

Swiss Re's 2020 economic result was impacted by COVID-19, partially offset by a strong contribution from investment activities.

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EVM performance

The economic result in Reinsurance and Corporate Solutions was impacted by the large losses related to the COVID-19 pandemic, partially offset by strong performance from investment activities.



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Group Chief Financial Officer



The strong underlying business performance in 2020, excluding COVID-19-related losses, resulted in economic net worth per share growth of 10.3%. 

Economic Value Management (EVM) is Swiss Re's proprietary integrated economic valuation and steering framework, which consistently measures economic performance across all businesses.

Swiss Re reported a total contribution to economic net worth (ENW) of USD -434 million in 2020, compared to USD 2.9 billion in 2019. On a risk-adjusted basis, Swiss Re reported an EVM loss of USD 3.6 billion in 2020, compared to an EVM loss of USD 19 million in 2019.

-3.6

EVM profit
in USD billions, 2020
(2019: USD -19 million)

-434

Total contribution to ENW
in USD millions, 2020
(2019: USD 2.9 billion)

-0.1%

ENW per share growth
over-the-cycle target: 10%
(2019: 8.2%)

10.3%

ENW per share growth
(excl. COVID-19)

Group performance

The EVM loss of USD 3.6 billion in 2020 reflected the impact of COVID-19 claims and reserves of USD 3.7 billion (COVID-19-related impacts disclosed net of expenses, taxes and capital costs). Excluding COVID-19-related impacts, Reinsurance and Corporate Solutions showed strong new business performance.

The EVM profit on new business was USD 9 million in 2020, compared to USD 1.2 billion in 2019. Excluding the COVID-19 claims and reserves of USD 1.2 billion, the 2020 result was driven by strong renewals in Property & Casualty Reinsurance, transactional growth in Life & Health Reinsurance and good underwriting performance in Corporate Solutions. This was partially offset by continued investments in the open book businesses in Life Capital as well as overhead expenses in Group items.

The EVM loss from previous years' business amounted to USD 4.3 billion in 2020, compared to an EVM loss of USD 3.3 billion in 2019. Excluding COVID-19-related claims and reserves of USD 2.5 billion, the result mainly reflected the adverse impacts of capital cost updates for Life & Health Reinsurance and negative development for the US liability portfolio in Property & Casualty Reinsurance.

Investment activities generated an EVM profit of USD 683 million in 2020, compared to a profit of USD 2.1 billion in 2019. The 2020 result reflected favourable interest rate impacts on a net long duration position and strong real estate performance. The 2019 result was driven by spread tightening on credit investments as well as strong performance across equities and alternative investments.

ENW per share growth amounted to -0.1% in 2020, below the over-the-cycle target of 10%. Excluding COVID-19-related claims and reserves the ENW per share growth was 10.3%.

Key information

USD millions, unless otherwise stated	2019	2020	Change in %
EVM profit	-19	-3 590	-
Total contribution to ENW	2 932	-434	-
Economic net worth (ENW)	36 138	33 652	-7
Economic net worth per share in USD	124.33	116.45	-6
<i>Economic net worth per share growth, %¹</i>	<i>8.2</i>	<i>-0.1</i>	
<i>Profit margin – new business, %</i>	<i>3.0</i>	<i>0.0</i>	
<i>Profit margin – previous years' business, %</i>	<i>-14.2</i>	<i>-16.1</i>	
<i>Profit margin – investments, %</i>	<i>21.8</i>	<i>5.9</i>	

¹ ENW per share growth is calculated as follows: (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).

Business segment performance

Property & Casualty Reinsurance reported an EVM loss of USD 2.0 billion in 2020, compared to a loss of USD 1.4 billion in 2019. EVM loss on new business of USD 433 million was driven by COVID-19-related claims and reserves of USD 1.2 billion. EVM profit excluding COVID-19-related impacts was USD 720 million with strong renewals from property natural catastrophe and specialty. The casualty business was impacted by lower interest rates, partially offset by volume and profitability improvements. EVM loss on previous years' business was USD 1.5 billion due to COVID-19-related claims of USD 689 million, US liability experience and assumption updates, large natural catastrophe losses mainly in Australia as well as several man-made loss updates. This was partially compensated by reserve releases for large natural catastrophe losses. Investment activities generated an EVM loss of USD 91 million in 2020, compared to a profit of USD 627 million in 2019. The 2020 loss reflected the impact from declining interest rates on a net short duration position, partially offset by strong real estate performance. The 2019 EVM profit reflected strong performance across equity and alternative investments as well as the impact of credit spread tightening.

Life & Health Reinsurance reported an EVM loss of USD 207 million in 2020 compared to a profit of USD 1.8 billion in 2019. EVM profit on new business of USD 1.0 billion reflected strong transactional business growth in EMEA, mainly due to large longevity transactions, as well as life transactions in the Americas. EVM loss on previous years' business of USD 1.8 billion included the impact of COVID-19-related claims and reserves of USD 995 million, mainly driven by higher incurred and expected mortality claims in the US and the UK as well as higher disability claims mainly in Australia. In addition, the result was impacted by capital cost updates. Investment activities generated an EVM profit of USD 551 million in 2020, compared to USD 739 million in 2019. The 2020 EVM profit was driven by favourable interest rate impacts on a net long duration position. The 2019 EVM profit reflected the impact of credit spread tightening as well as positive equity performance.

Corporate Solutions reported an EVM loss of USD 706 million in 2020, compared to a loss of USD 805 million in 2019. The EVM loss on new business of USD 98 million was mainly driven by COVID-19-related claims and reserves, and losses on insurance in derivative form due to the mild winter in Europe. Excluding COVID-19-related impacts, the new business loss was USD 41 million. The EVM loss on previous years' business of USD 624 million was significantly impacted by COVID-19-related claims and reserves, driven by anticipated claims for event cancellations, non-damage business interruption losses, and credit & surety claims. Excluding COVID-19-related impacts, the previous years' business reported a profit of USD 156 million, a turnaround of USD 1.2 billion compared to 2019. The profit reflected the benefits of the management actions taken to improve profitability and low large man-made claims activity, partially offset by credit & surety recession-related anticipated losses on the existing portfolio, as well as a credit & surety premium takedown to account for future cancellations. Investment activities generated an EVM profit of USD 17 million in 2020, compared to a profit of USD 112 million in 2019, with results in 2020 driven by interest rates and equity performance, albeit lower than in the prior year. The 2019 EVM profit reflected the impact of credit spread tightening and favourable performance from equity investments.

Life Capital generated an EVM loss of USD 511 million in 2020, compared to a profit of USD 591 million in 2019. The EVM loss on new business was USD 268 million, mainly driven by expenses for the open books and the running of Life Capital as well as capital costs, which more than offset the gross underwriting result generated by the open books. The EVM loss on previous years' business was USD 233 million, impacted by a true-up to the gain on the sale of ReAssure mainly driven by an unfavourable movement in the Phoenix share price prior to the sale, underperformance in elipsLife and unfavourable persistency in the closed book US business. Investment activities generated an EVM loss of USD 10 million, compared to a profit of USD 596 million in 2019. The 2020 EVM loss was mainly related to ReAssure with unfavourable performance driven by spread widening on UK credit investments as well as

unfavourable performance from the implied equity exposure arising from the unit-linked business. This was partially offset by positive performance of Phoenix shares following the sale of ReAssure and the related hedge as well as the favourable interest rate impacts on a net long duration position in Life Capital.

Group items reported an EVM loss of USD 191 million in 2020, compared to a loss of USD 184 million in 2019. The EVM loss on new business was USD 238 million in 2020, mainly driven by overhead expenses and capital costs on excess capital, partially offset by trademark licence fees charged to the business segments. The EVM loss on previous years' business was USD 169 million, mainly driven by an increase in overhead expenses and the impact of a business re-segmentation from Life & Health Reinsurance and Life Capital to Group items. Investment activities generated an EVM profit of USD 216 million in 2020, compared to a loss of USD 6 million in 2019, reflecting improved performance from Principal Investments.

Business segments – key information

USD millions, unless otherwise stated	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Life Capital	Group items	Total
2019						
EVM profit	-1 396	1 775	-805	591	-184	-19
Total contribution to ENW	-351	2 656	-727	937	417	2 932
<i>Profit margin – new business, %</i>	<i>-1.1</i>	<i>7.8</i>	<i>5.3</i>	<i>7.2</i>	<i>n/a</i>	<i>3.0</i>
<i>Profit margin – previous years' business, %</i>	<i>-19.5</i>	<i>-2.5</i>	<i>-88.8</i>	<i>-6.9</i>	<i>n/a</i>	<i>-14.2</i>
<i>Profit margin – investments, %</i>	<i>23.2</i>	<i>18.8</i>	<i>20.5</i>	<i>n/a</i>	<i>-0.3</i>	<i>21.8</i>
2020						
EVM profit	-1 975	-207	-706	-511	-191	-3 590
Total contribution to ENW	-714	820	-513	-302	276	-434
<i>Profit margin – new business, %</i>	<i>-2.7</i>	<i>4.6</i>	<i>-4.3</i>	<i>-33.7</i>	<i>n/a</i>	<i>0.0</i>
<i>Profit margin – previous years' business, %</i>	<i>-12.7</i>	<i>-14.6</i>	<i>-42.4</i>	<i>-17.3</i>	<i>n/a</i>	<i>-16.1</i>
<i>Profit margin – investments, %</i>	<i>-3.8</i>	<i>13.2</i>	<i>3.1</i>	<i>n/a</i>	<i>5.1</i>	<i>5.9</i>

EVM financial information

EVM income statement

For the years ended 31 December

USD millions, unless otherwise stated	2019	2020
Underwriting result		
Gross premiums and fees	58 325	60 449
<i>Gross premiums and fees growth rate, %</i>	<i>30.2</i>	<i>3.6</i>
Premiums and fees	57 120	58 641
<i>Premiums and fees retention rate, %</i>	<i>97.9</i>	<i>97.0</i>
<i>Premiums and fees growth rate, %</i>	<i>30.2</i>	<i>2.7</i>
Claims and benefits	-40 913	-43 488
Commissions	-9 536	-8 827
Other	452	-44
Gross underwriting result – new business	7 123	6 282
Expenses	-3 639	-3 731
Net underwriting result – new business	3 485	2 551
Taxes	-607	-573
Capital costs	-1 672	-1 970
EVM profit – new business	1 206	9
EVM profit – previous years' business	-3 293	-4 282
EVM profit – underwriting	-2 087	-4 274
Investment result		
Mark-to-market investment result	9 565	8 409
Benchmark investment result	-5 645	-6 143
Gross outperformance (underperformance)	3 920	2 265
Other	117	123
Expenses	-249	-241
Net outperformance (underperformance)	3 788	2 147
Taxes	-810	-469
Capital costs	-910	-994
EVM profit – investments	2 068	683
EVM profit	-19	-3 590
Cost of debt	-841	-259
Release of current year capital costs	2 911	2 443
Additional taxes	881	972
Total contribution to ENW	2 932	-434
<i>Profit margin – new business, %</i>	<i>3.0</i>	<i>0.0</i>
<i>Profit margin – previous years' business, %</i>	<i>-14.2</i>	<i>-16.1</i>
<i>Profit margin – investments, %</i>	<i>21.8</i>	<i>5.9</i>

EVM balance sheet

As of 31 December

USD millions	2019	2020
Assets		
Investments	155 013	123 601
Cash and cash equivalents	9 611	5 458
In-force business assets	266 327	318 440
Retrocession assets	26 072	26 848
Other assets	3 457	2 818
Total assets	460 480	477 165
Liabilities		
In-force business liabilities	369 967	384 141
Retrocession liabilities	19 752	21 900
Provision for capital costs	9 850	11 800
Future income tax liabilities	4 203	3 510
Debt	13 718	14 817
Other liabilities	6 852	7 345
Total liabilities	424 342	443 513
Economic net worth	36 138	33 652
Total liabilities and economic net worth	460 480	477 165

Statement of economic net worth

For the years ended 31 December

USD millions	2019	2020
Economic net worth as of 1 January	35 993	36 138
Change in EVM methodology ¹	0	-492
Adjusted economic net worth as of 1 January	35 993	35 646
Total contribution to ENW	2 932	-434
Dividends and share buyback	-2 590	-1 956
Other, including foreign exchange on economic net worth	-197	395
Economic net worth as of 31 December	36 138	33 652
Common shares outstanding as of 31 December	290 654 942	288 976 399
Economic net worth per share in USD as of 31 December	124.33	116.45

¹The Group decided to adopt an intensity-based approach for modelling EVM capital of underwriting activities. The impact of the change in EVM methodology was recorded as an adjustment to the opening balance of 2020 economic net worth.

Economic Value Management

EVM financial information

Business segments – EVM income statement

For the year ended 31 December

USD millions, unless otherwise stated	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Life Capital	Group items	Consolidation	Total
2019							
Underwriting result							
Gross premiums and fees	24 174	27 244	4 767	2 656		-517	58 325
<i>Gross premiums and fees growth rate, %</i>	<i>27.1</i>	<i>37.9</i>	<i>6.2</i>	<i>92.9</i>	<i>n/a</i>		<i>30.2</i>
Premiums and fees	23 540	27 213	4 071	2 296			57 120
<i>Premiums and fees retention rate, %</i>	<i>97.4</i>	<i>99.9</i>	<i>85.4</i>	<i>86.5</i>	<i>n/a</i>		<i>97.9</i>
<i>Premiums and fees growth rate, %</i>	<i>26.5</i>	<i>34.4</i>	<i>2.8</i>	<i>120.4</i>	<i>n/a</i>		<i>30.2</i>
Claims and benefits	-15 937	-21 021	-2 197	-1 758			-40 913
Commissions	-5 873	-2 702	-626	-334			-9 536
Other	14	-6	59	380	4		452
Gross underwriting result – new business	1 745	3 484	1 307	584	4	0	7 123
Expenses	-1 411	-828	-875	-402	-123		-3 639
Net underwriting result – new business	334	2 656	432	182	-119	0	3 485
Taxes	-209	-417	-90	39	70		-607
Capital costs	-334	-931	-178	-88	-140		-1 672
EVM profit – new business	-209	1 308	164	133	-190	0	1 206
EVM profit – previous years' business	-1 814	-272	-1 081	-137	11	0	-3 293
EVM profit – underwriting	-2 023	1 036	-917	-4	-179	0	-2 087
Investment result							
Mark-to-market investment result	3 370	3 388	541	1 870	395		9 565
Benchmark investment result	-2 099	-2 166	-357	-933	-91		-5 645
Gross outperformance (underperformance)	1 272	1 222	185	937	304	0	3 920
Other	66	26	11	13	1		117
Expenses	-103	-71	-20	-28	-26		-249
Net outperformance (underperformance)	1 234	1 178	175	922	278	0	3 788
Taxes	-269	-242	-38	-188	-72		-810
Capital costs	-338	-197	-25	-139	-211		-910
EVM profit – investments	627	739	112	596	-6	0	2 068
EVM profit	-1 396	1 775	-805	591	-184	0	-19
Cost of debt	-273	-322	-45	-151	-50		-841
Release of current year capital costs	931	980	176	346	479		2 911
Additional taxes	386	223	-52	151	172		881
Total contribution to ENW	-351	2 656	-727	937	417	0	2 932
<i>Profit margin – new business, %</i>	<i>-1.1</i>	<i>7.8</i>	<i>5.3</i>	<i>7.2</i>	<i>n/a</i>	<i>n/a</i>	<i>3.0</i>
<i>Profit margin – previous years' business, %¹</i>	<i>-19.5</i>	<i>-2.5</i>	<i>-88.8</i>	<i>-6.9</i>	<i>n/a</i>	<i>n/a</i>	<i>-14.2</i>
<i>Profit margin – investments, %</i>	<i>23.2</i>	<i>18.8</i>	<i>20.5</i>	<i>n/a</i>	<i>-0.3</i>	<i>n/a</i>	<i>21.8</i>

¹The overall previous years' business profit margin for the Reinsurance Business Unit was -10.4%.

Business segments – EVM income statement

For the year ended 31 December

USD millions, unless otherwise stated	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Life Capital	Group items	Consolidation	Total
2020							
Underwriting result							
Gross premiums and fees	23 853	29 754	4 604	3 089		-851	60 449
<i>Gross premiums and fees growth rate, %</i>	<i>-1.3</i>	<i>9.2</i>	<i>-3.4</i>	<i>16.3</i>	<i>n/a</i>		<i>3.6</i>
Premiums and fees	22 886	29 565	3 767	2 423			58 641
<i>Premiums and fees retention rate, %</i>	<i>95.9</i>	<i>99.4</i>	<i>81.8</i>	<i>78.4</i>	<i>n/a</i>		<i>97.0</i>
<i>Premiums and fees growth rate, %</i>	<i>-2.8</i>	<i>8.6</i>	<i>-7.5</i>	<i>5.5</i>	<i>n/a</i>		<i>2.7</i>
Claims and benefits	-15 749	-23 461	-2 399	-1 878			-43 488
Commissions	-5 595	-2 377	-506	-348			-8 827
Other	14	-13	-34	-3	-8		-44
Gross underwriting result – new business	1 555	3 714	828	193	-8	0	6 282
Expenses	-1 397	-912	-814	-418	-189		-3 731
Net underwriting result – new business	158	2 802	13	-225	-197	0	2 551
Taxes	-133	-559	-7	48	79		-573
Capital costs	-458	-1 197	-104	-91	-120		-1 970
EVM profit – new business	-433	1 046	-98	-268	-238	0	9
EVM profit – previous years' business	-1 451	-1 804	-624	-233	-169	0	-4 282
EVM profit – underwriting	-1 884	-758	-723	-501	-407	0	-4 274
Investment result							
Mark-to-market investment result	2 763	2 891	371	1 694	690		8 409
Benchmark investment result	-2 331	-1 872	-314	-1 572	-54		-6 143
Gross outperformance (underperformance)	432	1 019	57	122	636	0	2 265
Other	73	29	11	9	1		123
Expenses	-99	-68	-15	-30	-29		-241
Net outperformance (underperformance)	405	981	53	101	607	0	2 147
Taxes	-97	-202	-10	-21	-138		-469
Capital costs	-399	-228	-25	-89	-253		-994
EVM profit – investments	-91	551	17	-10	216	0	683
EVM profit	-1 975	-207	-706	-511	-191	0	-3 590
Cost of debt	-40	-71	37	-41	-144		-259
Release of current year capital costs	854	826	137	237	389		2 443
Additional taxes	447	273	19	12	221		972
Total contribution to ENW	-714	820	-513	-302	276	0	-434
<i>Profit margin – new business, %</i>	<i>-2.7</i>	<i>4.6</i>	<i>-4.3</i>	<i>-33.7</i>	<i>n/a</i>	<i>n/a</i>	<i>0.0</i>
<i>Profit margin – previous years' business, %¹</i>	<i>-12.7</i>	<i>-14.6</i>	<i>-42.4</i>	<i>-17.3</i>	<i>n/a</i>	<i>n/a</i>	<i>-16.1</i>
<i>Profit margin – investments, %</i>	<i>-3.8</i>	<i>13.2</i>	<i>3.1</i>	<i>n/a</i>	<i>5.1</i>	<i>n/a</i>	<i>5.9</i>

¹The overall previous years' business profit margin for the Reinsurance Business Unit was -13.7%.

Economic Value Management

EVM financial information

Business segments – EVM balance sheet

As of 31 December

USD millions	Property&Casualty Reinsurance	Life&Health Reinsurance	Corporate Solutions	Life Capital	Group items	Consolidation	Total
2019							
Assets							
Investments	61 167	39 811	8 027	53 808	5 745	-13 544	155 013
Cash and cash equivalents	3 675	1 697	1 696	2 540	2		9 611
In-force business assets	20 125	250 985	2 564	39 076		-46 424	266 327
Retrocession assets	2 744	37 957	6 741	25 049		-46 419	26 072
Other assets	5 101	3 208	1 058	1 022	1 756	-8 689	3 457
Total assets	92 812	333 658	20 087	121 496	7 503	-115 075	460 480
Liabilities							
In-force business liabilities	63 537	249 676	14 870	87 513	776	-46 405	369 967
Retrocession liabilities	662	38 753	1 390	25 392		-46 445	19 752
Provision for capital costs	922	7 231	257	1 441			9 850
Future income tax liabilities	-93	4 635	-264	183	-259		4 203
Debt	6 968	15 216	866	1 847	626	-11 807	13 718
Other liabilities	10 681	3 260	662	1 164	1 505	-10 419	6 852
Total liabilities	82 676	318 772	17 780	117 540	2 649	-115 075	424 342
Economic net worth	10 136	14 887	2 306	3 955	4 854	0	36 138
Total liabilities and economic net worth	92 812	333 658	20 087	121 496	7 503	-115 075	460 480

Business segments – EVM balance sheet

USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Life Capital	Group items	Consolidation	Total
2020							
Assets							
Investments	72 541	41 946	9 119	4 707	8 230	-12 943	123 601
Cash and cash equivalents	2 941	1 625	546	294	53		5 458
In-force business assets	20 967	280 433	2 567	15 486	177	-1 189	318 440
Retrocession assets	2 589	21 872	7 179	636		-5 428	26 848
Other assets	5 694	4 741	858	822	4 223	-13 520	2 818
Total assets	104 732	350 616	20 268	21 945	12 683	-33 080	477 165
Liabilities							
In-force business liabilities	73 095	280 803	16 528	18 465	1 084	-5 834	384 141
Retrocession liabilities	919	20 367	870	535		-790	21 900
Provision for capital costs	1 206	10 022	207	361	5		11 800
Future income tax liabilities	-886	5 121	-425	110	-411		3 510
Debt	5 774	16 353	538	66	2 688	-10 602	14 817
Other liabilities	15 872	3 428	457	606	2 836	-15 854	7 345
Total liabilities	95 981	336 094	18 175	20 142	6 202	-33 080	443 513
Economic net worth	8 751	14 522	2 093	1 803	6 481	0	33 652
Total liabilities and economic net worth	104 732	350 616	20 268	21 945	12 683	-33 080	477 165

Economic Value Management

EVM financial information

Business segments – statement of economic net worth

For the year ended 31 December

USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Life Capital	Group items	Total
2020						
Economic net worth as of 1 January	10 136	14 887	2 306	3 955	4 854	36 138
Change in EVM methodology ¹	-183	-344	34			-492
Adjusted economic net worth as of 1 January	9 953	14 543	2 341	3 955	4 854	35 646
Total contribution to ENW	-714	820	-513	-302	276	-434
Dividends and share buyback	-470	-1 200		-1 487	1 201	-1 956
Other, including foreign exchange on economic net worth	-18	359	266	-363	150	395
Economic net worth as of 31 December	8 751	14 522	2 093	1 803	6 481	33 652

¹ The Group decided to adopt an intensity-based approach for modelling EVM capital of underwriting activities. The impact of the change in EVM methodology was recorded as an adjustment to the opening balance of 2020 economic net worth.

Comparison of EVM and US GAAP

The most significant differences between EVM and US GAAP are as follows:

- **Discounting:** For EVM, all future expected cash flows are discounted using risk-free interest rates. Under US GAAP, most property and casualty reserves are undiscounted (except for reserves acquired in business combinations), whereas life and health reserves are usually discounted based on book yields.
- **Investments and debt:** For EVM, all investments and debt positions are carried at fair value. Under US GAAP, different treatment applies for certain investments (eg real estate is held at depreciated cost) and debt is carried at amortised cost rather than at fair value.
- **Reserving basis:** For EVM, best-estimate current assumptions are used for all re/insurance reserves. Under US GAAP, life and health assumptions, including book yield discounting assumptions, are usually locked in and can include a provision for adverse deviation.
- **Recognition differences:** EVM considers the economic value related to annual management charges on unit-linked funds and adjusts for counterparty credit risk in the valuation of insurance-related net assets. In addition, EVM does not show minority interests on the balance sheet, but consolidates assets and liabilities based on the proportion of the interest held by Swiss Re.
- **Goodwill and other intangibles:** EVM excludes the recognition of potential future new business activities, including potential renewals. As a result, no goodwill or other intangible assets are carried in the EVM balance sheet.
- **Taxes:** For EVM, deferred tax assets and liabilities are recognised for temporary differences between US GAAP and EVM.
- **Capital costs:** EVM recognises opportunity costs for shareholders' capital. The present value of capital costs allocated to existing contracts are recognised in the EVM balance sheet.

Business segments – reconciliation to US GAAP

As of 31 December

USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Life Capital	Group items	Total
2019						
US GAAP shareholders' equity	8 318	8 253	2 005	5 289	5 386	29 251
Discounting	3 484	-745	162	-3 796		-895
Investments and debt	2 302	-2 305	-34	-39	491	414
Reserving basis						
GAAP margins		20 796		3 162		23 958
Other	80	-35	850	-281	-776	-163
Recognition differences	-30	193	-25	87		225
Goodwill and other intangibles	-1 943	-1 847	-342	-31	-515	-4 678
Taxes	-1 043	-2 213	-58	570	139	-2 605
Capital costs	-808	-7 187	-230	-1 802		-10 026
Other	-224	-21	-22	796	129	659
Total EVM valuation adjustments	1 818	6 634	301	-1 334	-532	6 887
Economic net worth	10 136	14 887	2 306	3 955	4 854	36 138
2020						
US GAAP shareholders' equity	9 168	7 381	2 021	1 751	6 814	27 135
Discounting	1 220	-981	1	-232		8
Investments and debt	2 401	-2 378	-19	1	668	674
Reserving basis						
GAAP margins		24 658		897	85	25 639
Other	-135	912	608	-96	-938	351
Recognition differences	117	-955	-55	-82	-29	-1 004
Goodwill and other intangibles	-1 978	-1 884	-299	-59	-489	-4 708
Taxes	-721	-2 312	20	-62	246	-2 830
Capital costs	-1 108	-9 964	-179	-360	-5	-11 615
Other	-213	46	-5	47	129	3
Total EVM valuation adjustments	-417	7 141	72	52	-333	6 517
Economic net worth	8 751	14 522	2 093	1 803	6 481	33 652

Independent Assurance Report

on the Economic Value Management financial information as of 31 December 2020 to the Board of Directors of Swiss Re Ltd

Zurich

We have been engaged to perform a reasonable assurance engagement on the Economic Value Management ('EVM') financial information of Swiss Re Ltd (the 'Company') for the year ended 31 December 2020 (the 'EVM financial information'). The EVM financial information consists of the income statement, balance sheet, statement of economic net worth and information on business segments as set out on pages 40 to 47 in the Company's 2020 Annual Report.

All other EVM information included in, or made available outside, the Company's 2020 Annual Report was not subject to assurance procedures and, accordingly, we express no conclusion on this information.

The reporting criteria used by the Company are described in the summary of significant EVM principles (hereafter referred to as "EVM principles") as published on the Company's website (swissre.com/EVM_principles).

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the EVM financial information in accordance with the Company's EVM principles including data, valuation and accounting principles, assumptions and factors used and the related internal controls as determined necessary to enable the preparation of the EVM financial information that is free from material misstatement.

Practitioner's responsibility

Our responsibility is to perform a reasonable assurance engagement to express a conclusion on the EVM financial information as set out on pages 40 to 47 in the Company's 2020 Annual Report. We conducted our reasonable assurance engagement in accordance with International Standards on Assurance Engagements 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain reasonable assurance about the assurance conclusions.

A reasonable assurance engagement involves performing procedures to obtain evidence about the execution of the valuation and accounting for the purpose of the EVM financial information in accordance with the Company's EVM principles. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the EVM financial information, whether due to omissions, misrepresentation, fraud or error. In making those risk assessments, we consider internal controls relevant to the preparation of the EVM financial information in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion on the effectiveness of the entity's internal controls regarding the EVM financial information. A reasonable assurance engagement also includes evaluating the appropriateness of the policies used and reasonableness of significant estimates made, as well as evaluating the adequacy of the overall presentation of the EVM financial information in accordance with the Company's EVM principles.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Conclusion

In our opinion, the EVM financial information of the Company for the year ended 31 December 2020 as set out on pages 40 to 47 is prepared, in all material respects, in accordance with the Company's EVM principles applied as published on the Company's website (swissre.com/EVM_principles).

PricewaterhouseCoopers Ltd



Roy Clark



Jasmine Chang

Zurich, 17 March 2021