

HALF-YEAR RESULTS 2021

Transcript of Group CFO remarks

John R. Dacey, Group CFO

Zurich, 30 July 2021

The following transcript must be read in conjunction with (i) the presentation slides and related materials made available by Swiss Re Ltd ("Swiss Re") on its website under http://www.swissre.com/investors/financial_information/ solely for your information in connection with the release of its unaudited half-year 2021 financial results and (ii) with all other publicly available information published by Swiss Re.

Cautionary note on forward-looking statements

Certain statements and illustrations contained herein are forward-looking. These statements (including as to plans, objectives, targets, and trends) and illustrations provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact.

Forward-looking statements typically are identified by words or phrases such as "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase", "may fluctuate" and similar expressions, or by future or conditional verbs such as "will", "should", "would" and "could". These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Group's actual results of operations, financial condition, solvency ratios, capital or liquidity positions or prospects to be materially different from any future results of operations, financial condition, solvency ratios, capital or liquidity positions or prospects expressed or implied by such statements or cause Swiss Re to not achieve its published targets. Such factors include, among others:

- the frequency, severity and development of insured claim events, particularly natural catastrophes, man-made disasters, pandemics, acts of terrorism or acts of war;
- mortality, morbidity and longevity experience;
- the cyclical nature of the reinsurance sector;
- central bank intervention in the financial markets, trade wars or other protectionist measures relating to international trade arrangements, adverse geopolitical events, domestic political upheavals or other developments that adversely impact global economic conditions;
- increased volatility of, and/or disruption in, global capital and credit markets;
- the Group's ability to maintain 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;
- 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.

These factors are not exhaustive. Swiss Re operates in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. Swiss Re undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

This communication is not intended to be a recommendation to buy, sell or hold securities and does not constitute an offer for the sale of, or the solicitation of an offer to buy, securities in any jurisdiction, including the United States. Any such offer will only be made by means of a prospectus or offering memorandum, and in compliance with applicable securities laws.

[John R. Dacey]

What are the highlights for the first half of 2021 for Swiss Re?

The Group reported a profit of 1 billion US dollars for the first half.

Both P&C businesses delivered materially improved headline combined ratios and both are on track for the full year 2021 normalised combined ratio estimates we provided at the beginning of the year.

We are pleased with the first half premium growth in Reinsurance, where we believe we have got the right balance of a targeted reduction of some specific exposures, while increasing the capital deployed to attractive growth opportunities.

With respect to COVID-19, the large majority of the Group's 870 million US dollar first half losses relate to excess mortality in the United States and therefore impacted Life & Health Re. The burden on our P&C businesses dramatically reduced and was a modest 50 million US dollars in the first six months.

We are also pleased to confirm that our capital position remains very strong, with the mid-year estimated Group SST ratio above the mid-point of our target range of 200 to 250 percent.

Can you elaborate on Swiss Re's business performance?

P&C Reinsurance

P&C Re grew net premiums earned by 8.9%, supported by favourable FX developments and volume and pricing increases.

The half year period included large nat cat losses modestly above the expectations but also showed favourable prior-year development on our reserves.

P&C Re's reported combined ratio was 94.4% for the half year.

The normalised combined ratio was also 94.4%, which is well on track for our full year normalised estimate below 95%.

L&H Reinsurance

In Life & Health Re, we are pleased to see continued top line growth as a result of the attractive new business we have written in recent years.

The increase in net premiums earned was 12.6%, supported by large longevity transactions and favourable FX developments.

Life & Health Re was impacted by 810 million US dollars of COVID-19 claims in the first half of the year, driven primarily by excess mortality in the United States.

Excluding the COVID-19 impact, the annualised return on equity was 15.5%, well above our 10-12% target range.

Corporate Solutions

The Corporate Solutions result confirms continued progress that has been achieved in the turnaround of this business.

The net income of 262 million US dollars was the most positive first half result for Corporate Solutions we have ever reported.

The half year period included large nat cat losses above expectations but also showed significant favourable prior-year development on reserves.

Corporate Solutions' reported combined ratio was 92.7% for the half year.

The normalised combined ratio of 97.7% is on track for our full year normalised estimate of below 97%.

iptiQ

Within Group Items, iptiQ continued its growth momentum in the first half of 2021, with gross premiums written rising 133% year-on-year.

Gross income increased by 53% compared to the prior year, materially exceeding the increase in operating expenses.

The EBIT loss of 114 million US dollars was in line with expectations, reflecting planned expansion into China as well as adverse FX developments.

Group Investments

Our investment portfolio generated a strong ROI of 3.2% for the first six months of the year.

Net investment income of 1.5 billion US dollars was higher than in the prior year, supported by positive income from equities, including private equity.

We did not have any positive net realised gains as we focused on protecting the recurring investment yield of our fixed income portfolio. Additionally, negative mark to market movements on some of our larger listed equity positions within Group items flowed through as realised losses.

The recurring income yield remained resilient at 2.3%, although down from 2.5% in the prior year, reflecting the ongoing low-yield environment.

Can you elaborate on Swiss Re's year-to-date reinsurance renewals experience?

Following the latest renewals in July, 85% of the P&C Reinsurance treaty book has now been renewed.

New business premium volumes to-date is now flat in spite of the actions taken to improve the quality and mix of the portfolio – particularly on large quota share casualty business and certain property aggregates, which had a notable negative effect on the January renewal volumes.

We have successfully defended the attractive core pieces of our portfolio, while generating profitable new transactions in line with our risk appetite.

We have grown in attractive lines (including nat cat & specialty), while reducing exposures in lines where the price adequacy is less appealing relative to our view of risk.

The nominal price improvement of 4% year-to-date more than compensates for the adverse impact of higher loss assumptions and lower interest rates. This will continue to benefit the trajectory of our normalised GAAP combined ratio in P&C Re.

What is the outlook for the remainder of the year?

We are encouraged by the underlying performance of our businesses and the market environment allows us to selectively deploy our capital to attractive opportunities.

We remain on track for our normalised combined ratio estimates for the full year in both P&C Re and Corporate Solutions.

We expect any additional P&C COVID-19 losses to remain below 200 million US dollars in the second half of 2021.

Life & Health Re is well positioned to continue to deliver underlying results in line with our 10-12% ROE target range. COVID-19 related losses markedly lessened over the course of the second quarter from the first quarter. For the remainder of the year a further decrease is expected as the global vaccination programmes progress.

Overall, we are confident in the outlook for the Group.

Many thanks for watching this video.