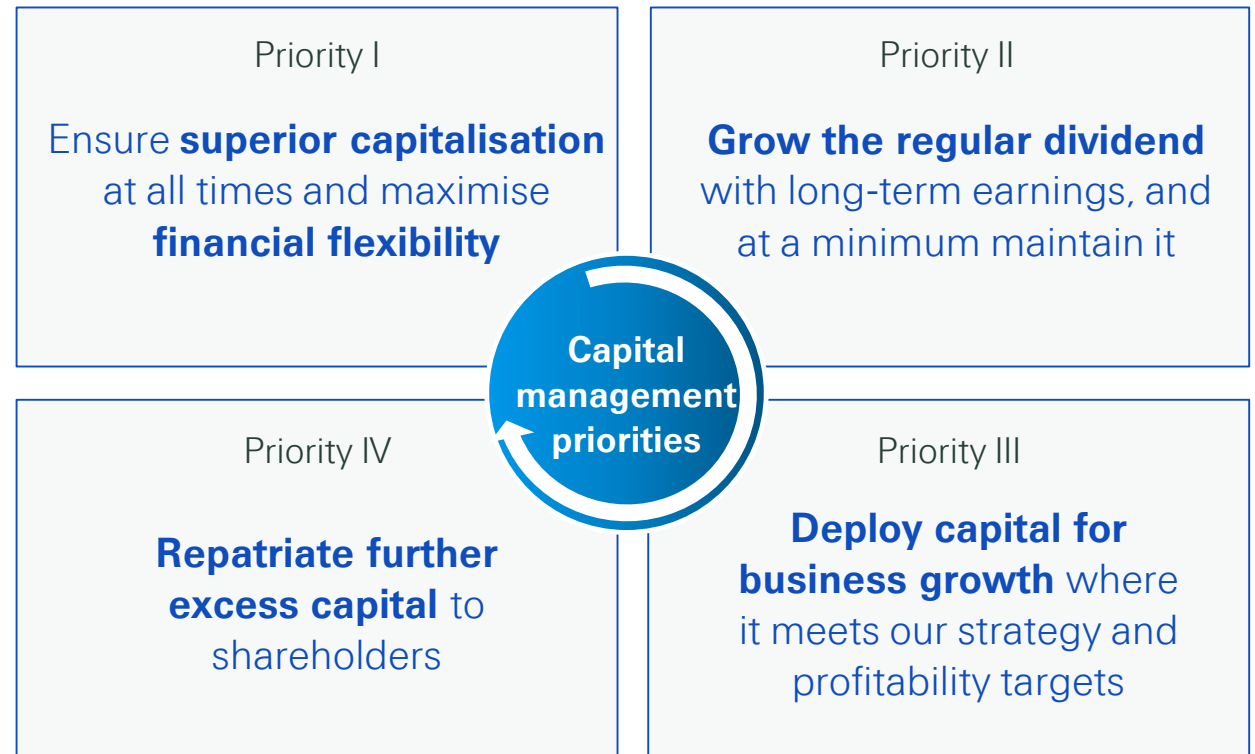


## Share buyback programme consistent with Swiss Re's capital management priorities

CHF bn



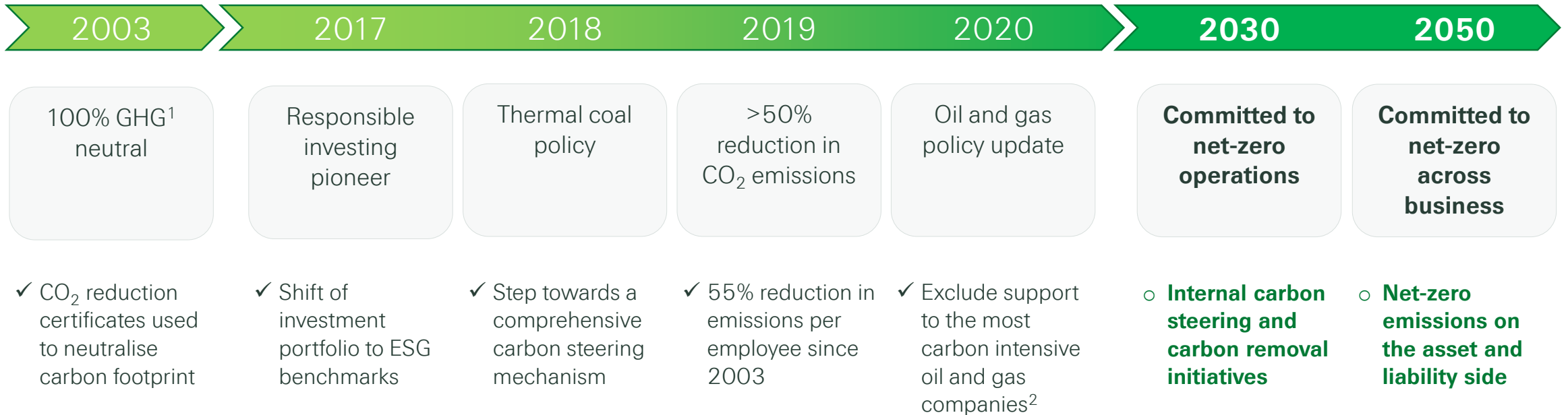
## Swiss Re's capital management priorities remain unchanged



▶ Very strong Group capitalisation maintained, with Swiss Re's Group SST ratio above the 220% target level



# Swiss Re reinforces sustainability leadership with ambitious steps towards net-zero emissions



<sup>1</sup> Greenhouse gas

<sup>2</sup> From July 2021, Swiss Re will exclude business support to companies that produce the world's 5% most carbon intensive oil and gas. From July 2023, Swiss Re will exclude business support to companies that produce the world's 10% most carbon intensive oil and gas.

# Financial highlights

An aerial photograph of a coastal region. A long, narrow, winding road or causeway stretches from the foreground towards the background, connecting several small, rocky islands. The water is a deep blue, and the sky is overcast. In the distance, a range of mountains is visible under a grey sky. The overall scene is serene and scenic.

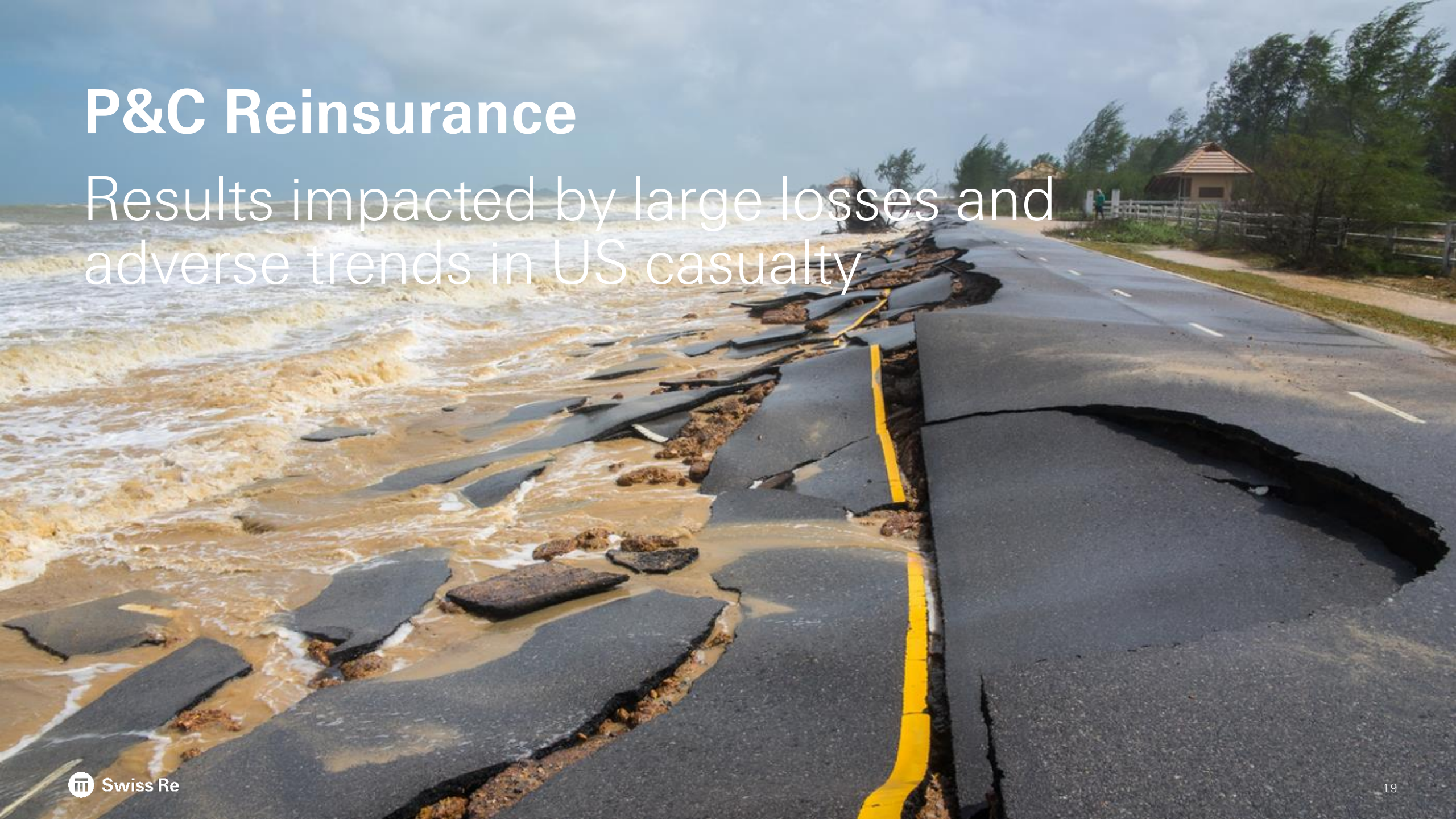
# Key figures

	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Total FY 2019	Total FY 2018
USD m, unless otherwise stated							
• Premiums earned and fee income	19 275	13 004	4 166	2 149	-	38 594	34 461
• Net income/loss	396	899	- 647	- 177	256	727	421
• Return on investments	4.3%	5.0%	3.4%	3.7%	9.6%	4.7%	2.8%
• Return on equity	4.4%	12.4%	-34.1%	-3.4%	4.8%	2.5%	1.4%
• Combined ratio	107.8%	-	127.9%	-	-		
• Earnings per share						2.46	1.37
	(USD)					2.46	1.34
	(CHF)						
						Total FY 2019	Total FY 2018
• Shareholders' equity	8 318	8 253	2 005	5 289	5 386	29 251	27 930
<i>of which unrealised gains</i>	686	2 238	124	1 885	218	5 151	1 902
• Book value per share						100.64	93.09
	(USD)					97.46	91.72
	(CHF)						



# P&C Reinsurance

Results impacted by large losses and adverse trends in US casualty

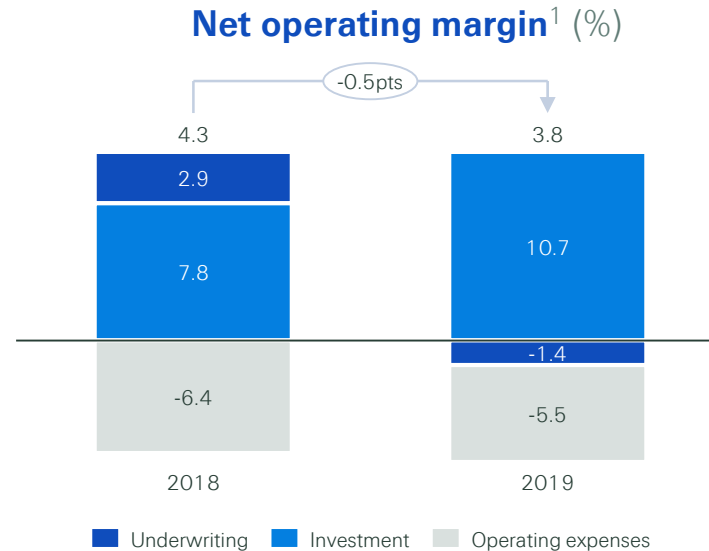


# P&C Reinsurance results impacted by large losses and adverse trends in US casualty

## Net premiums earned

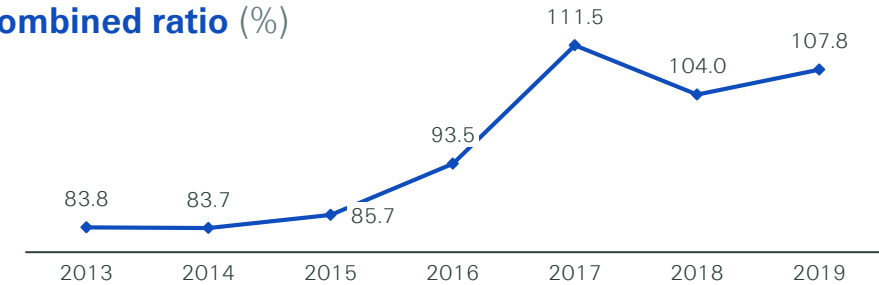
**USD 19.3bn**  
in 2019

**USD 16.1bn**  
in 2018



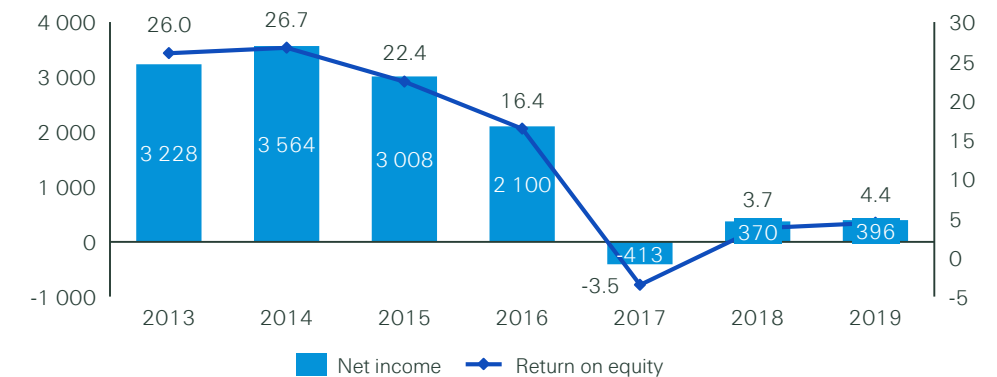
- Strong increase in net premiums earned of 19.8% driven by profitable growth from large transactions and nat cat business in an improved market environment
- Underwriting margin affected by large losses from typhoons Hagibis and Faxai, Hurricane Dorian as well as wildfires, floods and hailstorms in Australia; additional current year impact from ADC with Corporate Solutions<sup>2</sup>. Adverse prior-year development from Typhoon Jebi and claims inflation in US casualty
- Investment margin improved from gains on sales of fixed income securities and market value gains on equity securities
- Decrease in expense margin due to higher revenues while managing expenses

## Combined ratio (%)



- Net impact of 2019 large nat cat events 3.5%pts above expectations. Unfavourable prior-year development impacted the combined ratio by 3.5%pts

## Net income (USD m, LHS), Return on equity (%), RHS



<sup>1</sup> Net operating margin = EBIT / total revenues

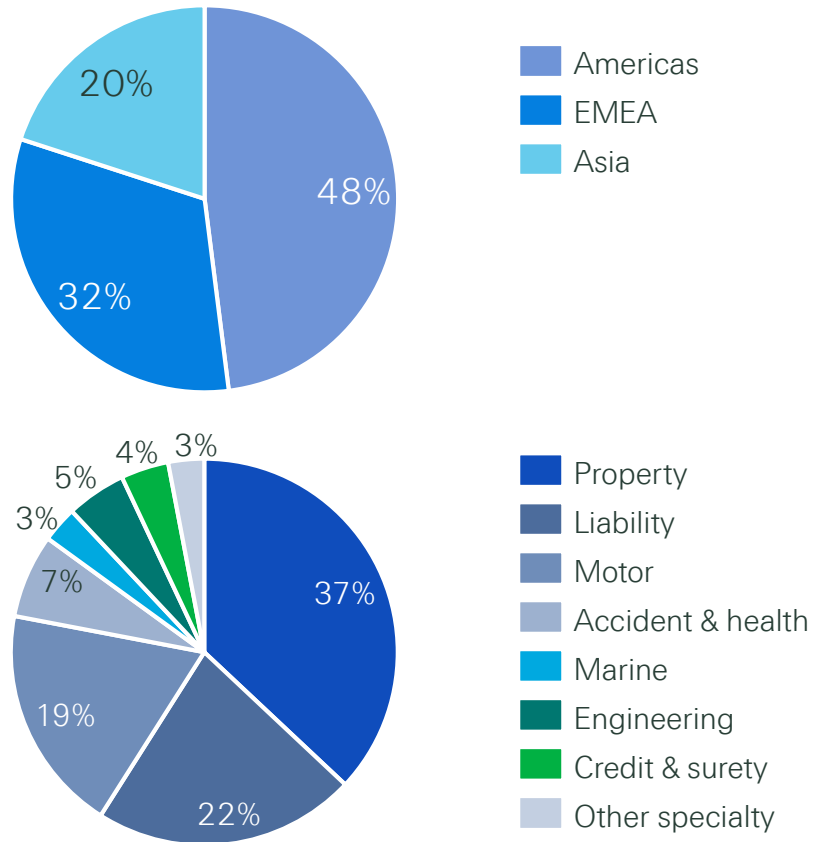
<sup>2</sup> Note that since 2012 P&C Reinsurance has benefitted from positive development of Corporate Solutions reserves remaining in the Reinsurance BU, and associated investment income



# P&C Reinsurance strategy in action

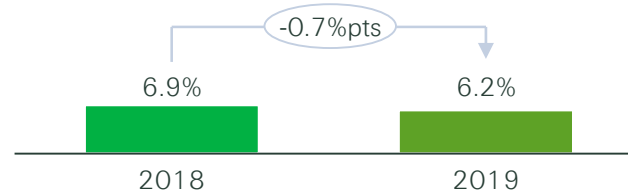
## Portfolio split by region and line of business

(% of net premiums earned)



## CORE

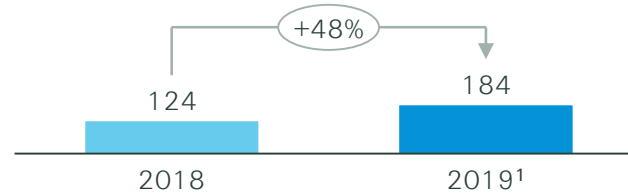
### US GAAP operating expense ratio (%)



- Operating leverage supported by 20% growth in earned premiums
- Efficiency gains across the value chain allow to invest in the future

## SOLUTIONS

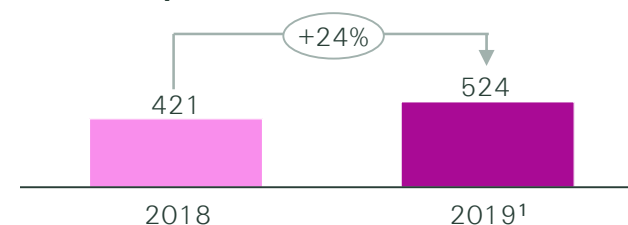
### Economic profit (USD m)



- Innovative data analytics capability developed to model supply chain risk
- Launch of innovative telematics solution with Pioneer
- Solutions contributed ~7% to economic profit in 2019

## TRANSACTIONS

### Economic profit (USD m)



- >170 transactions closed in 2019
- Transactions contributed ~20% to economic profit in 2019

# L&H Reinsurance

Continues to deliver strong results





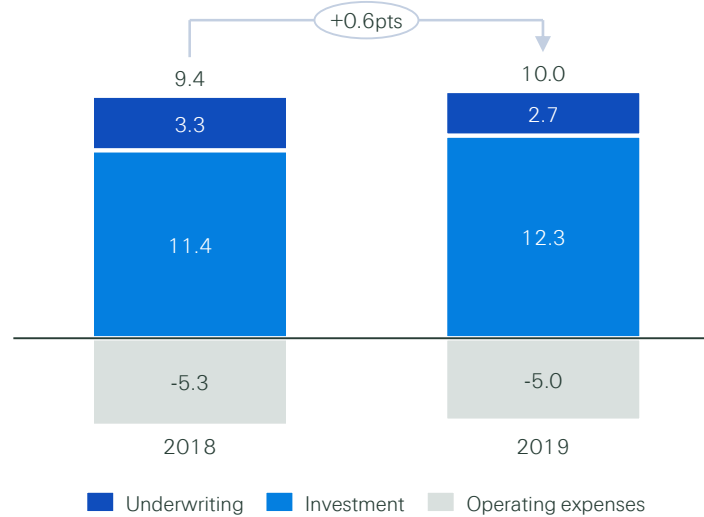
# L&H Reinsurance continues to deliver strong results

## Net premiums earned

**USD 12.8bn**  
in 2019

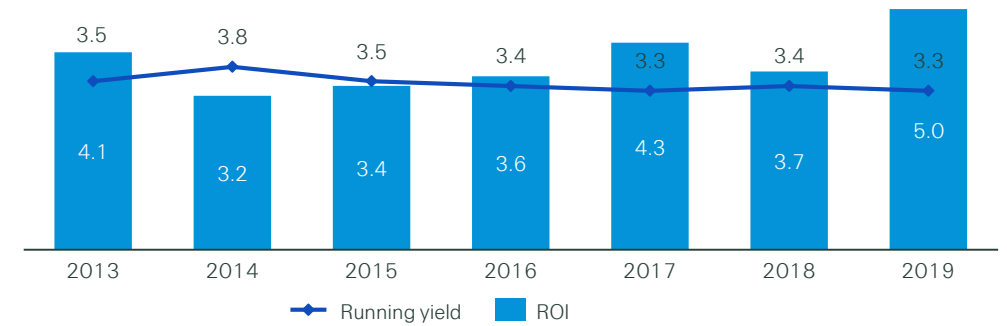
USD 12.7bn  
in 2018

## Net operating margin<sup>1</sup> (%)



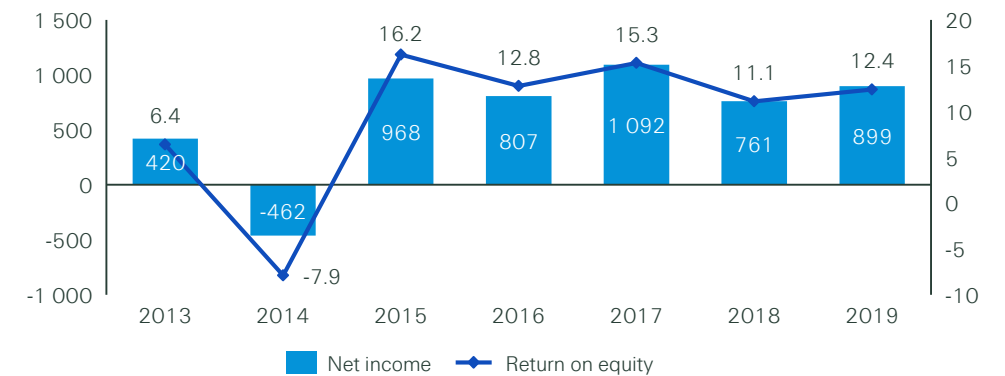
- Premiums earned increased slightly. Adjusted for an intra-group retrocession agreement with Life Capital and unfavourable fx movements, increase driven by Asian health business growth
- Underwriting result included a negative adjustment to the carrying value of an existing treaty following the acquisition of Quilter's UK closed book business by ReAssure, reflecting the decrease in interest rates since treaty inception. Related to this adjustment, L&H Re rebalanced its asset portfolio, realising gains of a corresponding magnitude

## Running yield and ROI (%)



- Stable running yield. ROI supported by realised gains from fixed income securities and equity security market value gains

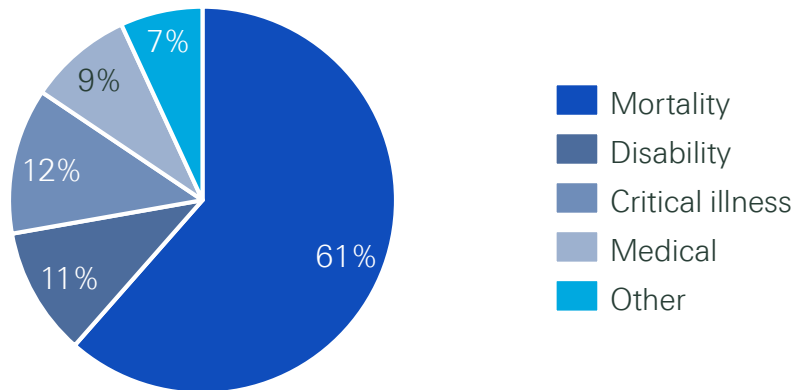
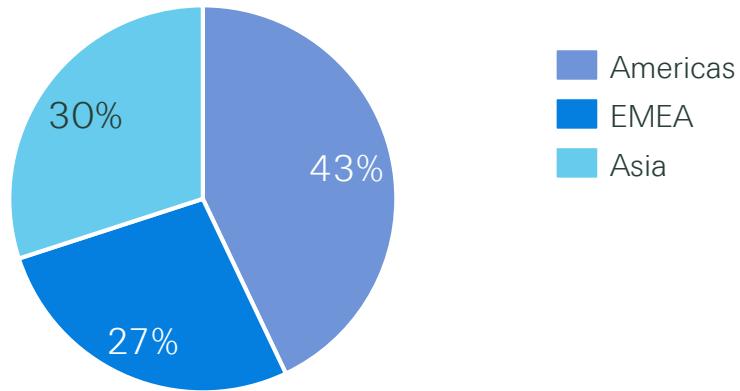
## Net income (USD m, LHS), Return on equity (%) (RHS)



# L&H Reinsurance strategy in action

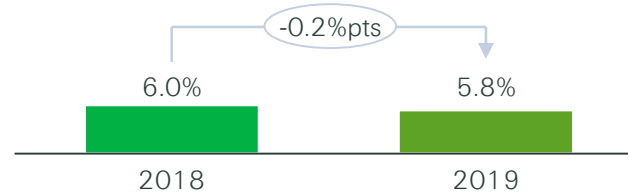
## Portfolio split by region and line of business

(% of net premiums earned)



## CORE

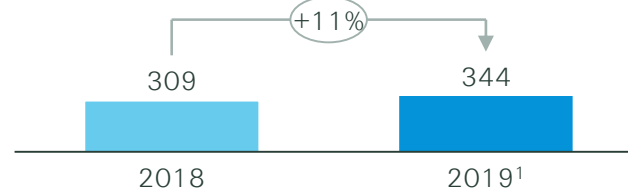
### US GAAP operating expense ratio (%)



- Modest absolute reduction in expense base combined with slightly higher top line

## SOLUTIONS

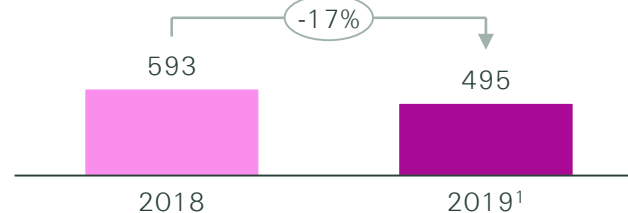
### Economic profit (USD m)



- Magnum Go bringing the benefits of automation and instant underwriting decisions to more clients
- In-force customer experience improving customer retention and consumer health through analytics and behavioural actions
- Solutions contributed ~20% to economic profit in 2019

## TRANSACTIONS

### Economic profit (USD m)



- >30 transactions closed in 2019
- Transactions contributed ~30% to economic profit in 2019
- Higher result in 2018 driven by large deals in Asia

# Corporate Solutions

Results impacted by decisive  
management actions

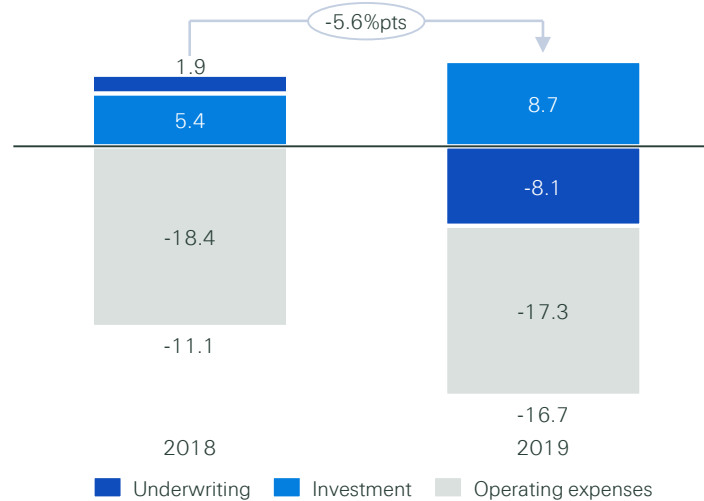
# Corporate Solutions results impacted by decisive management actions

## Net premiums earned

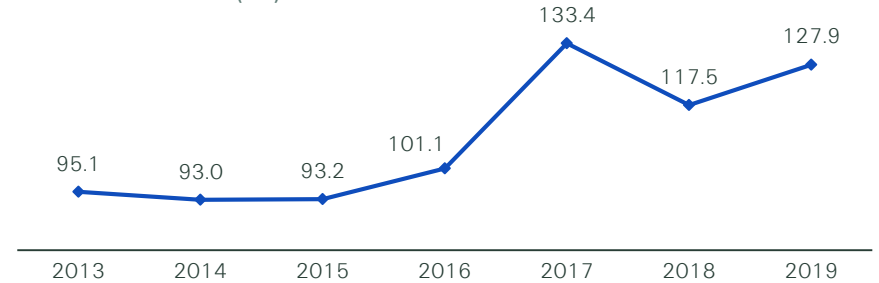
**USD 4.2bn**  
in 2019

**USD 3.9bn**  
in 2018

## Net operating margin<sup>1</sup> (%)



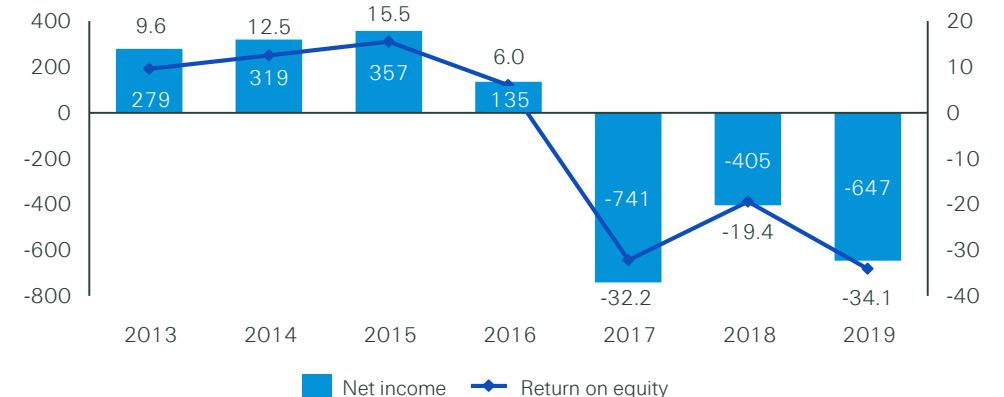
## Combined ratio (%)



- Profitability continued to be adversely impacted by underwriting performance, partially offset by income from investment activities and realised gains from insurance in derivative form
- 2019 adjusted<sup>2</sup> combined ratio of 112%

- Net premiums earned increased by 6.1% as rate increases and growth in selected lines of business more than offset active pruning of several portfolios
- Underwriting margin reflects reserve increases as well as high frequency and severity of large and medium-sized man-made losses, primarily in prior accident years
- Investment margin improved, bolstered by higher market value gains from equity securities and insurance in derivative form
- Expense margin slightly lower, benefitting from increased revenue, and despite USD 40m restructuring costs

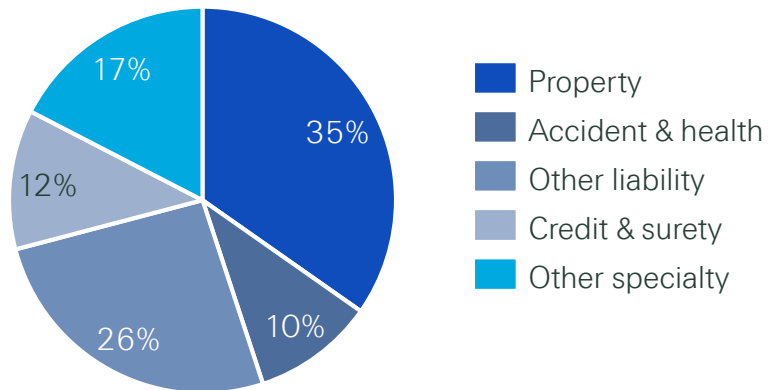
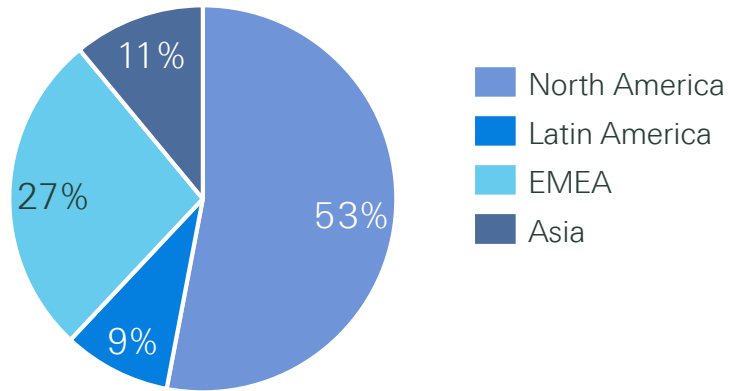
## Net income (USD m, LHS), Return on equity (%), RHS)



# Corporate Solutions strategic transformation in action

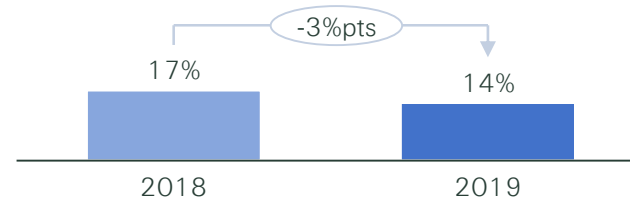
## Portfolio split by region and line of business

(% of net earned premium)



## De-commoditise the core

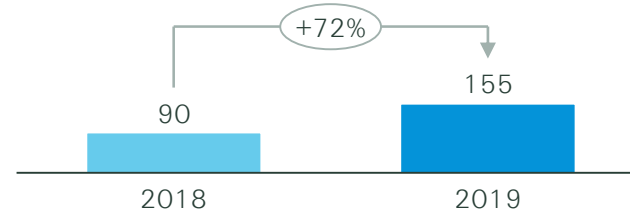
Corporate Solutions' share in wholesale business (%)



- Enhance focus on selected sub-segments and niches where Corporate Solutions has differentiated risk knowledge, data, customer proposition and/or customer access

## Capture value from differentiating assets

International Programme Lead (# of programmes)



- Increase in structured international programmes and launch of new international programme product "ONE Form"

## Tech-driven solutions – selected examples



### International Programme Platform

Address customer pain points and industry inefficiencies through state-of-the-art tech-driven platforms and tools



### Digital Marine proposition

Disrupt current inefficient insurance value chains through digital solutions

# Life Capital

Exceptional gross cash generation  
and strong open book growth



# Exceptional Life Capital GCG and strong open book growth

## Gross cash generation

**USD 1.1bn**

in 2019

USD 0.8bn

in 2018

## Net income

**USD -177m**

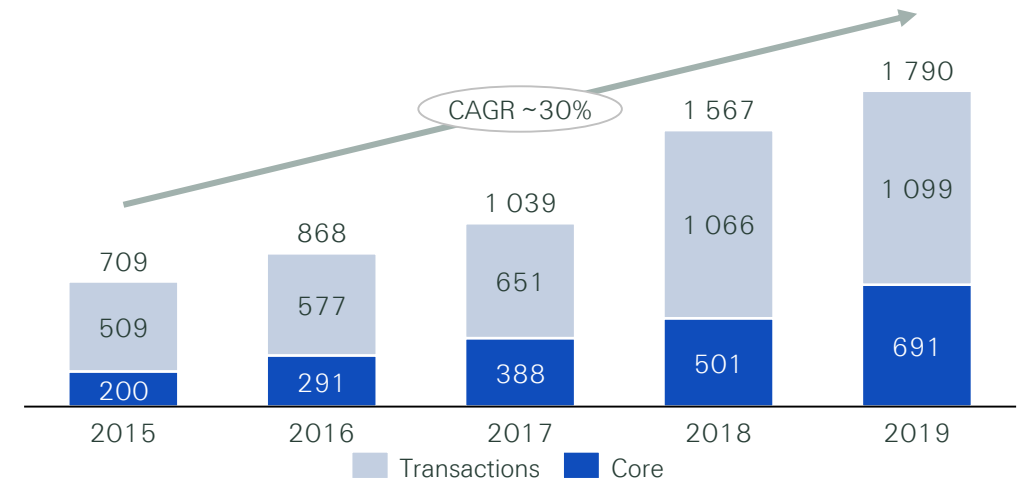
in 2019

USD 23m

in 2018

- Exceptional gross cash generation (GCG) mainly driven by ReAssure capital actions; allowed for 2019 funding of the open books and a USD 0.5bn dividend upstream
- Net income impacted by agreement to sell ReAssure to Phoenix (adjusting for this impact net income would have been USD 53m)
- Agreement to sell ReAssure is expected to have a positive impact on economic value creation

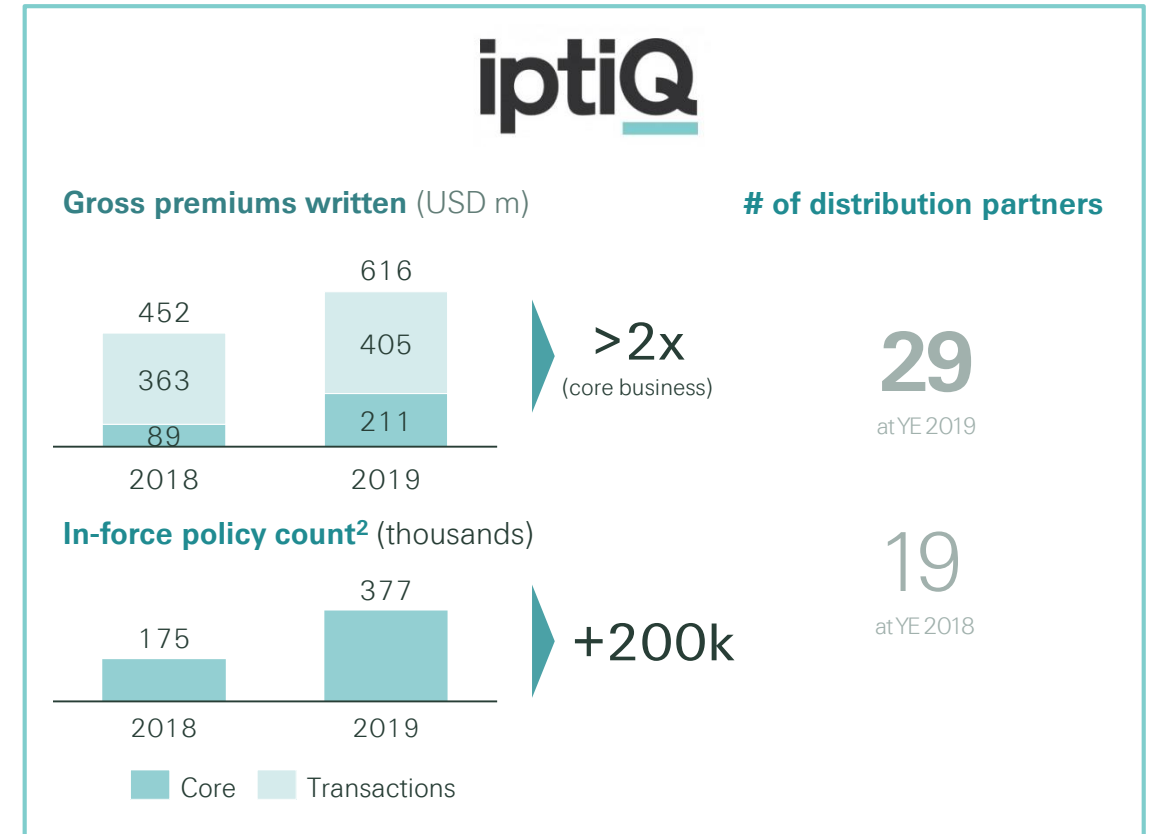
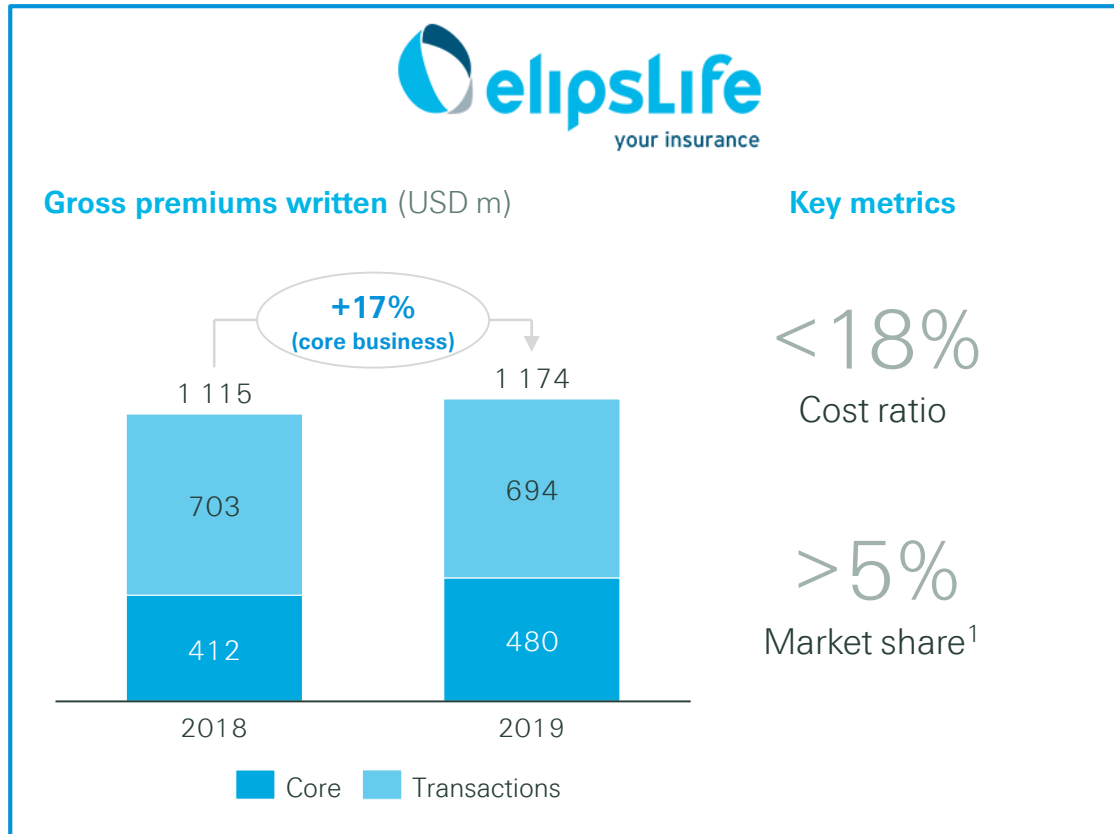
## Open book – Gross premiums written (USD m)



- Consistently strong growth in the open book businesses; launching new partnerships and expanding geographically
  - Strong premium growth of 22% at constant fx in 2019 (46% for Core)
  - Launch of iptiQ P&C business and inclusion of iptiQ L&H ANZ
- Transactions include medex business which is written in bulk and subject to more frequent renewal



# Life Capital open books continue to grow dynamically



# Group investments

Deliver excellent value driven by a high quality investment portfolio

# Group investments deliver excellent value driven by a high quality investment portfolio

## Return on investments (ROI)

**4.7%**

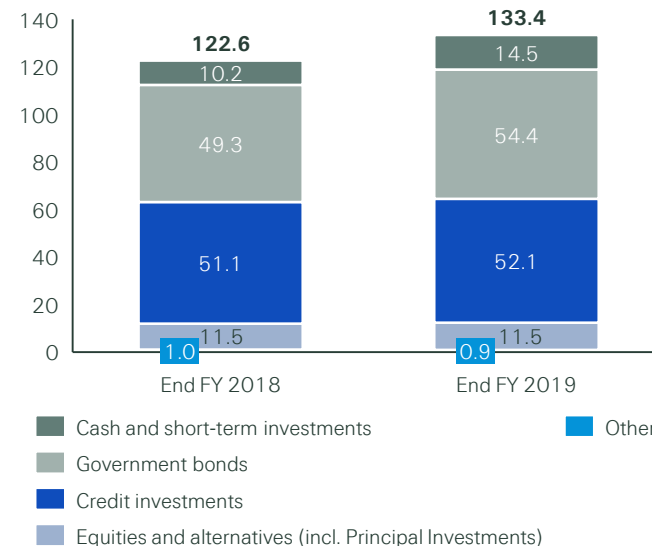
in 2019

**2.8%**

in 2018

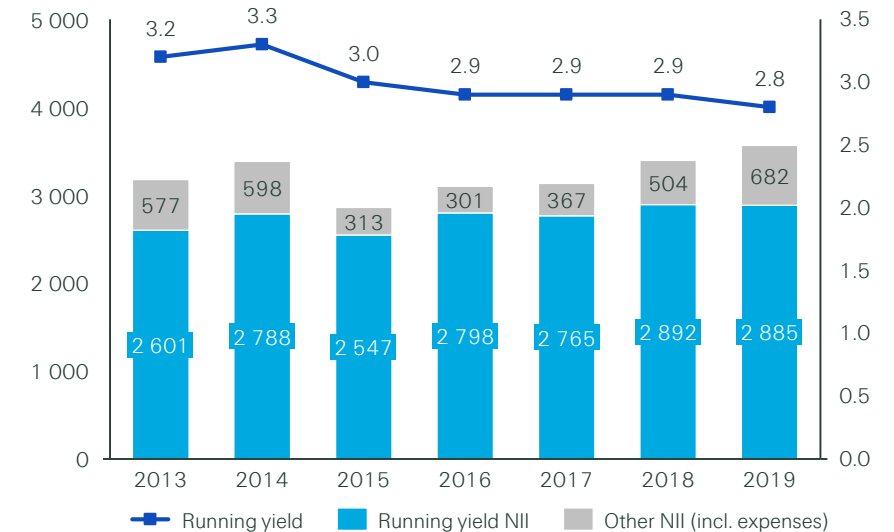
- ROI driven by net investment income (3.0%) and net realised gains (1.7%)
- Net realised gains of USD 2.0bn due to fixed income sales and equity market performance
- Very low impairments of USD 5m

## Investment portfolio positioning (USD bn)



- Asset allocation changes were minimal on a relative basis
- Increase in credit investments due to declining interest rates and credit spread tightening, partly offset by net sales
- Increase in equities reflect market value gains, partially offset by the sale of SulAmérica

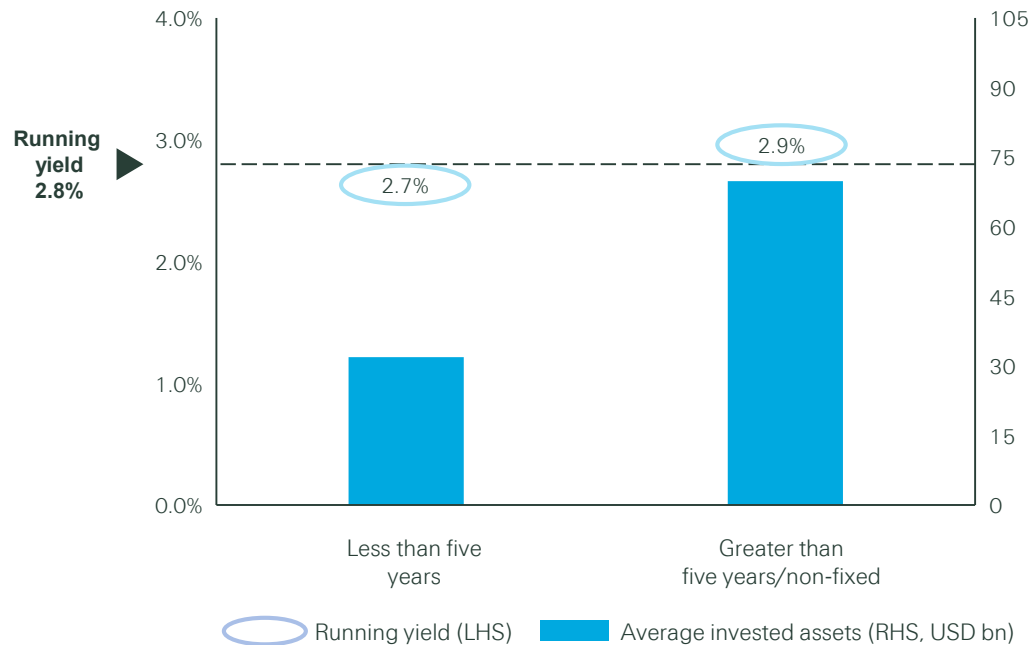
## Net investment income (USD m, LHS) Running yield (% , RHS)



- Stable running yield, moderately impacted by the low interest rate environment
- Net investment income above prior year, mainly due to the sale of SulAmérica
- Industry-leading ESG approach with ~100% of invested assets following ESG benchmarks

# Investment portfolio well positioned to deliver consistent returns

## Higher yields concentrated in longer-maturity securities (FY 2019)



- Stable running yield (FY 2019: 2.8%) despite headwinds from declining yields driven by portfolio concentration in higher-income, longer-maturity securities (92% of fixed income unrealised gains are on securities with >5 years in maturity)
- Low interest rates will continue to put pressure on the running yield mainly through a higher market value of the asset base. As a counterbalance, the Group will continue to broaden its investment portfolio across asset classes (including real assets and private debt)



# Appendix



# Business segment results FY 2019

## Income statement

USD m	Reinsurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Consolidation	Total FY 2019	Total FY 2018
<b>Revenues</b>									
Gross premiums written	36 014	21 562	14 452	4 974	2 831	-	-1 591	42 228	36 406
Net premiums written	33 616	20 882	12 734	4 253	1 780	-	-	39 649	34 042
Change in unearned premiums	-1 506	-1 607	101	- 87	- 82	-	-	-1 675	- 167
Premiums earned	32 110	19 275	12 835	4 166	1 698	-	-	37 974	33 875
Fee income from policyholders	169	-	169	-	451	-	-	620	586
Net investment income/loss – non participating	2 626	1 419	1 207	234	1 193	552	- 434	4 171	4 075
Net realised investment gains/losses – non participating	1 511	883	628	162	18	- 111	-	1 580	65
Net investment result – unit-linked and with-profit	118	-	118	-	4 821	-	-	4 939	-1 593
Other revenues	22	18	4	5	1	414	- 412	30	39
<b>Total revenues</b>	<b>36 556</b>	<b>21 595</b>	<b>14 961</b>	<b>4 567</b>	<b>8 182</b>	<b>855</b>	<b>- 846</b>	<b>49 314</b>	<b>37 047</b>
<b>Expenses</b>									
Claims and claim adjustment expenses	-14 783	-14 783	-	-3 900	-	-	-	-18 683	-14 855
Life and health benefits	-10 587	-	-10 587	-	-2 500	-	-	-13 087	-11 769
Return credited to policyholders	- 162	-	- 162	-	-4 471	-	-	-4 633	1 033
Acquisition costs	-6 785	-4 810	-1 975	- 640	- 409	-	-	-7 834	-6 919
Operating expenses	-1 935	-1 189	- 746	- 788	- 721	- 547	412	-3 579	-3 432
<b>Total expenses</b>	<b>-34 252</b>	<b>-20 782</b>	<b>-13 470</b>	<b>-5 328</b>	<b>-8 101</b>	<b>- 547</b>	<b>412</b>	<b>-47 816</b>	<b>-35 942</b>
<b>Income/loss before interest and tax</b>	<b>2 304</b>	<b>813</b>	<b>1 491</b>	<b>- 761</b>	<b>81</b>	<b>308</b>	<b>- 434</b>	<b>1 498</b>	<b>1 105</b>
Interest expenses	- 797	- 352	- 445	- 40	- 72	- 114	434	- 589	- 555
<b>Income/loss before income tax expense/benefit</b>	<b>1 507</b>	<b>461</b>	<b>1 046</b>	<b>- 801</b>	<b>9</b>	<b>194</b>	<b>-</b>	<b>909</b>	<b>550</b>
Income tax expense/benefit	- 212	- 65	- 147	143	- 133	62	-	- 140	- 69
<b>Net income/loss before attribution of non-controlling interests</b>	<b>1 295</b>	<b>396</b>	<b>899</b>	<b>- 658</b>	<b>- 124</b>	<b>256</b>	<b>-</b>	<b>769</b>	<b>481</b>
Income/loss attributable to non-controlling interests	-	-	-	11	- 53	-	-	- 42	- 19
<b>Net income/loss after attribution of non-controlling interests</b>	<b>1 295</b>	<b>396</b>	<b>899</b>	<b>- 647</b>	<b>- 177</b>	<b>256</b>	<b>-</b>	<b>727</b>	<b>462</b>
Interest on contingent capital instruments	-	-	-	-	-	-	-	-	- 41
<b>Net income/loss attributable to shareholders</b>	<b>1 295</b>	<b>396</b>	<b>899</b>	<b>- 647</b>	<b>- 177</b>	<b>256</b>	<b>-</b>	<b>727</b>	<b>421</b>

# Business segment results FY 2019

## Balance sheet

31 December 2019, USD m	Reinsurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Consolidation	End FY 2019	End FY 2018
<b>Assets</b>									
Fixed income securities	70 885	38 877	32 008	7 473	3 088	127	-	81 573	95 952
Equity securities	2 369	1 749	620	172	57	395	-	2 993	3 036
Other investments	19 477	14 606	4 871	147	865	5 009	-12 606	12 892	13 351
Short-term investments	4 961	3 283	1 678	380	377	50	-	5 768	5 417
Investments for unit-linked and with-profit business	520	-	520	-	-	-	-	520	29 546
Cash and cash equivalents	5 368	3 674	1 694	1 698	494	2	-	7 562	5 985
Deferred acquisition costs	7 142	2 613	4 529	483	213	-	-	7 838	8 217
Acquired present value of future profits	577	-	577	-	465	-	-	1 042	1 818
Reinsurance recoverable	7 212	2 325	4 887	7 058	3 111	-	-11 483	5 898	7 058
Other reinsurance assets	20 995	12 524	8 471	2 667	5 951	3	-4 873	24 743	22 798
Goodwill	3 741	1 895	1 846	204	-	-	-	3 945	4 071
Other	13 048	7 723	5 325	2 342	658	2 256	-8 950	9 354	10 321
Assets held for sale	-	-	-	-	74 983	-	-544	74 439	-
<b>Total assets</b>	<b>156 295</b>	<b>89 269</b>	<b>67 026</b>	<b>22 624</b>	<b>90 262</b>	<b>7 842</b>	<b>-38 456</b>	<b>238 567</b>	<b>207 570</b>
<b>Liabilities</b>									
Unpaid claims and claim adjustments expenses	63 057	49 963	13 094	12 881	2 489	-	-6 054	72 373	67 446
Liabilities for life and health policy benefits	20 679	-	20 679	728	4 250	-	-5 821	19 836	39 593
Policyholder account balances	1 401	-	1 401	-	4 004	-	-	5 405	31 938
Other reinsurance liabilities	15 803	12 899	2 904	4 987	2 034	2	-5 051	17 775	15 865
Short-term debt	2 415	915	1 500	-	66	60	-2 356	185	1 633
Long-term debt	16 736	5 511	11 225	798	838	494	-8 728	10 138	8 502
Other	19 632	11 662	7 970	1 093	1 015	1 900	-10 408	13 232	13 866
Liabilities held for sale	-	-	-	-	68 624	-	-38	68 586	-
<b>Total liabilities</b>	<b>139 723</b>	<b>80 950</b>	<b>58 773</b>	<b>20 487</b>	<b>83 320</b>	<b>2 456</b>	<b>-38 456</b>	<b>207 530</b>	<b>178 843</b>
<b>Equity</b>									
Shareholders' equity	16 571	8 318	8 253	2 005	5 289	5 386	-	29 251	27 930
Non-controlling interests	1	1	-	132	1 653	-	-	1 786	797
<b>Total equity</b>	<b>16 572</b>	<b>8 319</b>	<b>8 253</b>	<b>2 137</b>	<b>6 942</b>	<b>5 386</b>	<b>-</b>	<b>31 037</b>	<b>28 727</b>
<b>Total liabilities and equity</b>	<b>156 295</b>	<b>89 269</b>	<b>67 026</b>	<b>22 624</b>	<b>90 262</b>	<b>7 842</b>	<b>-38 456</b>	<b>238 567</b>	<b>207 570</b>

# Total equity and ROE FY 2019

USD m	Reinsurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Total FY 2019
<b>Shareholders' equity at 31 December 2018</b>	<b>15 757</b>	<b>9 483</b>	<b>6 274</b>	<b>1 795</b>	<b>5 113</b>	<b>5 265</b>	<b>27 930</b>
Net income attributable to shareholders	1 295	396	899	- 647	- 177	256	727
Dividends and share buyback	-1 670	-1 420	- 250	-	- 505	- 415	-2 590
Capital contributions	-	-	-	600	229	- 829	-
Net change in unrealised gains/losses	2 203	751	1 452	184	670	192	3 249
Other (incl. fx)	-1 014	- 892	- 122	73	- 41	917	- 65
<b>Shareholders' equity at 31 December 2019</b>	<b>16 571</b>	<b>8 318</b>	<b>8 253</b>	<b>2 005</b>	<b>5 289</b>	<b>5 386</b>	<b>29 251</b>
Non-controlling interests	1	1	-	132	1 653	-	1 786
<b>Total equity at 31 December 2019</b>	<b>16 572</b>	<b>8 319</b>	<b>8 253</b>	<b>2 137</b>	<b>6 942</b>	<b>5 386</b>	<b>31 037</b>

ROE calculation							Total
USD m	Reinsurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	FY 2019
<b>Net income/loss attributable to shareholders</b>	<b>1 295</b>	<b>396</b>	<b>899</b>	<b>- 647</b>	<b>- 177</b>	<b>256</b>	<b>727</b>
Opening shareholders' equity	15 757	9 483	6 274	1 795	5 113	5 265	27 930
Average shareholders' equity	16 165	8 901	7 264	1 900	5 201	5 325	28 591
<b>ROE FY 2019<sup>1</sup></b>	<b>8.0%</b>	<b>4.4%</b>	<b>12.4%</b>	<b>-34.1%</b>	<b>-3.4%</b>	<b>4.8%</b>	<b>2.5%</b>

## Shares outstanding<sup>2</sup>

in millions

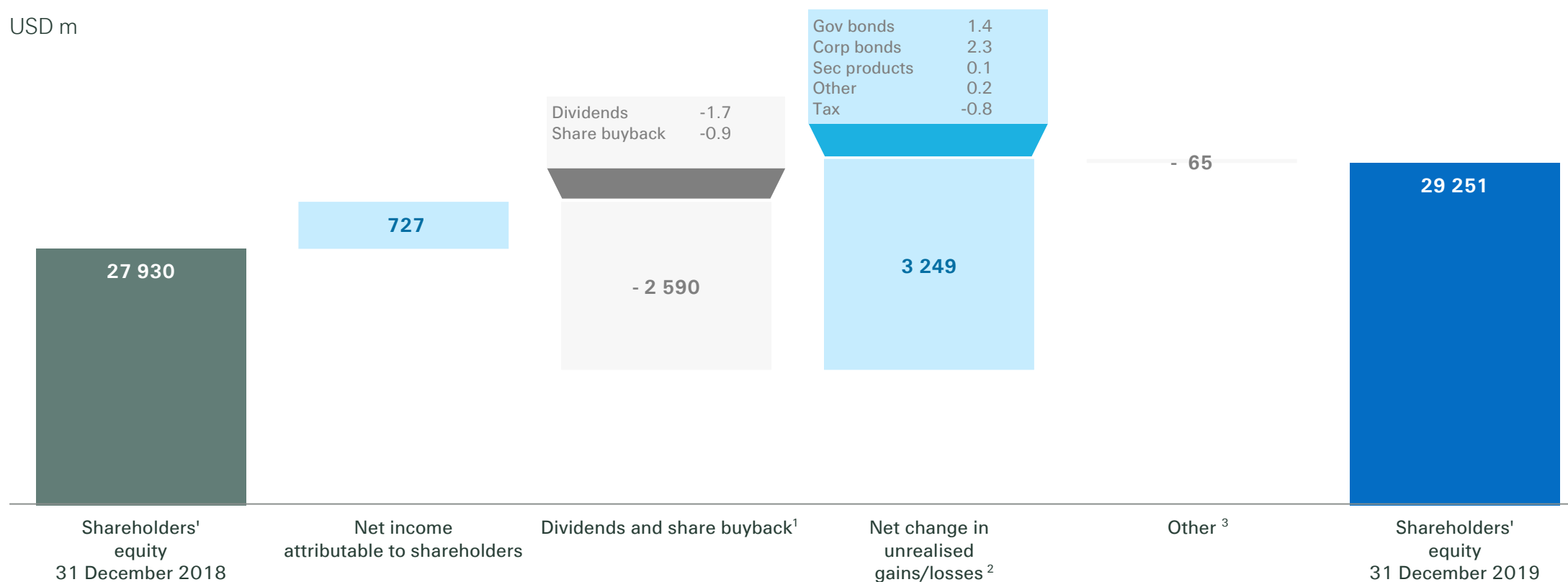
<b>As at 31 December 2019</b>	<b>290.7</b>	<b>Weighted average</b>	<b>295.7</b>
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# Change in shareholders' equity mainly driven by unrealised gains and net income, partially offset by dividend payments and share buyback

USD m



<sup>1</sup> Includes USD 111 m of the share buyback programme announced in 2018 and completed on 15 February 2019, and USD 820m of the share buyback programme launched on 6 May 2019

<sup>2</sup> Includes USD -128m due to the sale of an additional 10% non-controlling interest in ReAssure to MS&AD

<sup>3</sup> Includes USD -169m net impact from transactions with non-controlling interests (MS&AD) in additional paid-in capital and other components of other comprehensive income. This is partially offset by USD 92m as a result of the implementation of a new US GAAP guidance (ASU 2016-02 "Leases")

# P&C underwriting result

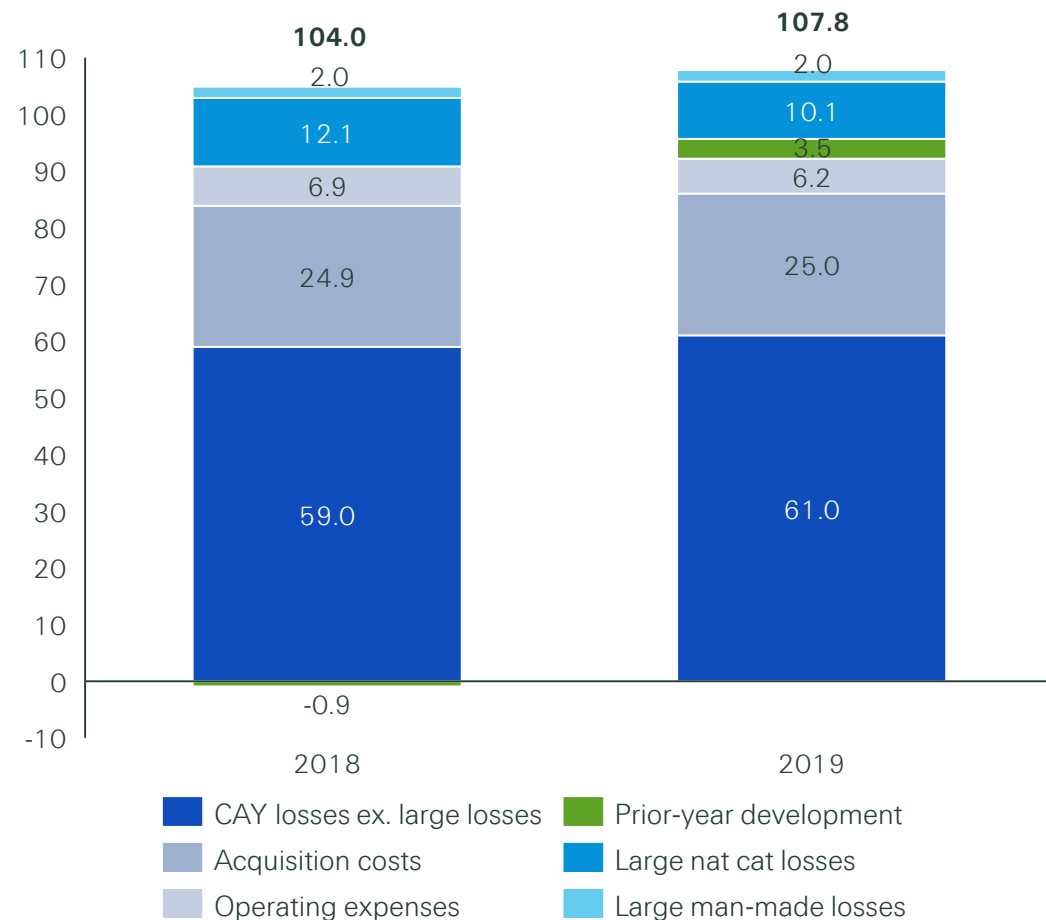
## P&C Reinsurance and Corporate Solutions

	Combined ratio		Main drivers of change	Net premiums earned	Underwriting result
	FY 2018	FY 2019		FY 2019 USD m	FY 2019 USD m
<b>P&amp;C Reinsurance</b>					
Property	99.9%	101.3%	• Both periods were impacted by large nat cat claims. The deterioration was driven by adverse experience on prior-year losses, mainly late claims from Typhoon Jebi, partly compensated by reserve releases from other large losses. FY 2018 benefitted from favourable prior accident year experience	7 207	-96
Casualty	110.6%	116.6%	• Both years were impacted by continued unfavourable developments mainly due to claims inflation in US business affecting current year and prior-year reserves	9 286	-1 543
Specialty	93.4%	95.3%	• FY 2019 included a large loss from the Ethiopian Airlines crash and the subsequent grounding of the Boeing 737 MAX fleet. This was partly offset by favourable prior-year development mainly in marine and credit & surety business	2 782	132
<b>Total</b>	<b>104.0%</b>	<b>107.8%</b>		<b>19 275</b>	<b>-1 507</b>

	Combined ratio		Main drivers of change	Net premiums earned	Underwriting result
	FY 2018	FY 2019		FY 2019 USD m	FY 2019 USD m
<b>Corporate Solutions</b>					
Property	117.9%	116.6%	• Current period driven by large man-made losses and unfavourable prior-year development, reflecting management actions. The previous period was impacted by nat cat losses	1 454	-242
Casualty	125.5%	137.6%	• Both periods impacted by large man-made losses and unfavourable prior-year development, reflecting management actions	1 514	-570
Specialty	106.5%	129.2%	• Deterioration driven by unfavourable prior-year development, reflecting management actions and small to medium-sized losses	1 198	-350
<b>Total</b>	<b>117.5%</b>	<b>127.9%</b>		<b>4 166</b>	<b>-1 162</b>

# P&C Reinsurance combined ratio split

## Combined ratio split (%)

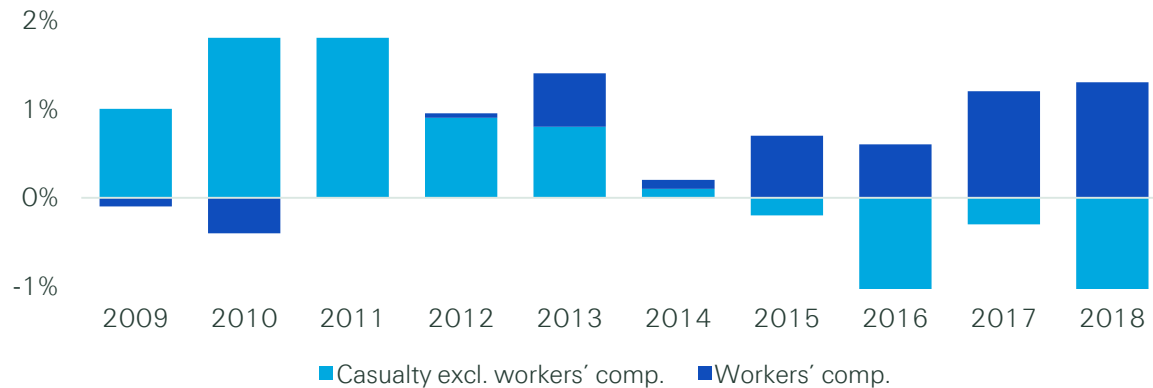


### Key developments in 2019

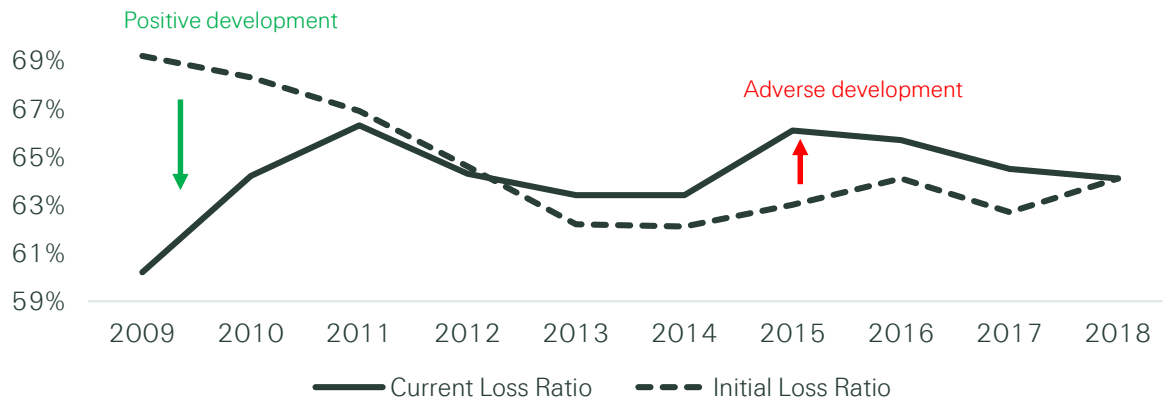
- Net impact of large nat cat events in 2019 was 3.5%pts above expectations (USD 1.9bn vs USD 1.3bn expected large nat cat impact for FY 2019)
- Unfavourable prior-year development negatively impacted the combined ratio by 3.5%pts
- Net impact of large man-made losses was in line with previous estimates (USD 340m)
- Current year loss ratio includes a <1%pt impact from increased initial loss picks
- Reduction in operating expense ratio thanks to scale benefits from growth
- Underlying combined ratio in line with 98% estimate<sup>1</sup>

# Worsening US casualty trends driving reserve deterioration

## Negative prior-year development<sup>1</sup> observed since 2014...



## ... with most recent accident years<sup>2</sup> being particularly challenging



- US casualty experienced positive prior-year development until 2014. Since then, paid losses have accelerated, although they were offset by releases in workers' compensation until 2018<sup>3</sup>
- In 2019, markets experienced a significant increase in US liability claims, raising concerns around social inflation:
  - Litigation finance has expanded, driving class action lawsuit frequency
  - Attitude of the US public and jurors has become more consumer-friendly, increasing the average size of large tort verdicts
- In 2020, prices are significantly recovering after years of a soft market, however prevailing low yields put continued pressure on profitability

<sup>1</sup> US industry casualty prior-year development as a percentage of net earned premiums

<sup>2</sup> US industry liability accident year loss ratio trends

<sup>3</sup> 2019 data not yet available

Source: Swiss Re Institute, SNL

# Swiss Re's actions to improve profitability and manage risk in casualty Reinsurance

## Actions to manage the casualty book were initiated in 2017

<b>Top-down steering</b>	Specific strategies for each sub-portfolio defined based on forward-looking view of the business <i>e.g. reduced appetite for US liability and US commercial motor</i>
<b>'Raise the Bar' initiative</b>	Roadmap with specific profitability targets, achieving technical results improvement in all regions <i>e.g. reduced commission ratios overall</i>
<b>Active residual risk management</b>	Continuous trend monitoring with feedback loop into costing tools <i>e.g. introduction of Large Corporate Risk (LCR)<sup>1</sup> tracker and costing load for social inflation</i>
<b>Client-specific actions</b>	Proactive client engagement to address profitability issues or reduce participation if required <i>e.g. working with certain clients to rebalance portfolio</i>
<b>Reserve adequacy</b>	Continuous feedback loops between underwriting, claims and reserving teams <i>e.g. reserves strengthened to reflect observed adverse trends</i>

## Further progress on these actions at January renewals

- Rate increases on US casualty business more than compensated for increased loss trends, leading to improved technical profitability
- Further reduced exposure to LCRs, while selectively growing in SME business
- Higher initial loss picks applied for new business

## US casualty Reinsurance - reserve strengthening<sup>2</sup>

USD m



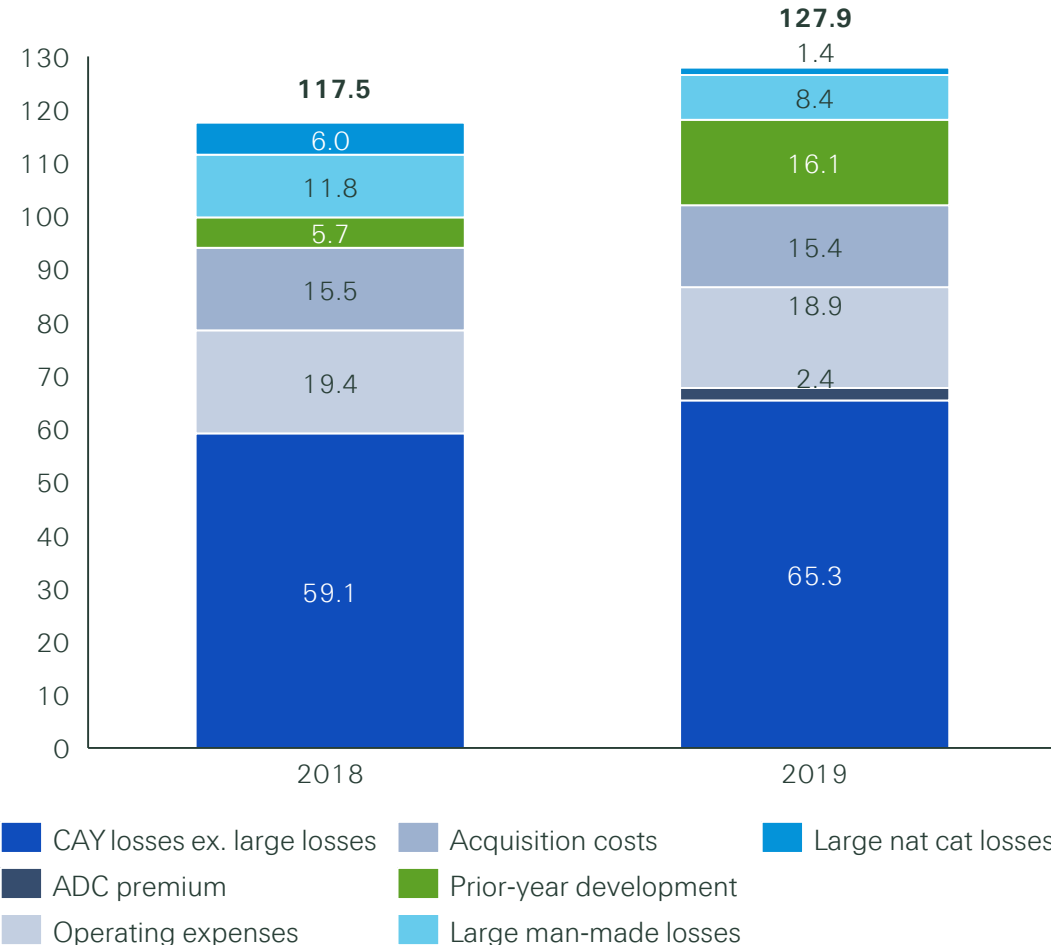
<sup>1</sup> Definition of Large Corporate Risk (LCR) for Reinsurance: Forbes Global 2000 and Fortune 1000

<sup>2</sup> Claims reserves only; includes Asbestos & Environmental (A&E)



# Corporate Solutions combined ratio split

## Combined ratio split (%)

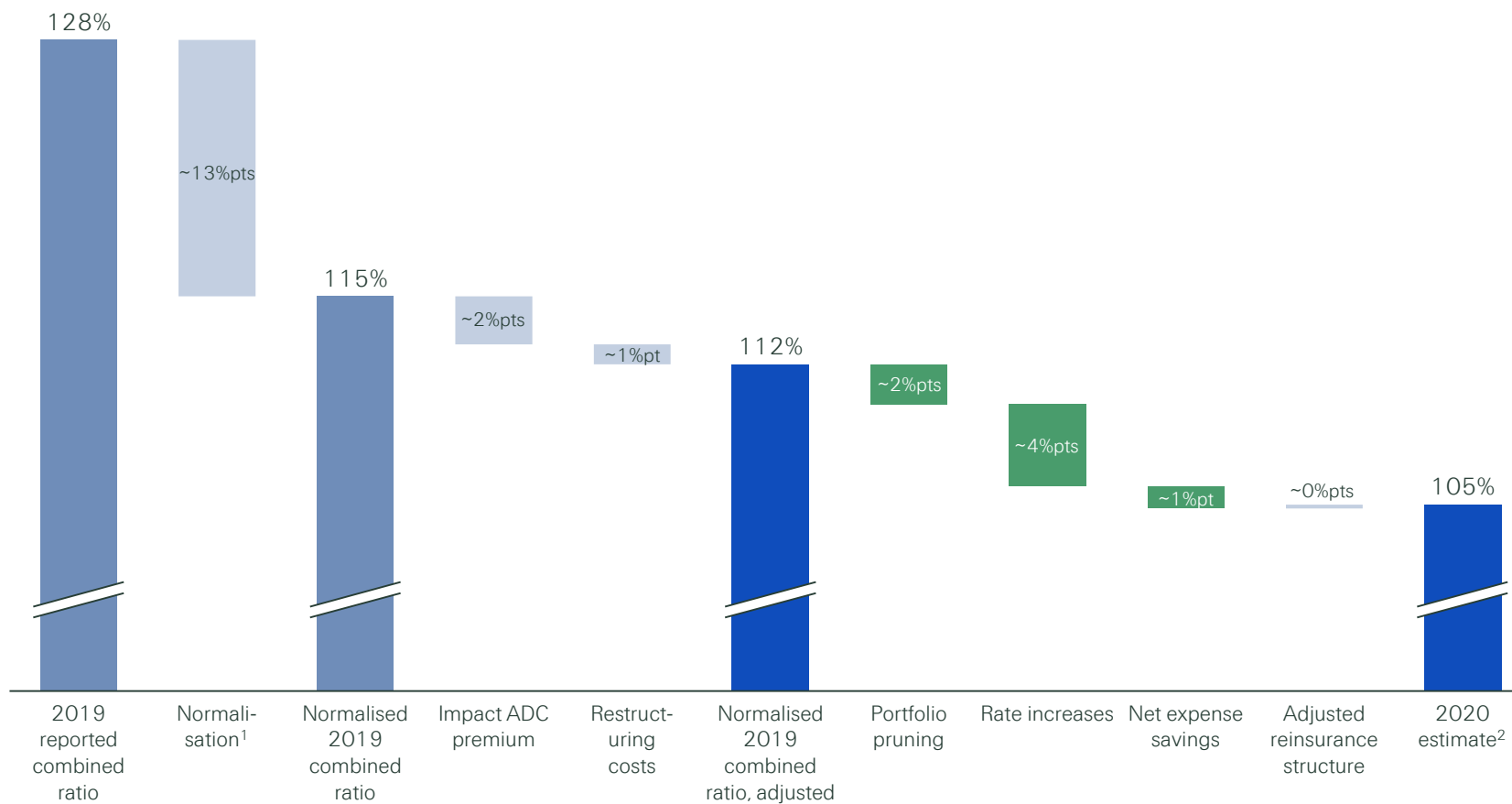


### Key developments in 2019

- Prior-year development reflects management actions to reposition the business and strengthen reserves. The result was also impacted by large and medium-sized claims related to the recent deterioration in US casualty
- Reduction in large nat cat and man-made losses due to a decrease in frequency and severity compared to the previous period
- Increase in CAY losses ex. large losses, mainly driven by higher initial loss picks (~5%pts) and increased small to medium-sized losses
- Operating expense ratio impacted by one-time restructuring costs (~1%pt)
- 2019 expected impact of large nat cat losses was USD 194m and expected net impact of large man-made losses (based on 5-year average) was USD 299m

# Path to Corporate Solutions 2020 combined ratio of 105%

## Expected combined ratio development



- Higher normalised 2019 combined ratio (adj. for ADC premium and restructuring costs) vs. 2018 explained by higher initial loss picks and increase in small to medium-sized losses
- Strong rate momentum in 2019 to be partly earned through in 2020
- 65% of the portfolio pruning to be executed in 2020
- No change to the combined ratio target<sup>2</sup> of 98% for 2021

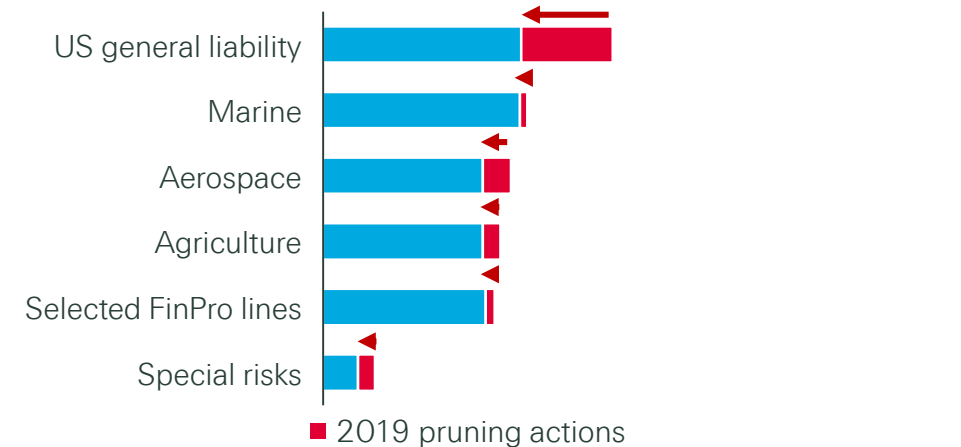


# On track with implementation of Corporate Solutions management actions

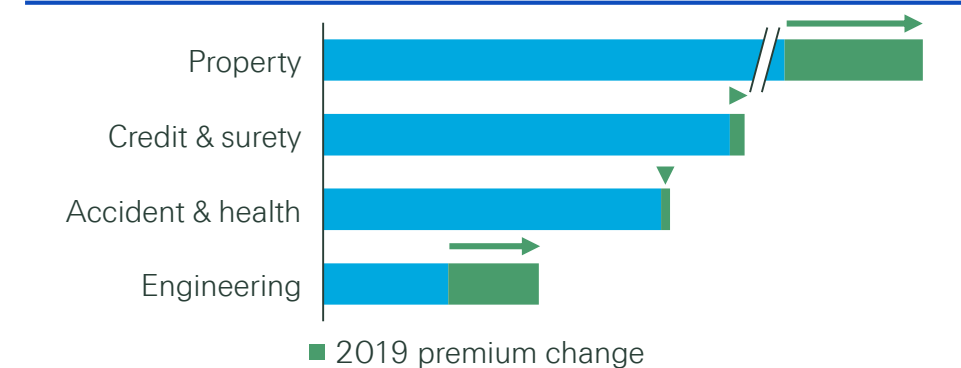
## Update on Corporate Solutions 2019 management actions

<b>Claims developments and reserving actions</b>	Pronounced increase in severity and frequency of US casualty claims. H1 reserve increase and further strengthening in H2 including higher initial loss picks
<b>Portfolio pruning</b>	Gross premiums written of USD 231 m of planned pruning activities executed in 2019, predominantly in US general liability. Majority of pruning activity takes place in 2020 with ~90% of pruning objective to be achieved by end of 2020
<b>Rate increases</b>	12% price increases achieved in 2019. Strong momentum continued in January 2020. Strongest increases in loss-affected property lines. Specialty correcting but changes vary between sub-lines
<b>Operating expense savings</b>	Decisive actions taken in 2019, with the majority of the savings realised in 2020. On track to achieve gross expense savings in excess of USD 100m in 2021
<b>Improved reinsurance structure</b>	ADC with P&C Re and additional reinsurance protection

## Pruning actions in targeted portfolios 2019 (USD 231 m)



## Growth in selected target areas 2019



# L&H Reinsurance EBIT movements

## EBIT movements (USD m)

	FY 2018			FY 2019		
	Life	Health	L&H	Life	Health	L&H
<b>EBIT reported</b>	<b>720</b>	<b>355</b>	<b>1 367<sup>3</sup></b>	<b>581</b>	<b>258</b>	<b>1 491<sup>3</sup></b>
<b>Net operating margin, %</b>	<b>7.3</b>	<b>8.2</b>	<b>9.4</b>	<b>6.0</b>	<b>5.8</b>	<b>10.0</b>
Mortality/morbidity experience vs. expected <sup>1</sup>	-109	41	-68	133	-78	55
Valuation/assumption changes <sup>2</sup>	21	-25	-5	-127	-76	-203
VA/GMDB/B36	41	-5	36	-17	-3	-20
Other one-offs	-	-	-	-319	-	-319

- 2019 reflects improved mortality developments in the Americas and unfavourable morbidity experience across regions
- Unfavourable impact from valuation and assumption changes is mainly due to persistency updates (e.g. lapse and repricing assumptions)
- “Other one-offs” includes a negative adjustment to the carrying value of an existing treaty, following the acquisition of Quilter’s UK closed book by ReAssure

# Financial impact of agreement to sell ReAssure

## US GAAP impact of agreement to sell ReAssure

USD bn	End FY 2019
1 Fair value of transaction proceeds <sup>1</sup>	3.2
2 Carrying value	5.0
3 Recycling of items in OCI	1.6
<i>Unrealised gains</i>	1.7
<i>CTA and other</i>	-0.1
<b>Total impact</b> 1 - 2 + 3	<b>-0.2</b>

- ▶ Total impact will be recalculated on a quarterly basis until closing of ReAssure sale to Phoenix, expected in mid-2020<sup>2</sup>
- ▶ To be reflected in net realised gains / losses – non participating

- Transaction valuation of GBP 3.25bn results in USD 3.2bn fair value of transaction proceeds (due to 75% stake held by Swiss Re in ReAssure and year-end fx rates)
- ReAssure assets and liabilities (incl. Quilter transaction) shown as held for sale (“HFS”) on balance sheet
- Future ReAssure US GAAP net income offset by change in HFS provision
- Movements in Phoenix share price reflected in fair value and would affect the total impact in future periods until closing
- Post-closing, Phoenix equity stake expected to be marked-to-market through earnings
- Expected positive SST impact of 12%pts to be recognised at closing





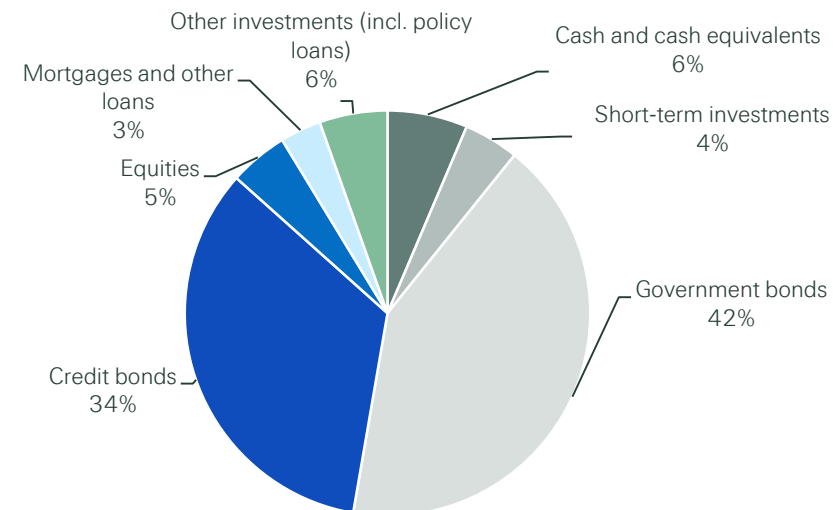
# Return on investments (ROI)

USD m	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Consolidation	Total FY 2019	Total FY 2018
<b>Investment related net investment income</b>	1 310	1 113	240	787	552	-435	3 567	3 396
Fixed income	878	1 026	220	722	3	-	2 849	2 892
Equities and alternative investments -incl RE, PE, HF	366	54	4	-	366	-	790	556
Other	273	135	36	101	210	-454	301	326
Investment expenses	-207	-102	-20	-36	-27	19	-373	-378
<b>Investment related net realised gains/losses</b>	985	687	84	191	103	-	2 050	-83
Fixed income	724	566	48	233	-	-	1 571	266
Equities and alternative investments -incl RE, PE, HF	468	120	42	15	103	-	748	-290
Other	-207	1	-6	-57	-	-	-269	-59
<b>Other revenues</b>	-	-	-	-	-	-	-	2
<b>Investment related operating income</b>	2 295	1 800	324	978	655	-435	5 617	3 315
Less income not related to investment return <sup>1</sup>	-53	-27	-20	-12	-86	106	-92	-104
<b>Basis for ROI</b>	2 242	1 773	304	966	569	-329	5 525	3 211
<b>Average invested assets</b>	52 421	35 719	8 993	26 436	5 934	-10 953	118 550	114 335
<b>ROI</b>	4.3%	5.0%	3.4%	3.7%	9.6%	n.a	4.7%	2.8%
Insurance related net investment income	109	94	-6	406	-	1	604	679
Insurance related net realised gains/losses	10	-24	89	-196	-1	-	-122	97
Foreign exchange gains /losses	-112	-35	-11	23	-213	-	-348	51
<b>Net investment income/loss – non participating</b>	1 419	1 207	234	1 193	552	-434	4 171	4 075
<b>Net realised investment gains/losses – non participating</b>	883	628	162	18	-111	-	1 580	65

- Increase in investment related net investment income, mainly driven by the sale of SulAmérica within Principal Investments
- Increase in investment related net realised gains reflects significant gains from fixed income sales and market value gains across equities and alternative investments
- Insurance related net realised gains/losses includes USD 230m loss in Life Capital for the agreement to sell the ReAssure business
- Foreign exchange losses mainly driven by the realisation of historical fx upon sale of SulAmérica

# Overall investment portfolio

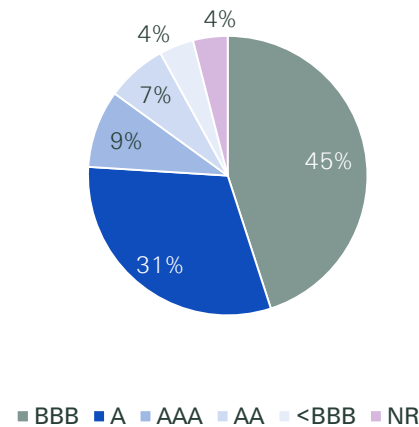
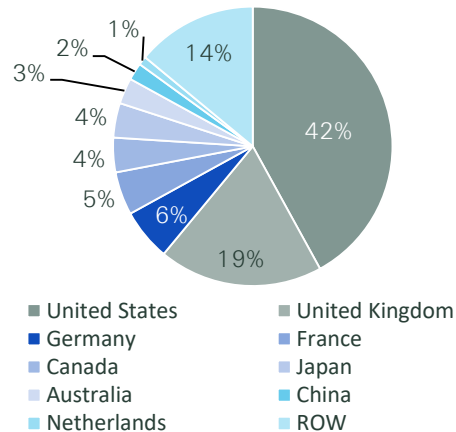
USD bn	End FY 2019
Balance sheet values	179.9
Unit-linked investments	-40.2
With-profit business	-5.2
<b>Assets for own account (on balance sheet only)</b>	<b>134.5</b>



USD bn	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Consolidation	End FY 2019	End FY 2018
Cash and cash equivalents	3.7	1.7	1.7	1.5	-	-	8.6	4.8
Short-term investments	3.3	1.7	0.4	0.5	-	-	5.9	5.4
Government bonds	30.3	14.3	5.3	6.5	-	-	56.4	50.9
Credit bonds	8.6	17.7	2.2	17.0	0.1	-	45.6	45.1
Equities <sup>1</sup>	3.3	0.7	0.1	0.1	2.1	-	6.3	6.3
Mortgages and other loans	6.8	3.5	-	2.2	3.0	-11.1	4.4	4.5
Other investments (incl. policy loans)	6.2	1.3	0.2	0.9	0.4	-1.7	7.3	5.6
<b>Total</b>	<b>62.2</b>	<b>40.9</b>	<b>9.9</b>	<b>28.7</b>	<b>5.6</b>	<b>-12.8</b>	<b>134.5</b>	<b>122.6</b>

# Fixed income securities

USD m	Government bonds	Credit bonds
End FY 2018	50 876	45 076
End FY 2019	56 399	45 624



- Increase in government bonds driven by net purchases and market value gains stemming from declining interest rates as well as favourable fx impact
- Credit bonds include corporate bonds (USD 41.0bn) and securitised products (USD 4.6bn)
- Increase in credit bonds driven by market value gains and favourable fx impacts, largely offset by net sales

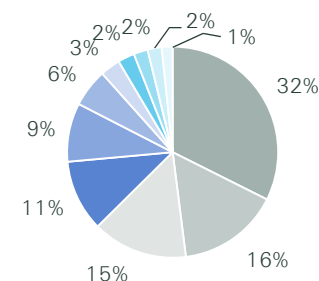
# Equities and alternative investments

USD m	End FY 2018	End FY 2019
Equity securities	2 695	2 599
Private equity	1 463	1 626
Hedge funds	327	352
Real estate	4 430	4 802
Principal Investments	2 109	2 068
<i>Equity securities</i>	341	394
<i>Private equity</i>	1 768	1 674
<b>Total market value</b>	<b>11 024</b>	<b>11 447</b>

- Decrease in equity securities driven by net sales, mostly offset by market value gains
- Increase in private equity mainly driven by net purchases
- Increase in real estate driven by net purchases and market value gains
- Decrease in Principal Investments driven by the sale of SulAmérica, partially offset by market value gains

## Equity securities

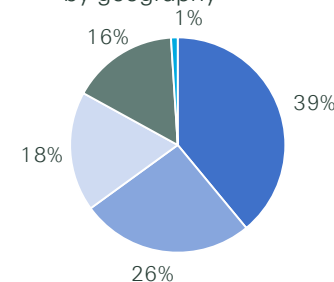
by sector



- Exchange-traded funds
- Non-Cyclical Consumer Goods
- Financials
- Information Technology
- Cyclical Services
- General Industrials
- Basic Industries
- Cyclical Consumer Goods
- Resources
- Utilities
- Non-Cyclical Services

## Real estate

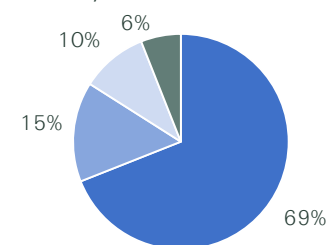
by geography



- Switzerland
- US
- Other Direct
- Germany
- Indirect

## Principal Investments

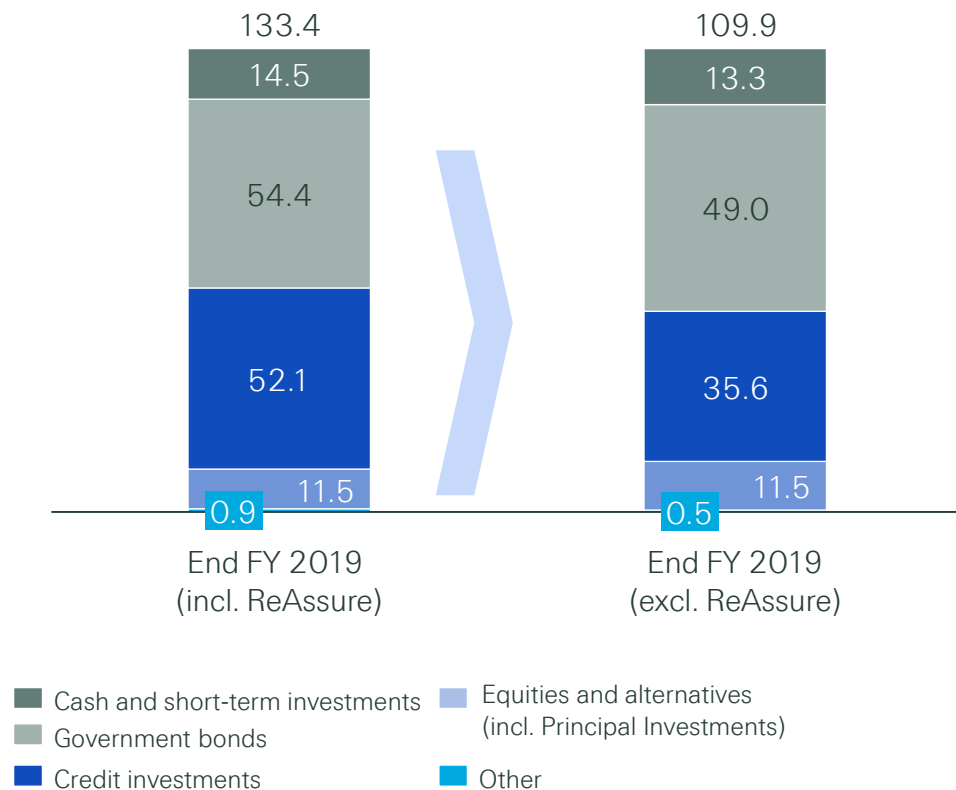
by sector



- HGM Insurance
- PE Funds
- Developed Market Insurance
- Non Insurance

# Investment portfolio excluding ReAssure

## Investment portfolio positioning (USD bn)



- ReAssure investment portfolio is largely comprised of government bonds and credit investments
- Excluding ReAssure reduces the Group's exposure to credit investments
- Credit bond portfolio remains >90% investment grade

# Sensitivities

(USD bn, pre-tax)

## Change in market values

(Equities and Alternative Investments, excl. Real Estate)

	-25%	-10%	+25%
Estimated impact on <b>shareholders' equity</b>	-1.4	-0.6	+1.4
Estimated impact on <b>economic net worth (EVM)</b>	-1.8	-0.7	+1.8
Estimated impact on <b>income/loss before income tax expense</b>	-1.2	-0.5	+1.2

## Change in interest rates

	-50bps	-25bps	+50bps	+100bps
Estimated impact on <b>shareholders' equity</b>	+4.1	+2.0	-3.7	-7.2
Estimated impact on <b>economic net worth (EVM)</b>	+0.1	+0.1	-0.1	-0.2

## Change in credit spreads

	-50bps	+50bps	+100bps
Estimated impact on <b>shareholders' equity</b>	+2.2	-2.0	-3.9
Estimated impact on <b>economic net worth (EVM)</b>	+2.3	-2.1	-4.1





# Premiums by country

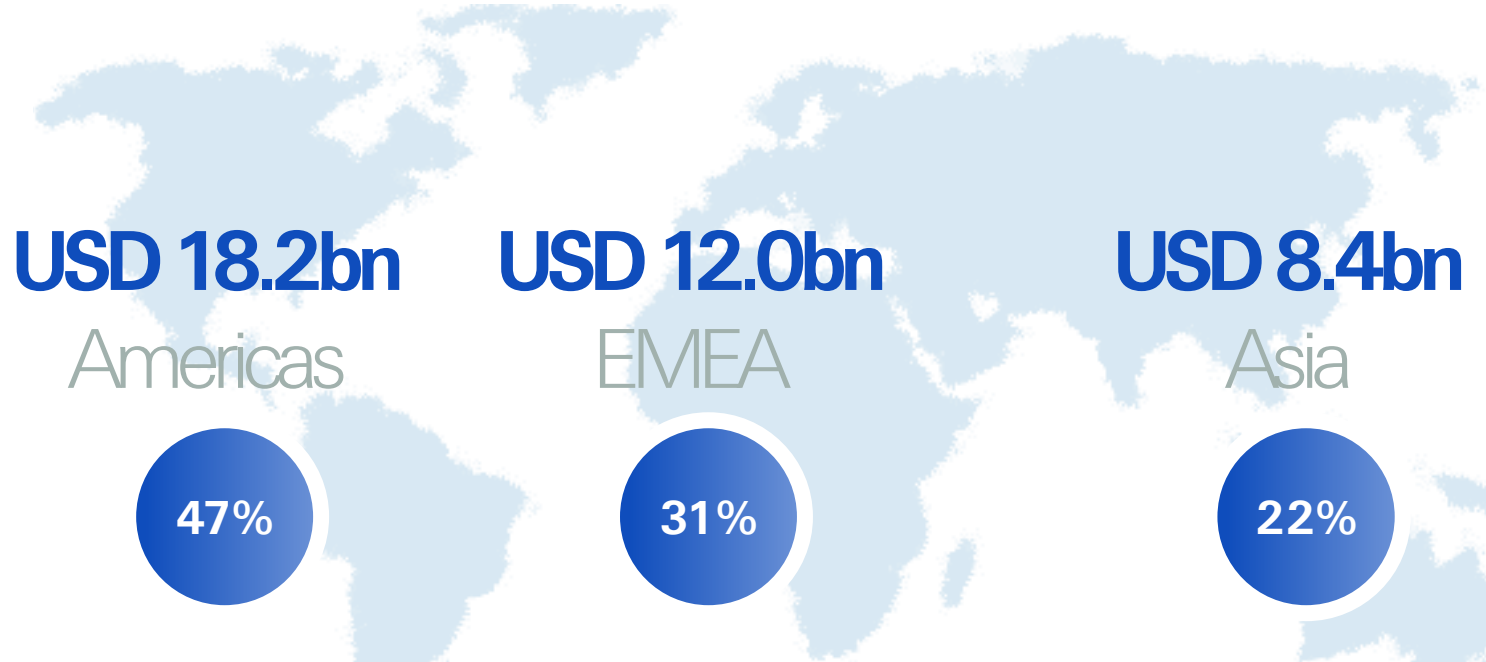
2019 Gross premiums written and fees assessed against policyholders by country<sup>1</sup> (USD m)

	Life & Health	Non-Life	Total FY 2019	Total FY 2018
United States	6 019	11 838	17 857	14 867
United Kingdom	2 401	1 479	3 880	3 604
China	560	1 800	2 360	1 733
Australia	1 169	885	2 054	2 089
Japan	777	773	1 550	1 428
Germany	168	1 269	1 437	1 234
Canada	780	500	1 280	1 233
Switzerland	312	927	1 239	859
Ireland	1 023	68	1 091	1 090
France	179	815	994	839
Netherlands	789	162	951	854
South Korea	360	368	728	552
Israel	223	286	509	406
Spain	101	381	482	394
New Zealand	375	95	470	249
Bermuda	24	376	400	398
Hong Kong	335	48	383	321
Italy	125	255	380	339
India	91	263	354	437
Other	943	3 507	4 450	4 067
<b>Total</b>	<b>16 754</b>	<b>26 095</b>	<b>42 849</b>	<b>36 993</b>



# Swiss Re is broadly diversified

Swiss Re Group net premiums earned<sup>1</sup> 2019: USD 38.6bn



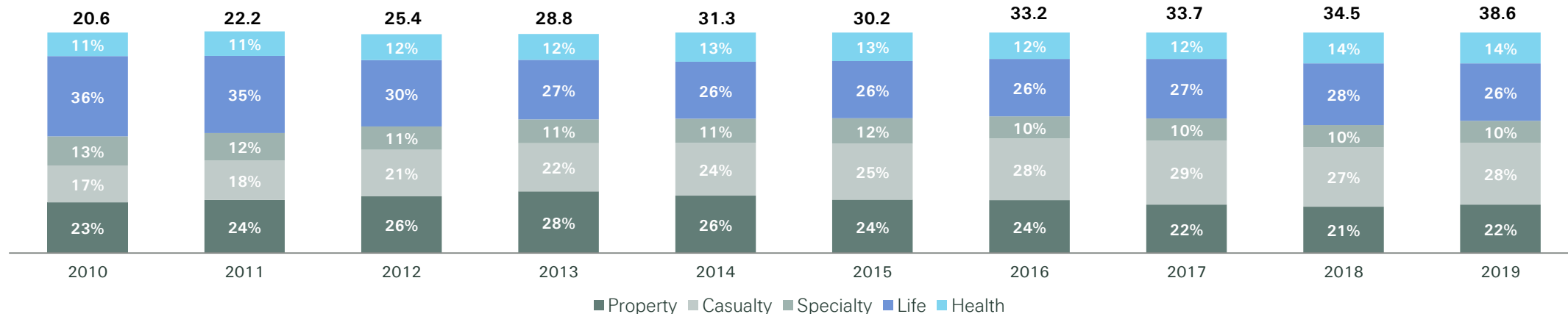
	Americas	EMEA	Asia	Total
of which HGMs:	~3%	~3%	~11%	≈17%
HGMs incl. PI <sup>2</sup> :	~4%	~3%	~14%	≈21%

<sup>1</sup> Includes fee income from policyholders; does not reflect the exposure to HGMs through Principal Investments (PI)

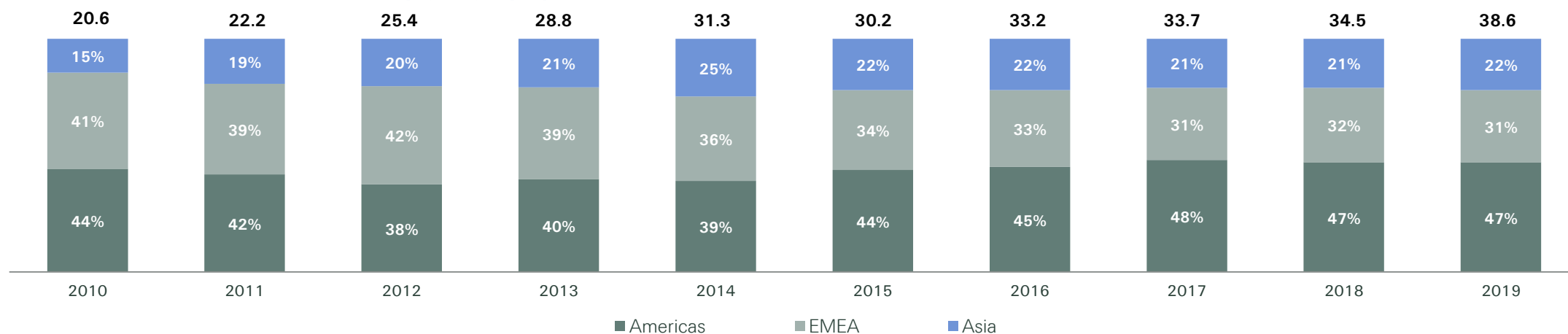
<sup>2</sup> Based on additional pro rata net premiums from Principal Investments (PI) incl. FWD Group (14.7%), New China Life (2.5%) and SulAmérica (14.9%; divestment in Q3 2019)

# Premium development by line of business and geography

Premiums earned and fee income by line of business (USD bn)



Premiums earned and fee income by geography (USD bn)



# Corporate calendar and contacts

## Corporate calendar

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### 2020

19 March	<b>Publication of Annual Report 2019</b>	Conference call
17 April	<b>156<sup>th</sup> Annual General Meeting</b>	Zurich
30 April	<b>Q1 2020 Key Financial Data</b>	Conference call
19 May	<b>Management Dialogues</b>	Zurich
31 July	<b>H1 2020 Results</b>	Conference call
30 October	<b>9M 2020 Key Financial Data</b>	Conference call

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- 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 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.

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