

Annual Results 2018

Swiss Re investor and analyst presentation
Zurich, 21 February 2019



Focus areas of Annual Results 2018



Earnings in
context



Strong
renewals



Life Capital
transition



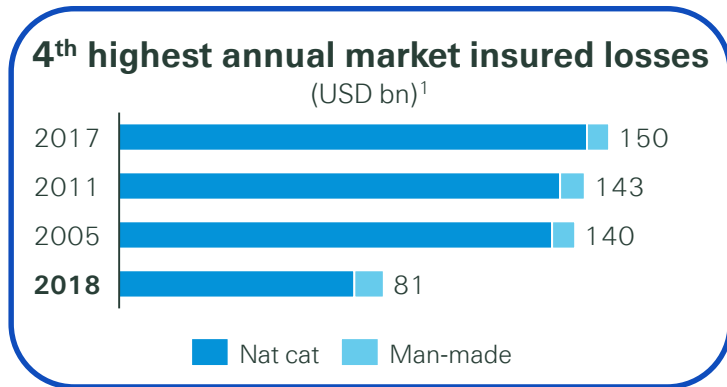
Capital
actions



Leadership in
sustainability

Group net income significantly impacted by large losses and recent change in US GAAP accounting guidance on equity securities

Impact² on Swiss Re's 2018 results:



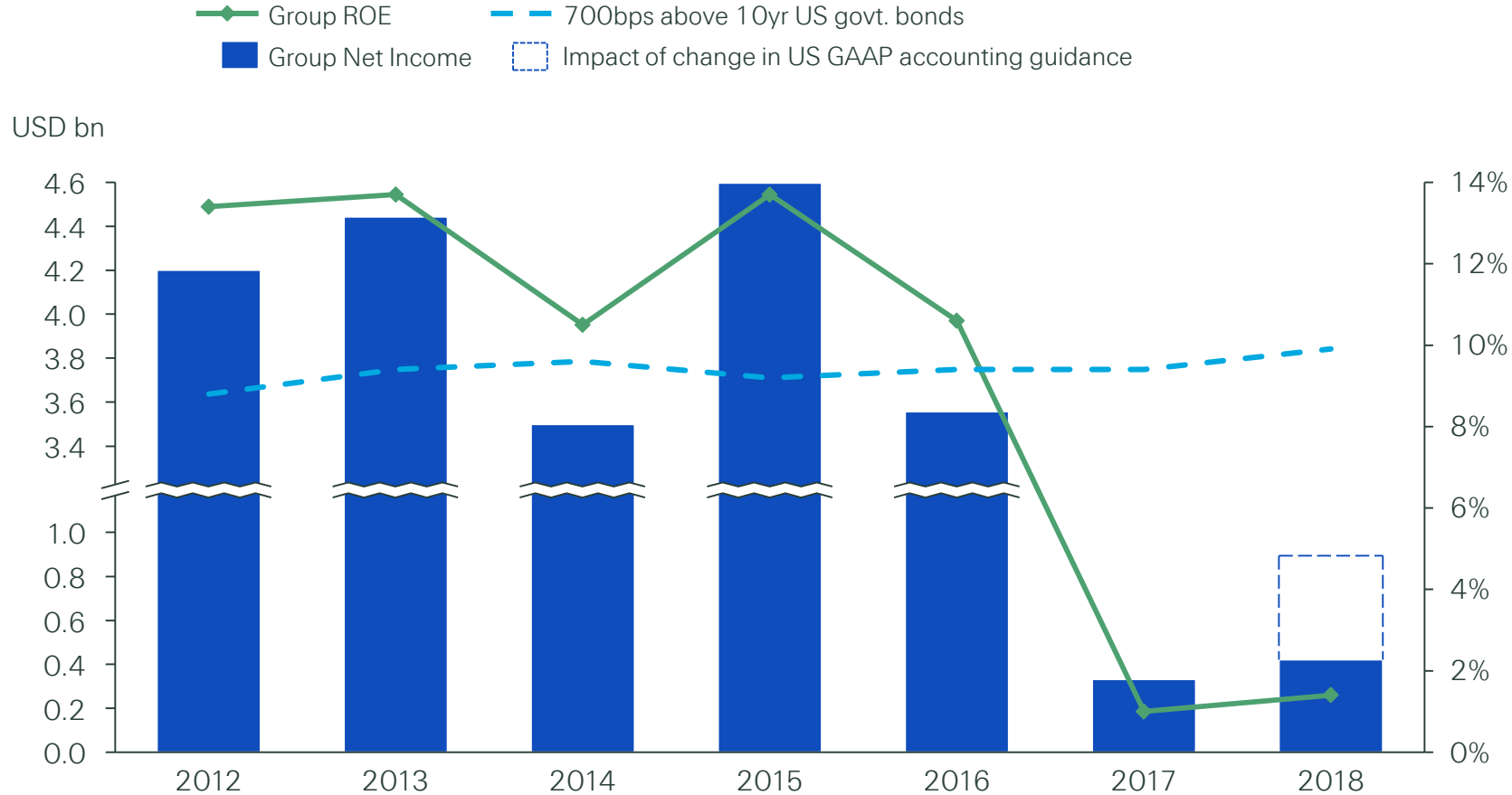
~USD 1 bn higher claims
from large losses vs. expectations



~USD 600m negative impact
from recent change in US GAAP
accounting guidance

USD 421 m
reported
Group net income

Second consecutive year with significantly higher than expected large losses



- After benign nat cat loss years from 2012-2016 the insurance industry experienced two elevated loss years
- Estimated claims from multiple nat cat and man-made disasters for Swiss Re amounted to USD 3.0bn in 2018



BU review: more positive outlook after a challenging year

	2018 performance		2019 outlook
P&C Reinsurance	Return on equity 3.7%	<ul style="list-style-type: none"> Underlying performance slightly below expectations Cost discipline supported by productivity measures Positive outlook due to improving price trend 	
L&H Reinsurance	Return on equity 11.1%	<ul style="list-style-type: none"> ROE in line with target range Strong growth driven by large transactions continued Asia and transactions remain key drivers for profitable growth 	
Corporate Solutions	Return on equity -19.4%	<ul style="list-style-type: none"> Disappointing underwriting results 2018: 3% price increases; 2019: positive momentum to continue Ongoing portfolio management actions and further pruning in 2019 	
Life Capital	Gross cash generation USD 818m	<ul style="list-style-type: none"> GCG at upper end of target range; ROE below target ReAssure IPO preparation continues Dynamic open book growth continues 	

Addressing Corporate Solutions underperformance

Drivers of underperformance

- Difficult market environment: man-made losses above expectations and price improvements not yet sufficient after years of decline
- Higher net exposures led to large single event losses
- Unfavourable PYD related to structure¹ and business mix (Excess Layers and overweight US)
- High cost ratio because of on-going investments and continued lack of scale

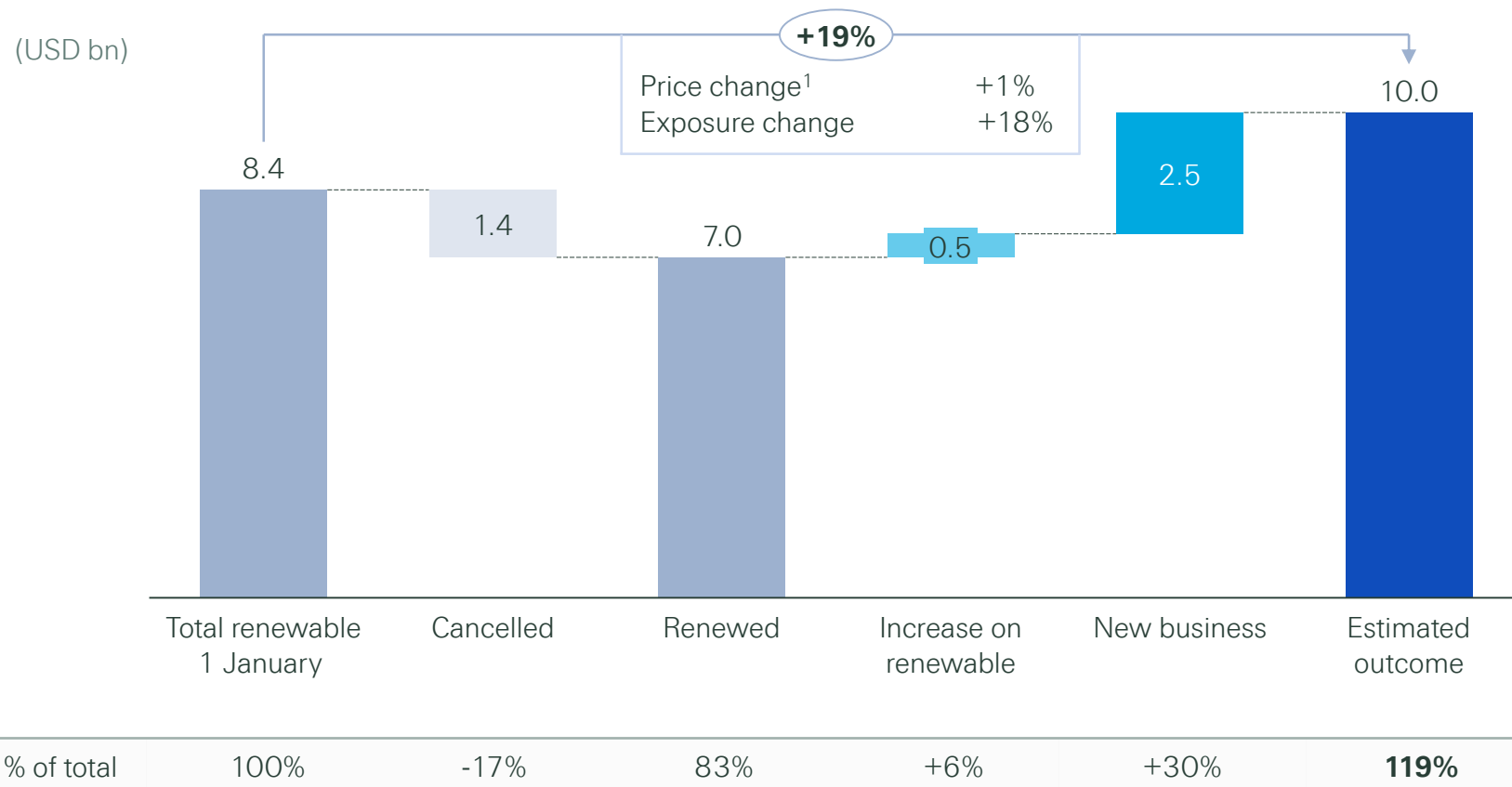
Actions taken

- Portfolio pruning started in 2017, continued in 2018 and intensifying in 2019
- Continued focus on productivity
- Higher prices already experienced and expecting more
- Reinsurance programme adjusted but to be revisited
- New experienced CEO to start in March 2019

Business update to be provided with Half-year 2019 Results

- ▶ Progress has been made and we will continue to address Corporate Solutions underperformance
- ▶ Corporate Solutions remains core to Swiss Re and we continue to see long-term attractive potential in the business

Strong outcome of January renewals for P&C Reinsurance







P&C Reinsurance renewals

- Volume up 19% YTD – 14% driven by transactions, 5% from growth in core business
- Price quality up 1%; renewals dominated by non loss affected regions
- Further price improvements expected in forthcoming renewals this year
- 2019 combined ratio estimate² of 98%, reflecting price changes and scale effects

January renewals for P&C Reinsurance supported by growth in Nat Cat and short-tail Casualty business

Gross premium volume by line of business¹ (USD bn)

	Up for renewal Jan	Premium change	Estimated outcome Jan	Price change
Nat Cat	1.2	+22%	1.5	
Property ²	1.9	-9%	1.7	
Specialty	1.4	+7%	1.5	
Casualty	4.0	+35%	5.4	
Total	8.4	+19%	10.0	+1%

Gross premium volume by region¹ (USD bn)

	Up for renewal Jan	Premium change	Estimated outcome Jan
Americas	2.3	+54%	3.6
EMEA	4.2	+5%	4.4
Asia	1.9	+7%	2.0
Total	8.4	+19%	10.0

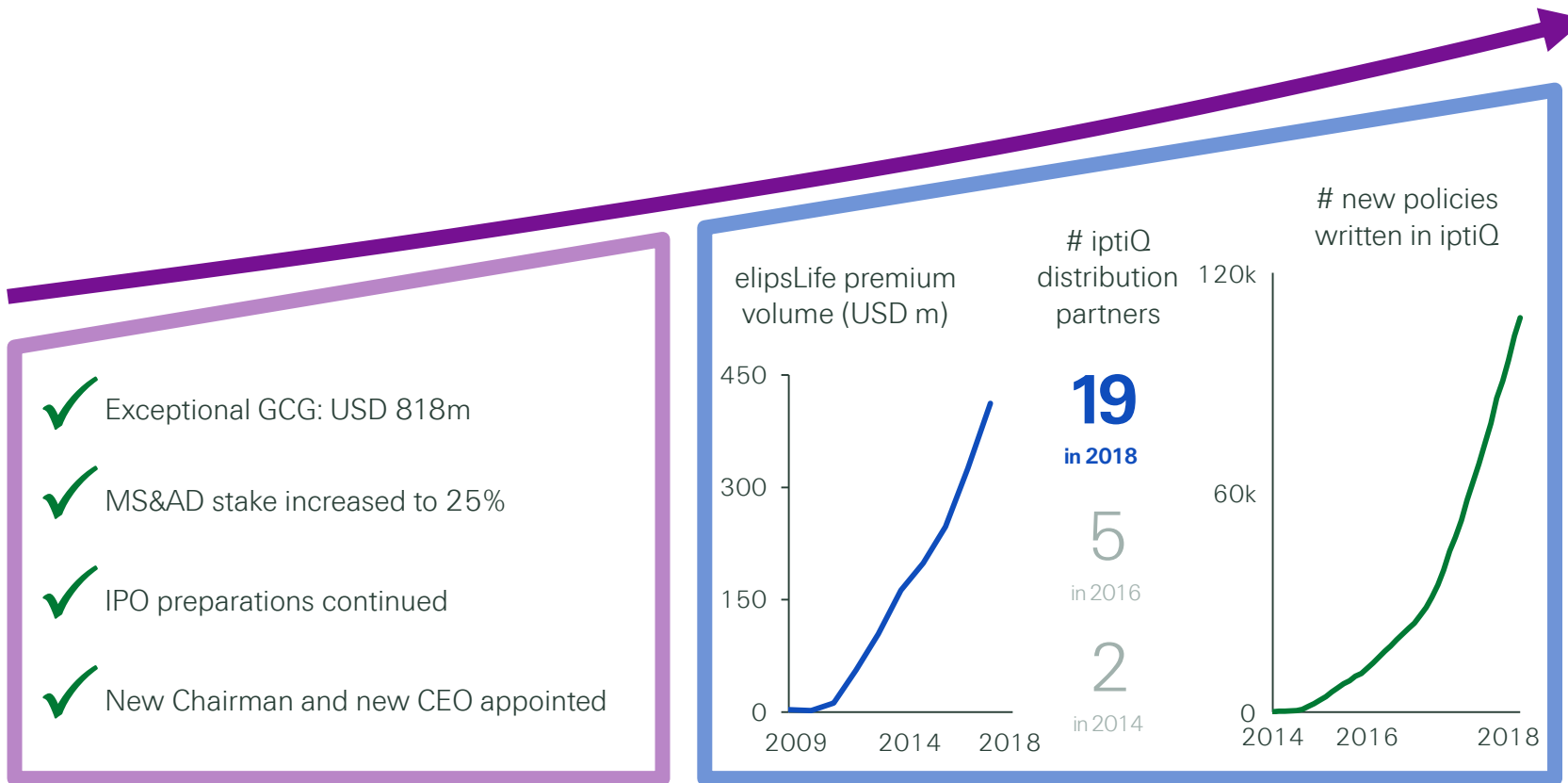
- Economic capital deployed increased by 20%: +36% for non-proportional Property Nat Cat business and +27% for Casualty
- Increase in Nat Cat business driven by growth in the US
- Casualty growth driven by large transactions, particularly in US SME market with short duration, low volatility and good performance track record
- Underwriting discipline maintained across all lines of business and regions

Life Capital transformation from closed book consolidator to dynamic primary B2B2C business in motion

ReAssure developments in 2018...

...complemented by open book evolution

2019 outlook



Focus on ReAssure IPO preparation

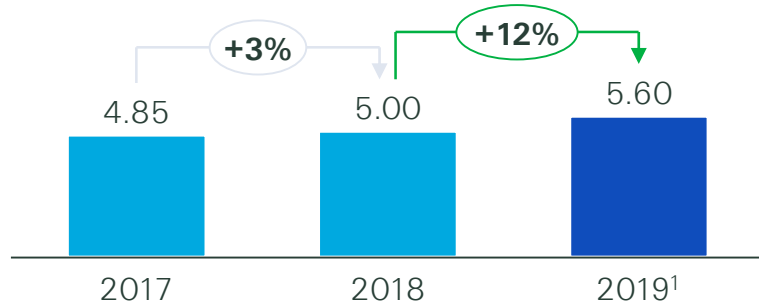
Enhancing access to risk pools with iptiQ platform

Scale-up of elipsLife platform



Swiss Re proposes attractive capital management actions

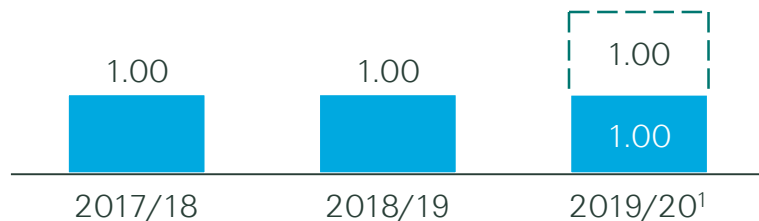
Regular dividend per share (CHF)



12% regular dividend per share increase

Rebasing supported by long-term economic earnings and sustainable capital generation

Share buy-back programme (CHF bn)



New share buy-back programme¹ consistent with Swiss Re's capital management priorities

- Up to CHF 1 bn with no commencement pre-conditions
- Up to CHF 1 bn contingent on 2019 Group excess capital development, e.g. increase as a result of successful reduction of Swiss Re's holding in ReAssure to below 50%

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



Swiss Re maintains leadership in sustainability

Key actions in 2018



Responsible investing

- Early mover in switching to ESG benchmarks in equity and credit markets
- USD 1.6bn of green bonds as of end FY 2018



Sustainable underwriting

- Implemented thermal coal policy – 30% investment threshold extended to underwriting
- Active in all renewable energy re/insurance and “lead market” for offshore wind risks



Innovative solutions

- First county-level earthquake parametric cover in China
- Largest sovereign-sponsored cat bond issued by the World Bank in Latin America
- Flood insurance for homeowners in Florida, based on proprietary flood model



Recognised leadership

- Externally recognised: AAA-rating in MSCI ESG assessment and top 3 in DJSI
- Active participation in European and global expert groups

Close to
100%
assets considering ESG criteria

~3 400
wind and solar farms insured

96
number of (sub-)sovereigns
advised on climate risk resilience



▶ More public-private partnerships are crucial to strengthen resilience and mitigate effect of climate change

Financial highlights

Key figures

USD m, unless otherwise stated	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Total FY 2018	Total FY 2017
• Premiums earned and fee income	16 095	12 835	3 925	1 606	-	34 461	33 705
• Net income/loss	370	761	-405	23	-328	421	331
• Return on investments	2.4%	3.7%	2.1%	3.3%	-1.5%	2.8%	3.9%
• Return on equity	3.7%	11.1%	-19.4%	0.4%	-6.0%	1.4%	1.0%
• Combined ratio	104.0%	-	117.5%	-	-		
• Earnings per share	(USD)					1.37	1.03
	(CHF)					1.34	1.02
• Common shareholders' equity ¹	9 483	6 274	1 795	5 113	5 265	27 930	33 374
<i>of which unrealised gains</i>	-65	786	-60	1 215	26	1 902	4 744
• Book value per common share	(USD)					93.09	106.09
	(CHF)					91.72	103.37

Key figures excluding impact of change in US GAAP accounting guidance

• <i>Net income/loss excluding accounting change impact²</i>	547	829	-387	17	-112	894
• <i>Return on investments excluding accounting change impact²</i>	2.9%	3.9%	2.2%	3.3%	2.9%	3.3%
• <i>Return on equity excluding accounting change impact²</i>	5.4%	12.1%	-18.5%	0.3%	-2.0%	2.9%



P&C Reinsurance

Impacted by several large natural and man-made losses

P&C Reinsurance impacted by several large nat cat and man-made losses

Net premiums earned

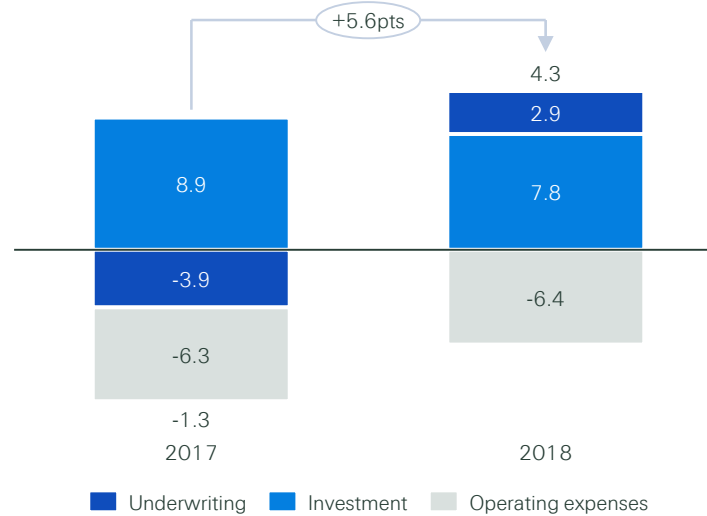
USD 16.1bn

in 2018

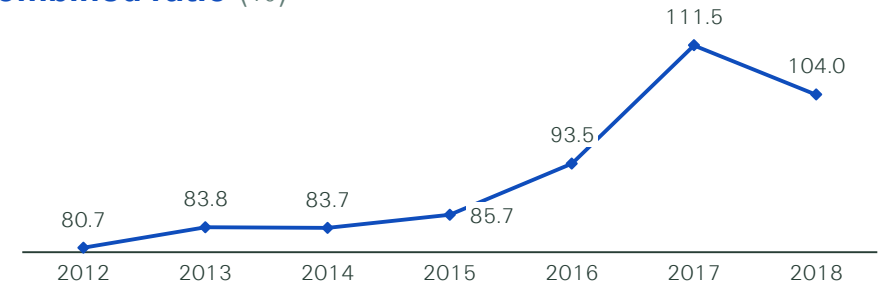
USD 16.7bn

in 2017

Net operating margin¹ (%)



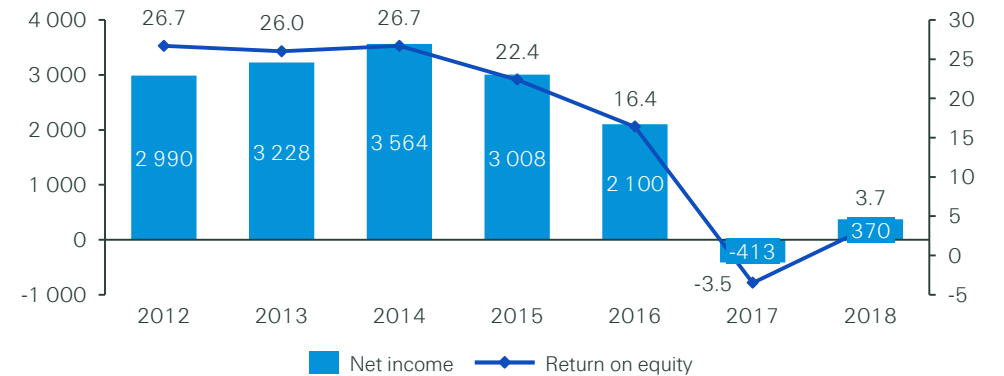
Combined ratio (%)



- Net impact of large nat cat events in 2018 5.0%pts above expectations. Favourable prior-year development positively impacted the combined ratio by 0.9%pts

- Decrease of net premiums earned driven by a reduction of Chinese quota shares and US Casualty, partially offset by large transactions in Asia and the US
- Underwriting margin impacted by several large losses in both periods
- Decrease in investment margin driven by market value losses on equity securities and lower realised gains from fixed income securities
- Increase in the expense margin driven by the decrease in premiums earned

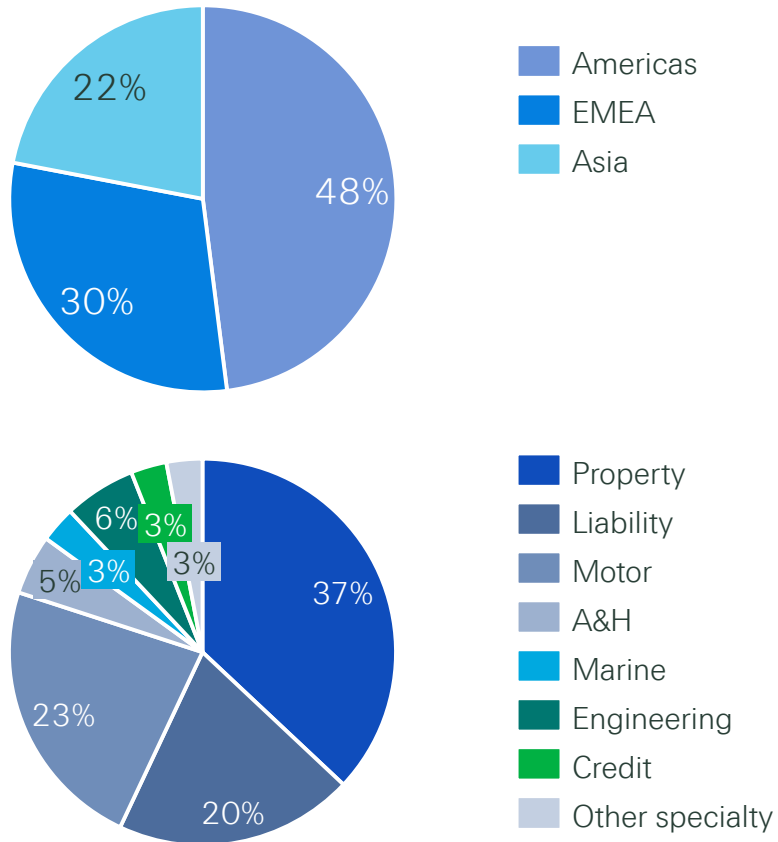
Net income (USD m, LHS), Return on equity (%), RHS)



P&C Reinsurance strategy in action

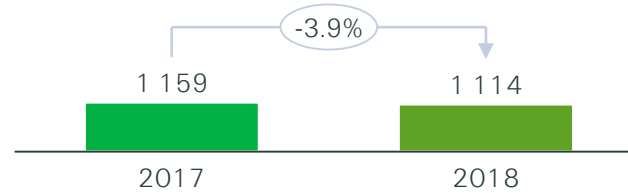
Portfolio split by region and line of business

(% of net earned premium, USD bn)



CORE

US GAAP operating expenses (USD m)



- Leveraging technology to achieve efficiency across Swiss Re's value chain

SOLUTIONS – selected examples



ADAS risk score

Working with OEM partners to improve the risk assessment of increasingly automated vehicles

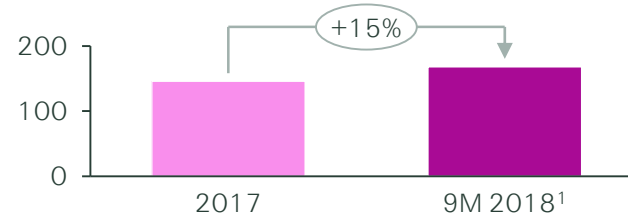


Data analytics

Addressing strategic questions through a combination of the latest data science methods with bespoke advisory

TRANSACTIONS

Economic profit (USD m)



- > 130 transactions closed in 2018
- Transactions contributed ~24% to economic profit in 2018

L&H Reinsurance

Continues to deliver solid results and profitable growth

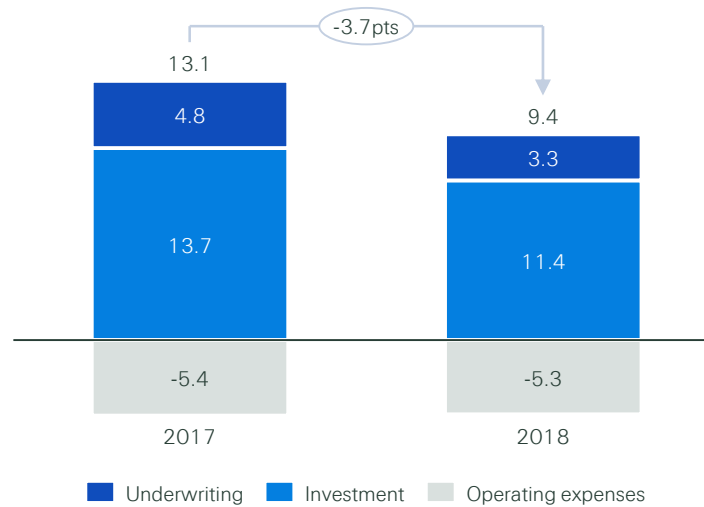
L&H Reinsurance continues to deliver solid results and profitable growth

Net premiums earned

USD 12.7bn
in 2018

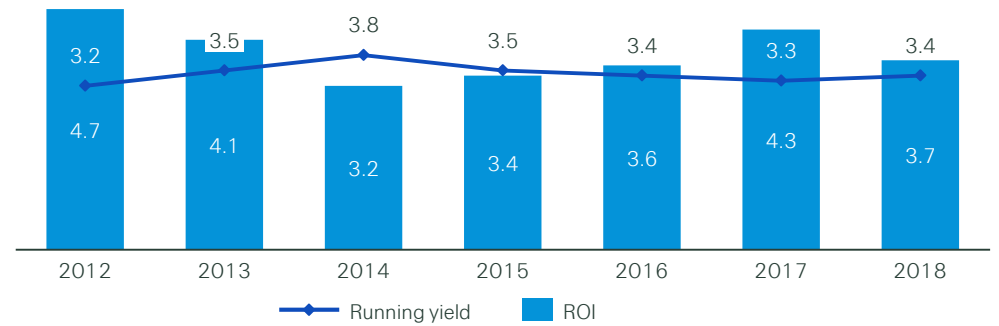
USD 11.9bn
in 2017

Net operating margin¹ (%)



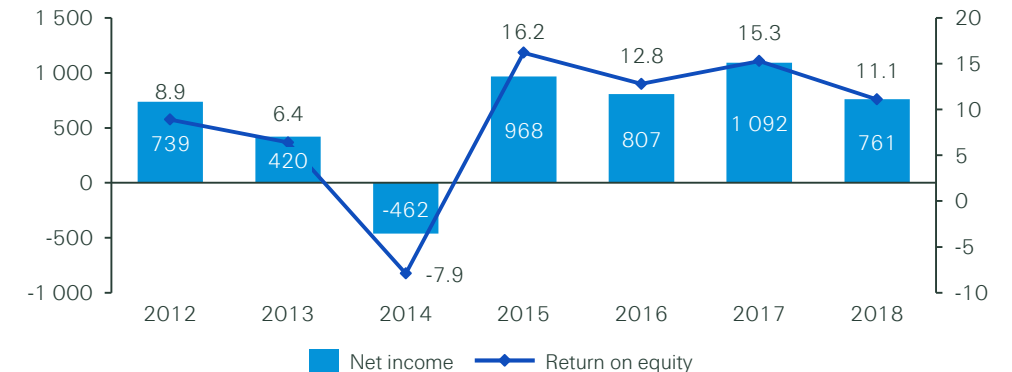
- Increase in premiums earned reflected growth across all markets including large transactions in Asia, intra-group retrocession agreements and favourable fx
- Decrease in underwriting margin due to unfavourable mortality experience in the US, partially offset by favourable contribution from transactions
- Lower investment margin as prior period was positively impacted by significant net realised gains from sales of equity securities

Running yield and ROI (%)



- Slightly increasing running yield but lower ROI as prior period positively impacted by significant net realised gains

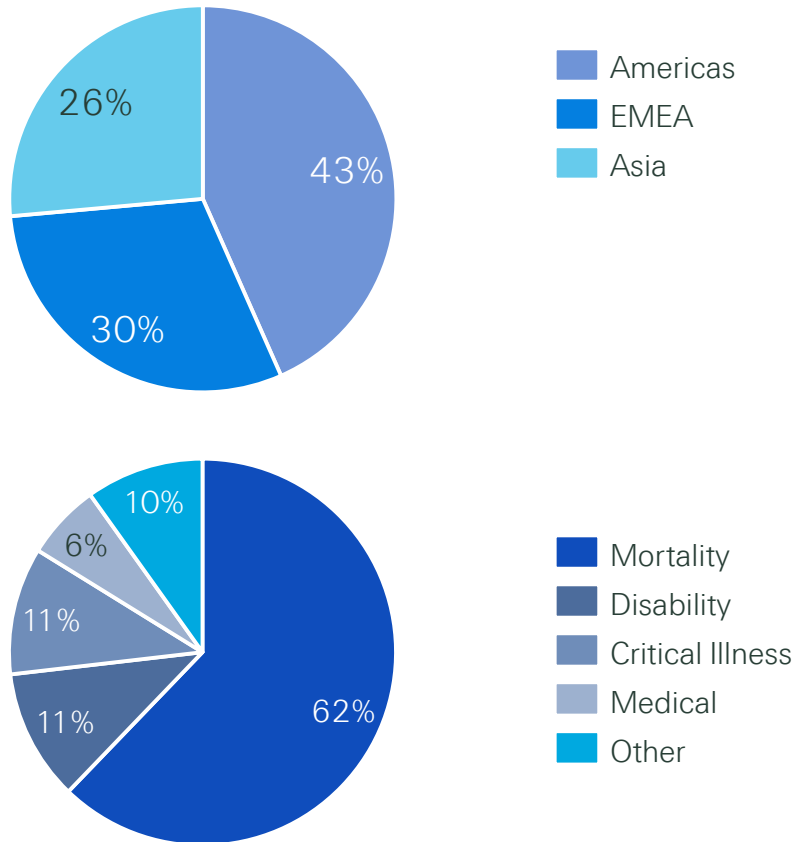
Net income (USD m, LHS), Return on equity (%) (RHS)



L&H Reinsurance strategy in action

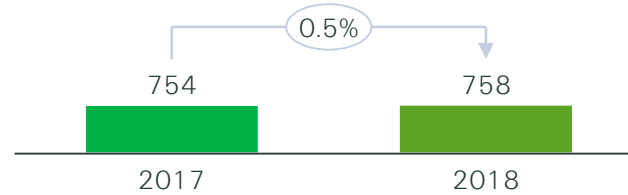
Portfolio split by region and line of business

(% of net earned premium, USD bn)



CORE

US GAAP operating expenses (USD m)



- Despite strong growth in the last years, expense base remained stable

SOLUTIONS – selected examples



Magnum

Used by >60 insurers and available in 26 countries; processes more than 12m applications per year; > 1.3m devices in China

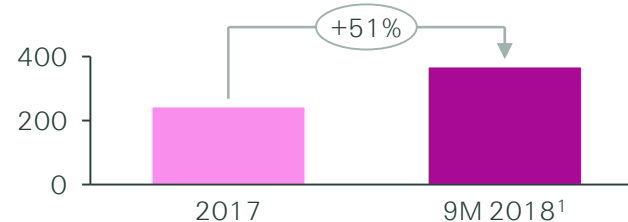


Behavioural economics

Creating improvements across the insurance value chain by helping to enhance the way insurers connect with customers

TRANSACTIONS

Economic profit (USD m)



- 24 transactions closed in 2018
- Transactions contributed ~34% to economic profit in 2018
- Large and tailored deals in Asia drove transactional growth in 2018



Corporate Solutions

Result impacted by large man-made and nat cat losses

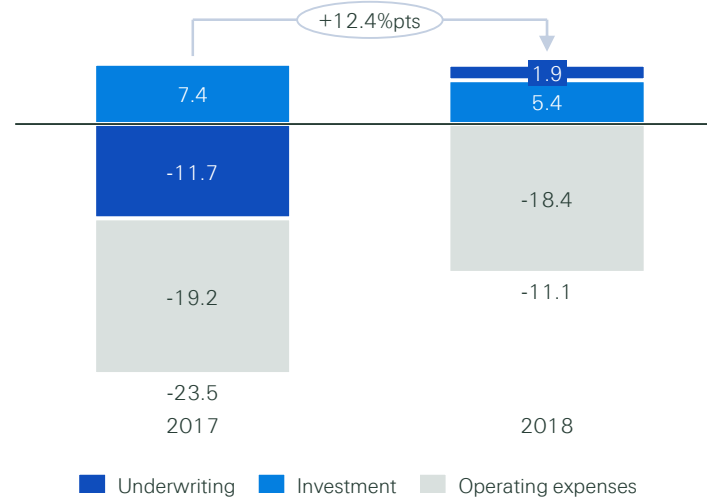
Corporate Solutions result impacted by large man-made and nat cat losses

Net premiums earned

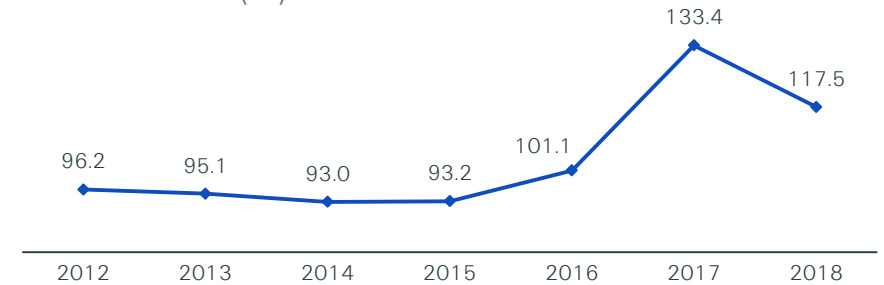
USD 3.9bn
in 2018

USD 3.7bn
in 2017

Net operating margin¹ (%)



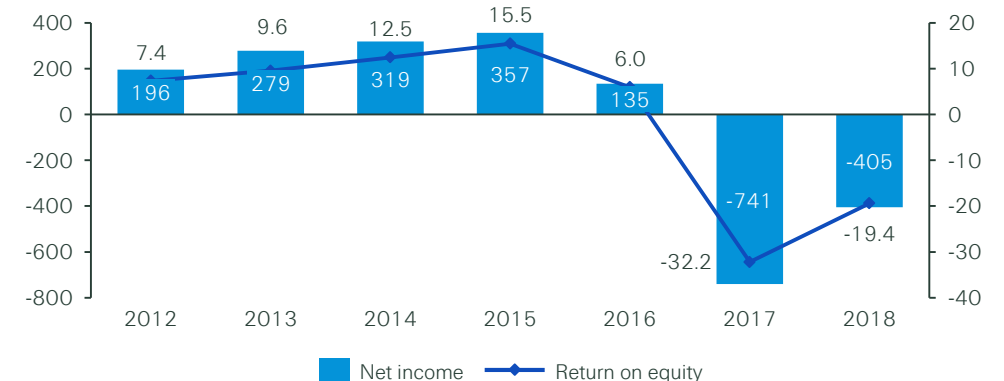
Combined ratio (%)



- Profitability continues to be impacted by underwriting performance, driven by an increase in severity and frequency of large man-made losses, and generally depressed rate levels, as well as unfavourable prior-year development

- Premiums earned increased by 7.5% driven by growth in Primary Lead which more than offset active pruning in US General Liability portfolio
- Underwriting margin improved driven by lower nat cat losses, partially offset by an increase in severity and frequency of large man-made losses
- Investment margin decreased due to lower realised gains from equities, partially offset by increasing yields and a higher invested asset base
- Operating expense margin improved driven by strong growth and continued focus on productivity measures

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

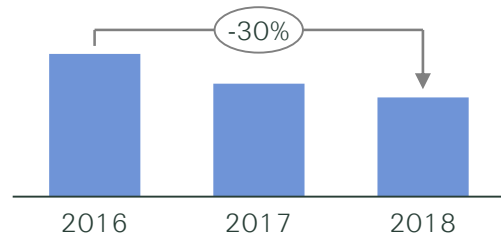


Corporate Solutions remains focused on key priorities

Performance improvement actions

- US General Liability pruning actions started 18 months ago; time lag for improvements to be reflected in financials
- Additional improvement actions initiated for less strategic segments which are further minimised or partially exited
- Pursue sizable rate increases on underperforming sub-segments and across the board

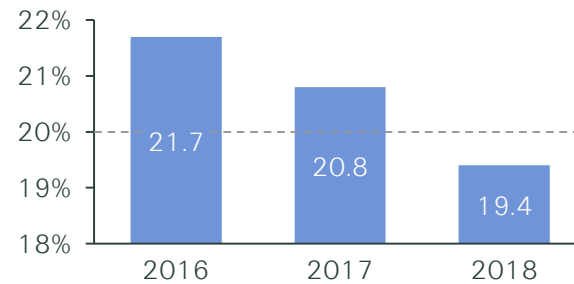
US General Liability repositioning / pruning (Gross premiums written)



Increase productivity

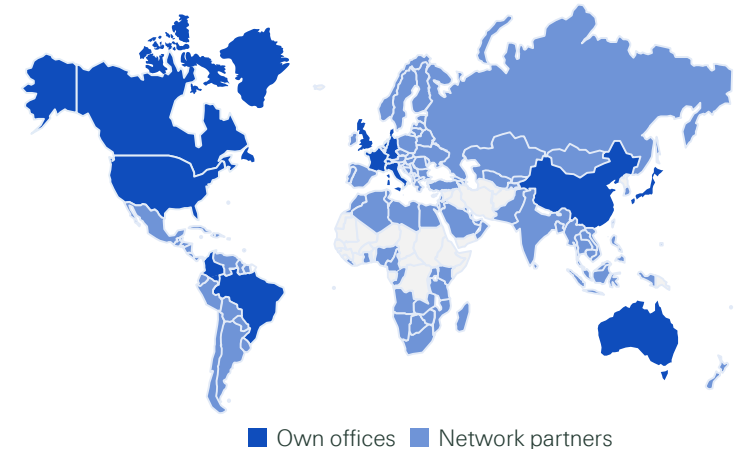
- A combination of process improvements, cost saving measures, use of technology and strong growth led to a lower operating expense ratio
- Maintain focus on productivity to finance continuing investment into Primary Lead capabilities

Operating expense ratio (%)



Primary Lead

- Extension of own domestic and international Primary Lead producing capabilities to 19 and 9 countries respectively
- Global network coverage for international programs > 120 countries



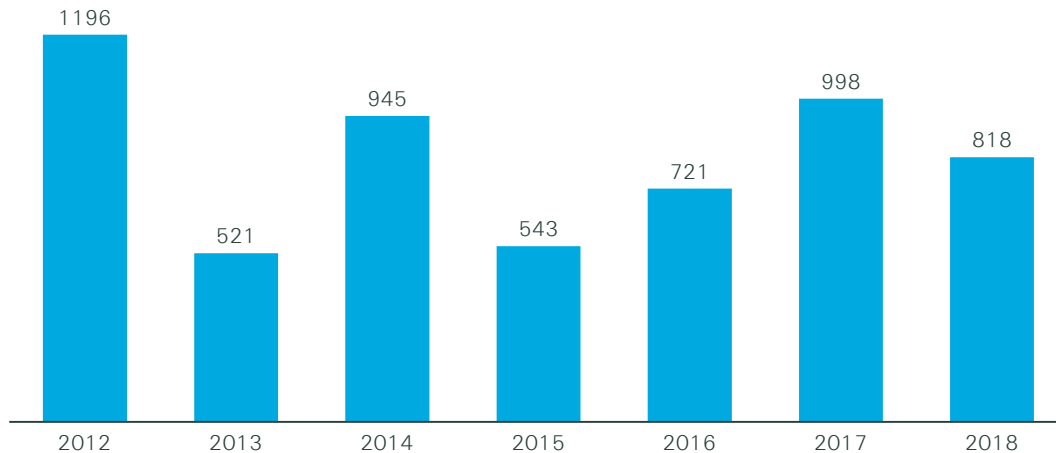
- ▶ Positive price momentum expected to continue
- ▶ Corporate Solutions will continue to take targeted actions addressing business performance issues and price deficiencies

Life Capital

Exceptional GCG; open book growth in line with expectations

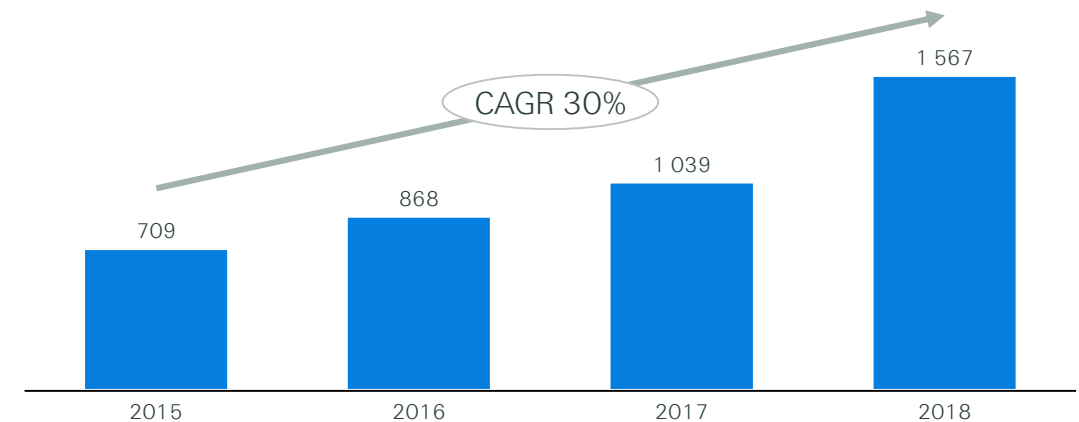
Exceptional Life Capital GCG; open book growth in line with expectations

Gross cash generation (USD m)



- Exceptional gross cash generation (GCG) driven by strong underlying emerging surplus, the sale proceeds from the initial 5% stake in ReAssure acquired by MS&AD and the finalisation of the 2017 Solvency II position
- GCG 2016-2018 of USD 2.5bn at top end of USD 2.3-2.5bn target range (significantly outperforming original target of USD 1.4-1.7bn)

Open book - Gross premiums written (USD m)



- Gross premiums written increase reflects significant growth in open book businesses:
 - iptiQ L&H increase driven by a large medex transaction
 - elipsLife increase reflects strong growth on core as well as medex business

Life Capital open book businesses continue to grow



	2016	2018	
Weekly policies sold ¹	545	2 755	▶ ~ 5x
# of distribution partners	5	19	▶ ~ 4x
# of countries	5	7	▶ + 2

Expansion of access to attractive risk pools



GPW ² (USD m)	247	412	▶ + 67%
# of clients	< 8 000	~ 12 000	▶ + 50%
# of countries	2	5	▶ + 3

Ambition to continue growing at an accelerated pace

Group investments

Result reflects a negative impact from a change in US GAAP accounting guidance

Investment result reflects a negative impact from accounting change

Return on investments (ROI)

2.8% *3.3%*¹

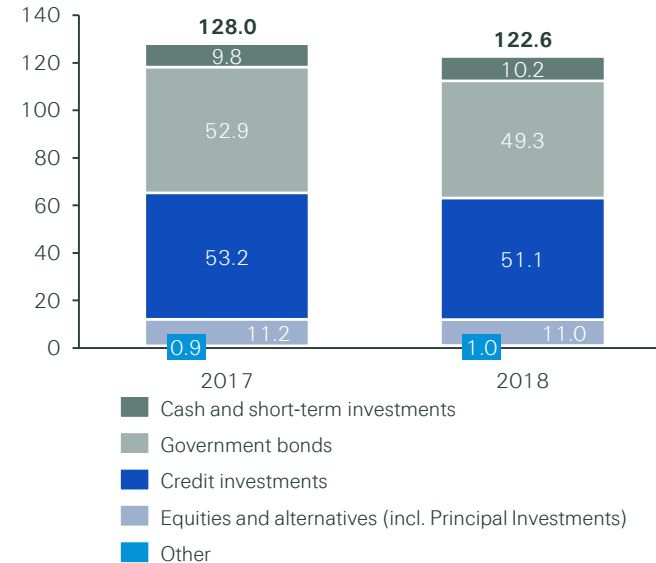
in 2018

3.9%

in 2017

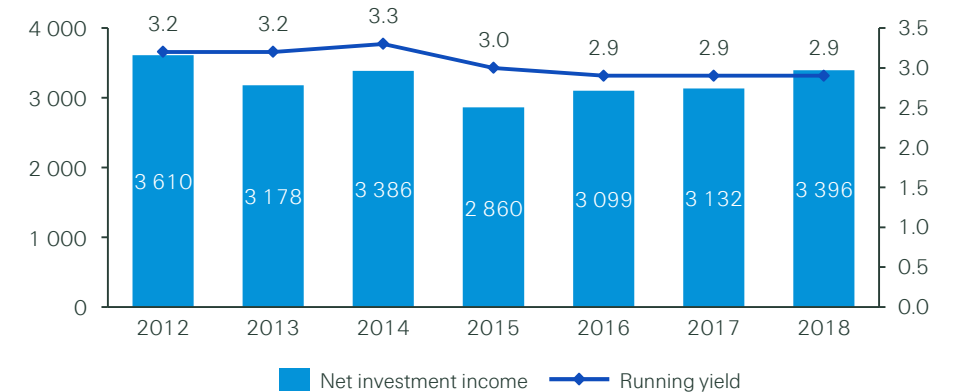
- ROI driven by net investment income, partially offset by market value losses across equities and alternative investments
- Excluding the estimated impact of the change in US GAAP accounting guidance, the ROI would have amounted to 3.3%

Investment portfolio positioning (USD bn)



- No significant net changes in the asset allocation
- Net purchases and market value gains on direct real estate largely offset by market value losses on equity securities
- Impairments remain low (USD 9m), reflecting a disciplined investment approach

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

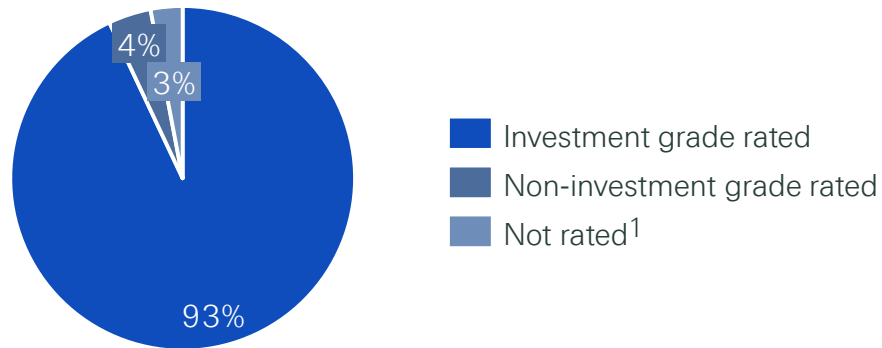


- Net investment income of USD 3.4bn above prior year, reflecting the impact of rising yields as well as additional income from alternative investments
- Group fixed income running yield in line with prior year

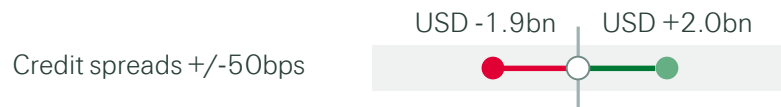
High quality portfolio drives the Group's sustainable investment result

Credit bonds: USD 45.1bn

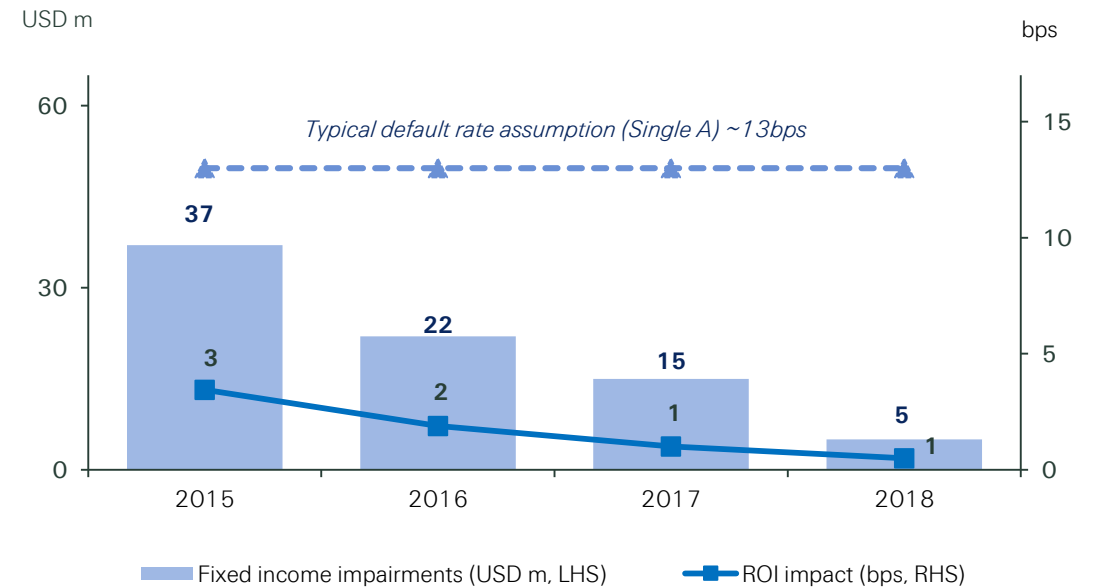
Below investment grade credit bonds represent approximately half of peer average of 9%



Credit spread sensitivity on shareholders' equity and ENW²



Fixed income impairment trend



▶ High quality portfolio drives stable running yield of 2.9% for 2018 (quarterly running yield increased from 2.8% to 3.0% during 2018)

▶ Impairment trend reflects significant reduction of high yield exposure in 2016

Appendix

Business segment results FY 2018

Income statement

USD m	Reinsurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Consolidation	Total FY 2018	Total FY 2017
Revenues									
Gross premiums written	31 072	16 545	14 527	4 694	2 739	-	-2 099	36 406	34 775
Net premiums written	28 745	16 098	12 647	4 122	1 175	-	-	34 042	32 316
Change in unearned premiums	33	-3	36	-197	-3	-	-	-167	803
Premiums earned	28 778	16 095	12 683	3 925	1 172	-	-	33 875	33 119
Fee income from policyholders	152	-	152	-	434	-	-	586	586
Net investment income/loss – non participating	2 685	1 380	1 305	207	1 256	262	-335	4 075	3 708
Net realised investment gains/losses – non participating	331	-16	347	16	66	-348	-	65	1 727
Net investment result – unit-linked and with-profit	-33	-	-33	-	-1 560	-	-	-1 593	3 315
Other revenues	37	36	1	3	-	353	-354	39	32
Total revenues	31 950	17 495	14 455	4 151	1 368	267	-689	37 047	42 487
Expenses									
Claims and claim adjustment expenses	-11 614	-11 614	-	-3 241	-	-	-	-14 855	-16 730
Life and health benefits	-10 280	-	-10 280	-	-1 489	-	-	-11 769	-11 083
Return credited to policyholders	-5	-	-5	-	1 038	-	-	1 033	-3 298
Acquisition costs	-6 057	-4 012	-2 045	-607	-255	-	-	-6 919	-6 977
Operating expenses	-1 872	-1 114	-758	-763	-549	-599	351	-3 432	-3 308
Total expenses	-29 828	-16 740	-13 088	-4 611	-1 255	-599	351	-35 942	-41 396
Income/loss before interest and tax	2 122	755	1 367	-460	113	-332	-338	1 105	1 091
Interest expenses	-723	-313	-410	-24	-41	-105	338	-555	-566
Income/loss before income tax expense/benefit	1 399	442	957	-484	72	-437	-	550	525
Income tax expense/benefit	-227	-72	-155	75	-26	109	-	-69	-132
Net income/loss before attribution of non-controlling interests	1 172	370	802	-409	46	-328	-	481	393
Income/loss attributable to non-controlling interests	-	-	-	4	-23	-	-	-19	5
Net income/loss after attribution of non-controlling interests	1 172	370	802	-405	23	-328	-	462	398
Interest on contingent capital instruments	-41	-	-41	-	-	-	-	-41	-67
Net income/loss attributable to common shareholders	1 131	370	761	-405	23	-328	-	421	331

Business segment results FY 2018

Balance sheet

31 December 2018, USD m	Reinsurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group Items	Consolidation	End FY 2018	End FY 2017
Assets									
Fixed income securities	65 126	35 968	29 158	8 157	22 637	32	-	95 952	101 786
Equity securities	2 446	1 776	670	180	69	341	-	3 036	3 865
Other investments	16 498	13 298	3 200	132	2 550	6 447	-12 276	13 351	16 234
Short-term investments	3 721	2 547	1 174	451	1 207	38	-	5 417	4 846
Investments for unit-linked and with-profit business	424	-	424	-	29 122	-	-	29 546	35 166
Cash and cash equivalents	3 356	1 651	1 705	796	1 605	228	-	5 985	6 806
Deferred acquisition costs	6 940	2 156	4 784	488	789	-	-	8 217	6 871
Acquired present value of future profits	804	-	804	-	1 014	-	-	1 818	1 989
Reinsurance recoverable	6 704	2 345	4 359	5 486	4 914	-	-10 046	7 058	7 942
Other reinsurance assets	19 019	9 715	9 304	2 461	6 859	-	-5 541	22 798	22 989
Goodwill	3 731	1 908	1 823	206	134	-	-	4 071	4 172
Other	12 967	8 798	4 169	2 108	1 823	1 752	-8 329	10 321	9 860
Total assets	141 736	80 162	61 574	20 465	72 723	8 838	-36 192	207 570	222 526
Liabilities									
Unpaid claims and claim adjustments expenses	57 851	45 659	12 192	11 929	2 601	1	-4 936	67 446	66 795
Liabilities for life and health policy benefits	17 888	-	17 888	501	26 314	-	-5 110	39 593	42 561
Policyholder account balances	1 356	-	1 356	-	30 582	-	-	31 938	37 537
Other reinsurance liabilities	14 493	10 331	4 162	3 816	3 365	3	-5 812	15 865	15 914
Short-term debt	7 810	2 735	5 075	-	238	-	-6 415	1 633	433
Long-term debt	10 151	2 402	7 749	798	1 515	552	-4 514	8 502	10 148
Other	16 429	9 551	6 878	1 483	2 342	3 017	-9 405	13 866	14 844
Total liabilities	125 978	70 678	55 300	18 527	66 957	3 573	-36 192	178 843	188 232
Equity									
Common shareholders' equity	15 757	9 483	6 274	1 795	5 113	5 265	-	27 930	33 374
Contingent capital instruments	-	-	-	-	-	-	-	-	750
Non-controlling interests	1	1	-	143	653	-	-	797	170
Total equity	15 758	9 484	6 274	1 938	5 766	5 265	-	28 727	34 294
Total liabilities and equity	141 736	80 162	61 574	20 465	72 723	8 838	-36 192	207 570	222 526

Total equity and ROE FY 2018

USD m	Reinsurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group Items	Total FY 2018
Common shareholders' equity at 31 December 2017¹	18 226	10 755	7 471	2 385	7 088	5 675	33 374
Net income/loss attributable to common shareholders	1 131	370	761	-405	23	-328	421
Dividends and share buy-back	-1 950	-1 300	-650	-50	-1 125	186	-2 939
Capital contributions	-	-	-	-	214	-214	-
Net change in unrealised investment gains/losses	-1 303	-235	-1 068	-82	-1 118	-339	-2 842
Other (incl. fx)	-347	-107	-240	-53	31	285	-84
Common shareholders' equity at 31 December 2018¹	15 757	9 483	6 274	1 795	5 113	5 265	27 930
Contingent capital instruments	-	-	-	-	-	-	-
Shareholders' equity at 31 December 2018	15 757	9 483	6 274	1 795	5 113	5 265	27 930
Non-controlling interests	1	1	-	143	653	-	797
Total equity at 31 December 2018	15 758	9 484	6 274	1 938	5 766	5 265	28 727

ROE calculation

USD m	Reinsurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group Items	Total FY 2018
Net income/loss attributable to common shareholders	1 131	370	761	-405	23	-328	421
Opening common shareholders' equity ¹	18 226	10 755	7 471	2 385	7 088	5 675	33 374
Average common shareholders' equity ¹	16 992	10 119	6 873	2 090	6 101	5 469	30 652
ROE FY 2018²	6.7%	3.7%	11.1%	-19.4%	0.4%	-6.0%	1.4%

Shares outstanding³

in millions

As at 31 December 2018	300.0	Weighted average	306.8
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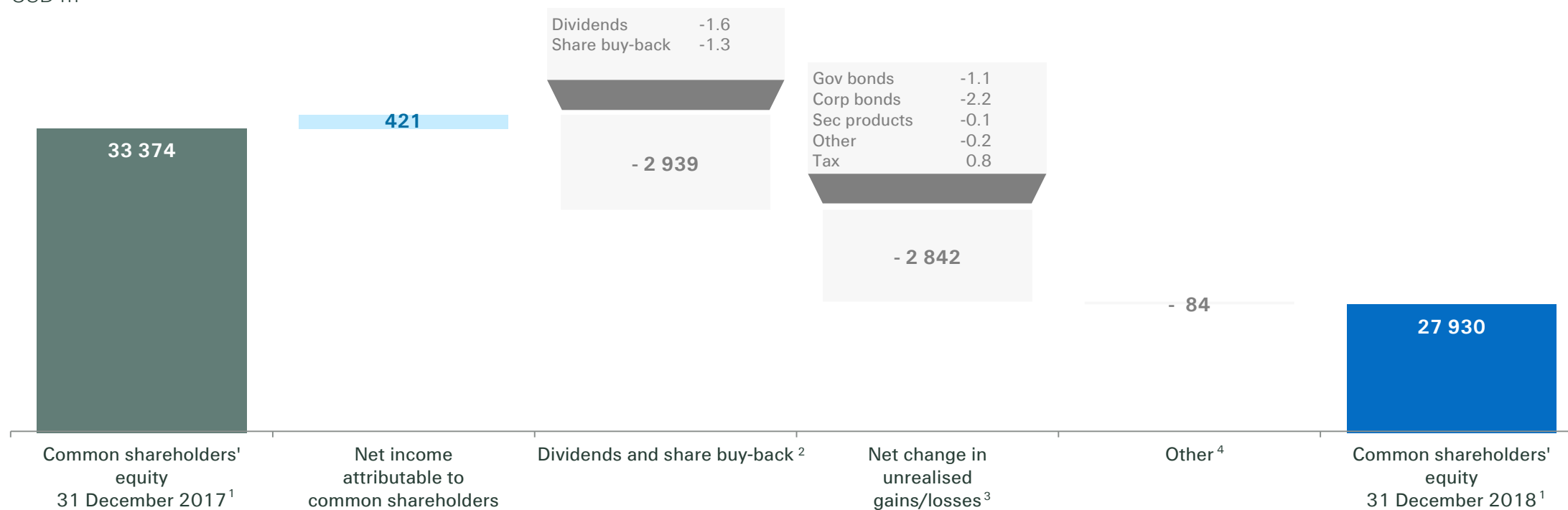
¹ Excluding contingent capital instruments (nil as of 31 December 2018 and USD 750m in L&H Re as of 31 December 2017); basis for ROE and BVPS calculations

² Based on published net income attributable to common shareholders

³ Shares outstanding is the number of shares eligible for dividends and is used for the BVPS and EPS calculation; reflects 14.0m shares repurchased under share buy-back programmes

Decrease in common shareholders' equity driven by dividend payments, share buy-back and unrealised losses

USD m



¹ Excluding contingent capital instruments (nil as of 31 December 2018 and USD 750m in L&H Re as of 31 December 2017); basis for ROE and BVPS calculations

² Includes USD 437m from the share buy-back programme announced in 2017 and completed on 16 February 2018, and USD 910m from the share buy-back programme launched on 7 May 2018 and completed on 15 February 2019

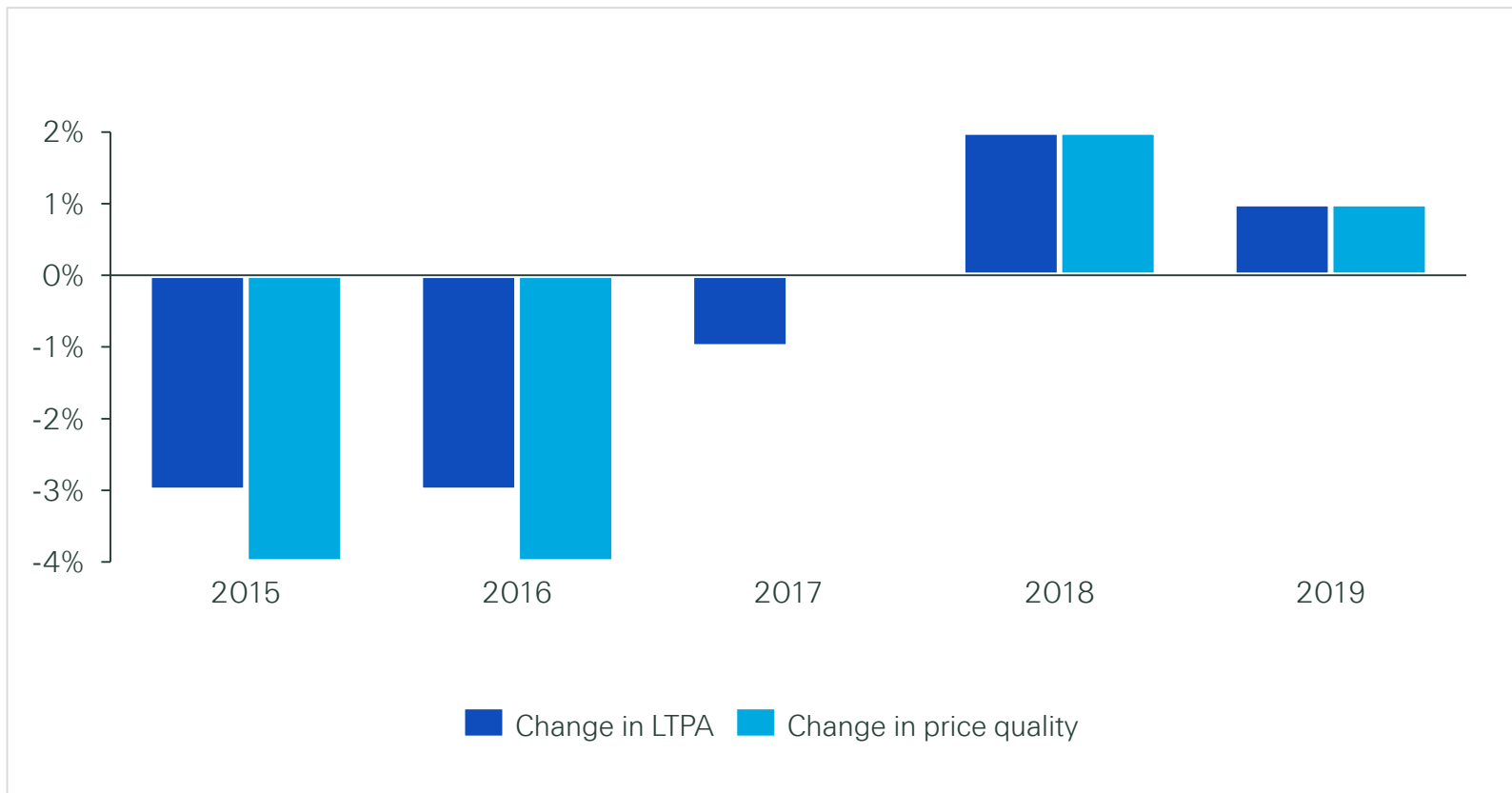
³ Includes USD -127m due to reclassification to 'Other' as a result of the implementation of the change in US GAAP accounting guidance, and USD -325m due to the sale of a non-controlling interest in ReAssure to MS&AD

⁴ Includes USD 189m due to the sale of a non-controlling interest in ReAssure to MS&AD, USD 168m due to a reclassification upon implementation of ASUs 2018-02, 2016-16 and 2016-01 and USD 11m due to the redemption of a contingent capital instrument, offset by USD -408m due to foreign currency translation adjustments

P&C Reinsurance January 2019 renewals

Movements in newly introduced price quality metric closely align with movements in the formerly reported LTPA

Change in price quality vs. change in Long-Term Price Adequacy (LTPA) for January renewals



- Swiss Re's metric for price quality was adjusted to enhance transparency and allow better comparability to peers
- While the new metric correlates strongly with the Long-Term Price Adequacy (LTPA) provided so far, it eliminates distortions from internal assumption changes (e.g. internal expense and capital cost allocation)

P&C underwriting performance

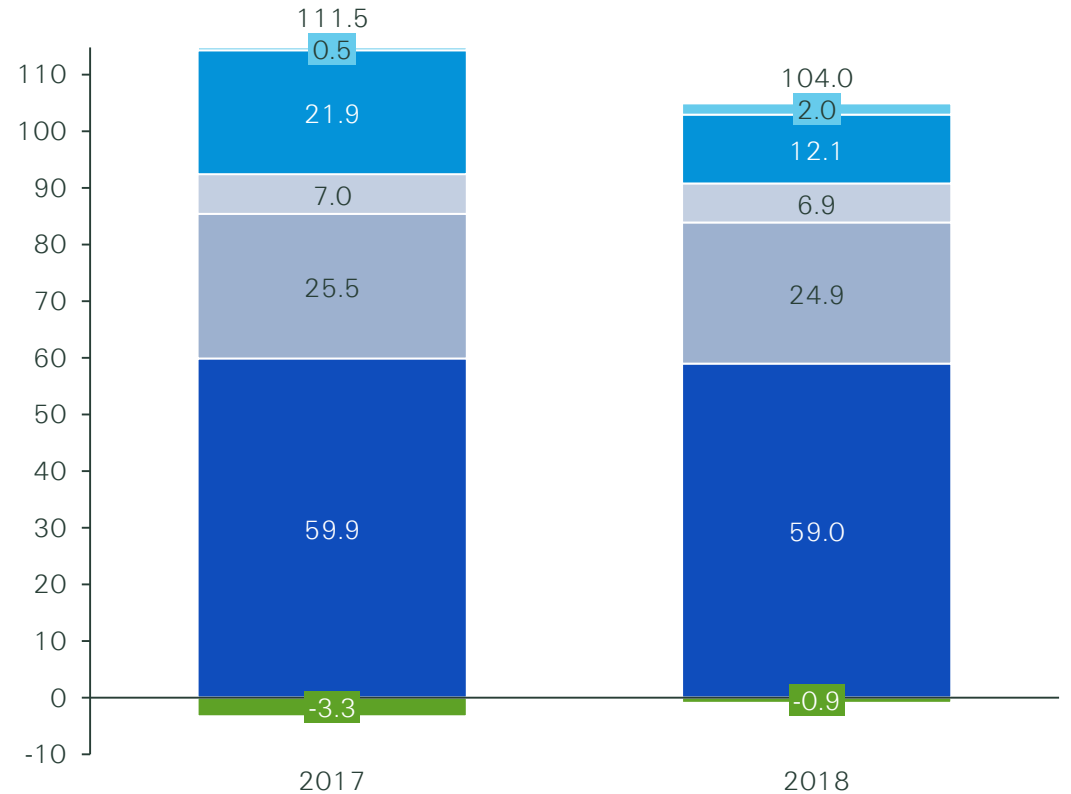
P&C Reinsurance and Corporate Solutions

	Combined ratio		Main drivers of change	Net premiums earned	Underwriting result
	FY 2017	FY 2018		FY 2018 USD m	FY 2018 USD m
P&C Reinsurance					
Property	119.9%	99.9%	• Both periods impacted by large nat cat losses, partially offset by favourable prior-year development	6 029	9
Casualty	108.8%	110.6%	• 2018 impacted by continued unfavourable development in the US and in EMEA, mainly in Motor	7 664	-812
Specialty	98.4%	93.4%	• Improvement supported by a positive prior-year development across all lines of business, predominantly in Marine	2 402	158
Total	111.5%	104.0%		16 095	-645

	Combined ratio		Main drivers of change	Net premiums earned	Underwriting result
	FY 2017	FY 2018		FY 2018 USD m	FY 2018 USD m
Corporate Solutions					
Property	174.0%	117.9%	• Decrease driven by lower nat cat losses compared to the prior-period, partially offset by high severity and frequency of large man-made losses	1 341	-240
Casualty	122.0%	125.5%	• Both periods impacted by large Liability losses and Casualty reserve strengthening in North America	1 463	-373
Specialty	101.6%	106.5%	• Increase mainly due to higher large loss activity, primarily driven by a major satellite loss and the Ituango dam flooding	1 121	-73
Total	133.4%	117.5%		3 925	-686

P&C Reinsurance combined ratio split

Combined ratio split (%)



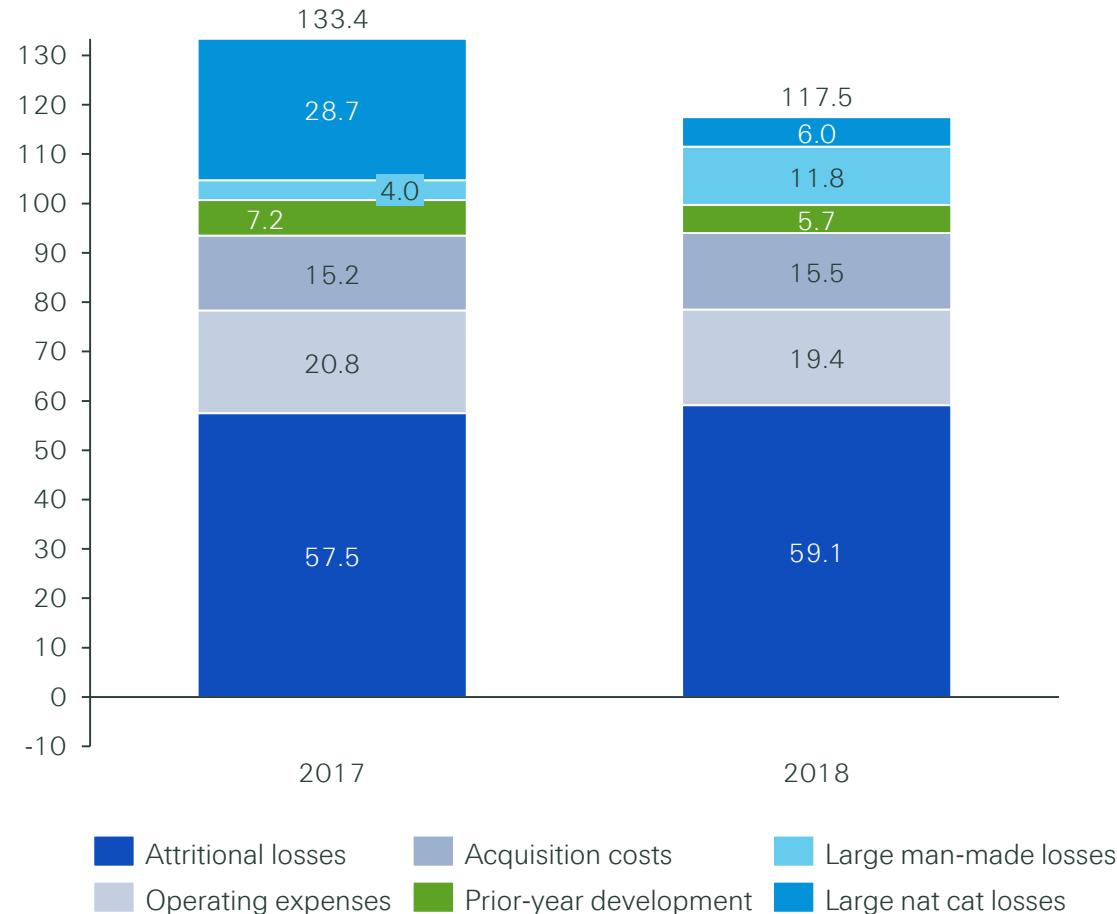
■ Attritional losses
 ■ Acquisition costs
 ■ Operating expenses
 ■ Large nat cat losses
■ Prior-year development
 ■ Large man-made losses

Key developments in 2018

- Expected impact of large nat cat losses of USD 1.15bn
- Net impact of large nat cat events 5.0%pts above expectations. Favourable prior-year development positively impacted the combined ratio by 0.9%pts
- Adjusted combined ratio amounts to 99.9%. The difference to the full year estimate of 99.0% was driven by a higher frequency of mid-sized nat cat losses particularly in Europe and Asia
- Reduction in other expenses reflects continuous focus on productivity measures
- Attritional loss ratio reflects the price improvements achieved, which were partially offset by the above mentioned high frequency of mid-sized nat cat losses

Corporate Solutions combined ratio split

Combined ratio split (%)



Key developments in 2018

- FY impacted by large nat cat losses (hurricanes Florence and Michael)
- Increased severity and frequency of large man-made losses, including a satellite loss, a large industrial fire in Germany, and the Ituango dam flooding
- Prior-year development driven by
 - Large losses predominantly from recent underwriting years (~80%)
 - Reserve strengthening on the Excess & Surplus Casualty book (~20%)
- Improvement of operating expenses (below 20% target), due to strong premium growth and continued focus on productivity improvements and expense management
- Attritional losses influenced by generally depressed rate levels, business written in previous underwriting years and the time lag to reflect improving conditions



L&H Reinsurance EBIT movements

EBIT movements (USD m)

	FY 2017			FY 2018		
	Life	Health	L&H	Life	Health	L&H
EBIT reported	935	345	1 815³	720	355	1 367³
Net operating margin, %	9.9	8.8	13.1	7.3	8.2	9.4
Mortality/morbidity experience vs. expected ¹	21	-8	13	-109	41	-68
Valuation/assumption changes ²	-4	14	10	21	-25	-5
VA/GMDB/B36	2	-	2	41	-5	36
Other one-offs	45	-39	6	-	-	-

- FY 2018 reflected unfavourable mortality experience in the US including impact of large claims and favourable VA result driven by market performance
- Overall view on trends in the US mortality business remains unchanged

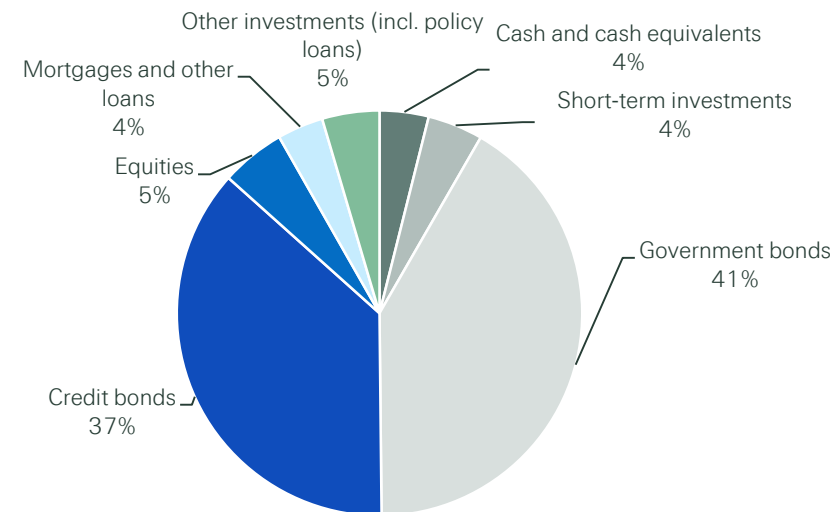
Return on investments (ROI)

USD m	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Consolidation	Total FY 2018	Total FY 2017
Investment related net investment income	1 274	1 128	224	844	263	-337	3 396	3 132
<i>Fixed income</i>	831	1 046	211	803	1	-	2 892	2 765
<i>Equities and alternative investments -incl RE, PE, HF</i>	385	63	6	-	102	-	556	509
<i>Other</i>	257	108	25	84	204	-352	326	210
<i>Investment expenses</i>	-199	-89	-18	-43	-44	15	-378	-352
Investment related net realised gains/losses	-63	192	-24	77	-265	-	-83	1 507
<i>Fixed income</i>	-22	257	-28	55	4	-	266	620
<i>Equities and alternative investments -incl RE, PE, HF</i>	29	-64	2	6	-263	-	-290	966
<i>Other</i>	-70	-1	2	16	-6	-	-59	-79
Other revenues	4	-	-	-	-	-2	2	-
Investment related operating income	1 215	1 320	200	921	-2	-339	3 315	4 639
Less income not related to investment return ¹	-64	-21	-16	-4	-92	93	-104	-82
Basis for ROI	1 151	1 299	184	917	-94	-246	3 211	4 557
Average invested assets	47 266	34 937	8 946	27 458	6 161	-10 433	114 335	115 872
ROI	2.4%	3.7%	2.1%	3.3%	-1.5%	n.a.	2.8%	3.9%
Insurance related net investment income	106	177	-17	412	-1	2	679	576
Insurance related net realised gains/losses	9	55	30	3	-	-	97	99
Foreign exchange gains /losses	38	100	10	-14	-83	-	51	121
Net investment income/loss – non participating	1 380	1 305	207	1 256	262	-335	4 075	3 708
Net realised investment gains/losses – non participating	-16	347	16	66	-348	-	65	1 727

- Increase in investment related net investment income, in part driven by the impact of rising yields as well as additional income from alternative investments
- Decrease in investment related net realised gains reflects market value losses across equities and alternative investments; FY 2017 driven by significant realised gains from sales of equity securities
- Increase in insurance related net investment income driven by additional income from the L&G transaction in Life Capital

Overall investment portfolio

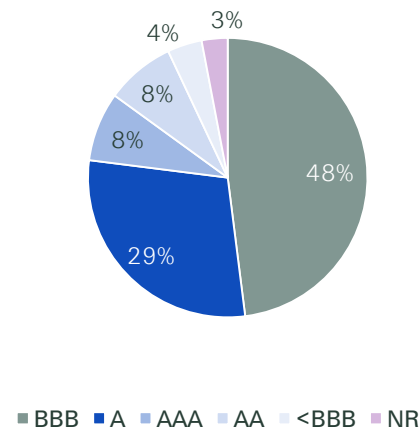
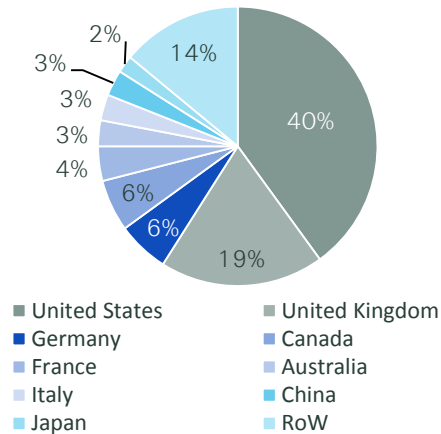
USD bn	End FY 2018
Balance sheet values	153.3
Unit-linked investments	-25.9
With-profit business	-4.8
Assets for own account (on balance sheet only)	122.6



USD bn	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Consolidation	End FY 2018	End FY 2017
Cash and cash equivalents	1.7	1.7	0.8	0.4	0.2	-	4.8	4.9
Short-term investments	2.5	1.2	0.5	1.2	-	-	5.4	4.8
Government bonds	25.8	13.1	5.5	6.5	-	-	50.9	54.7
Credit bonds	10.2	16.1	2.7	16.1	-	-	45.1	47.1
Equities ¹	3.2	0.7	0.2	0.1	2.1	-	6.3	7.1
Mortgages and other loans	7.5	1.8	-	1.8	4.3	(10.9)	4.5	4.0
Other investments (incl. policy loans)	4.4	1.3	0.1	0.8	0.4	(1.4)	5.6	9.1
Total	55.3	35.9	9.8	26.9	7.0	(12.3)	122.6	131.7

Fixed income securities

USD m	Government bonds	Credit bonds
End FY 2017	54 658	47 128
End FY 2018	50 876	45 076



- Decrease in government bonds driven by foreign exchange impacts as well as net sales and market value losses stemming from rising interest rates across the US and UK
- Credit bonds include corporate bonds (USD 40.8bn) and securitised products (USD 4.3bn)
- Decrease in credit bonds driven by foreign exchange impacts as well as market value losses stemming from rising interest rates and wider credit spreads, partially offset by net purchases

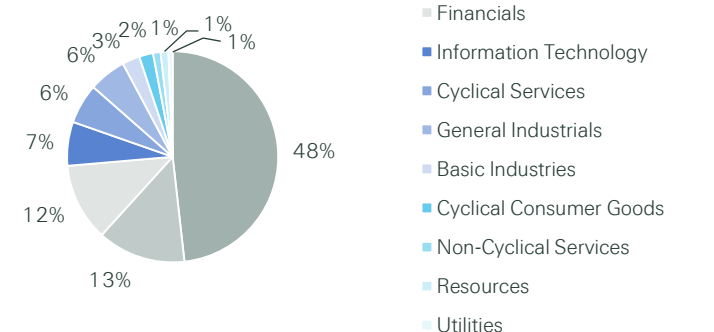
Equities and alternative investments

USD m	End FY 2017	End FY 2018
Equity securities	3 326	2 695
Private equity	1 382	1 463
Hedge funds	359	327
Real estate	4 091	4 430
Principal Investments	2 422	2 109
<i>Equity securities</i>	539	341
<i>Private equity</i>	1 883	1 768
Total market value	11 580	11 024

- Decrease in equity securities mainly driven by net sales and market value losses
- Increase in real estate driven by net purchases and market value gains
- Decrease in Principal Investments reflects market value losses, mainly driven by New China Life

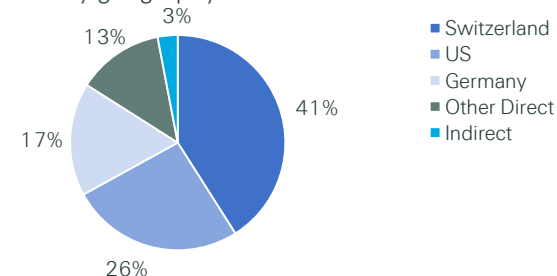
Equity securities

by sector



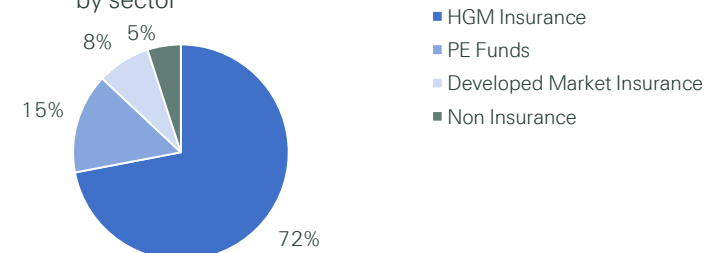
Real estate

by geography



Principal Investments

by sector



Estimated impact of change in US GAAP accounting guidance on reported earnings

USD m	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Total FY 2018
Market value of equities & alternative investments (AI) affected by the accounting guidance change	2 416	677	188	69	550	3 900
CURRENT RULES: Net realised gains / losses on equities & AI – excl. fx	-191	-64	1	6	-264	-512
OLD RULES: Estimated net realised gains / losses on equities & AI – excl. fx	11	15	18	-	9	53
CURRENT RULES: Foreign exchange gains / losses on equities & AI	-6	-5	-2	2	-2	-13
OLD RULES: Estimated foreign exchange gains / losses on equities & AI	16	2	4	-	-1	21
Total estimated impact on net realised gains / losses – non participating	-224	-86	-23	8	-274	-599

- Table reflects the estimated impact for FY 2018 associated with the change in US GAAP accounting guidance – which took effect at the start of 2018 – and which requires the change in fair value for all equity securities and certain alternative investments to be recorded in earnings
 - Change in guidance significantly increases the volatility of reported earnings
- Broad-based equity markets declined during FY 2018 alongside the Group’s remaining position in New China Life (included in Group items) which significantly declined in value
 - Estimated impact for 2018 reflects a large negative impact across both the Business Units and Group items
- Estimated impact on the Return on investments calculation for FY 2018 was -0.5%pts

Swiss Re proposes attractive capital management actions

Proposed capital management actions

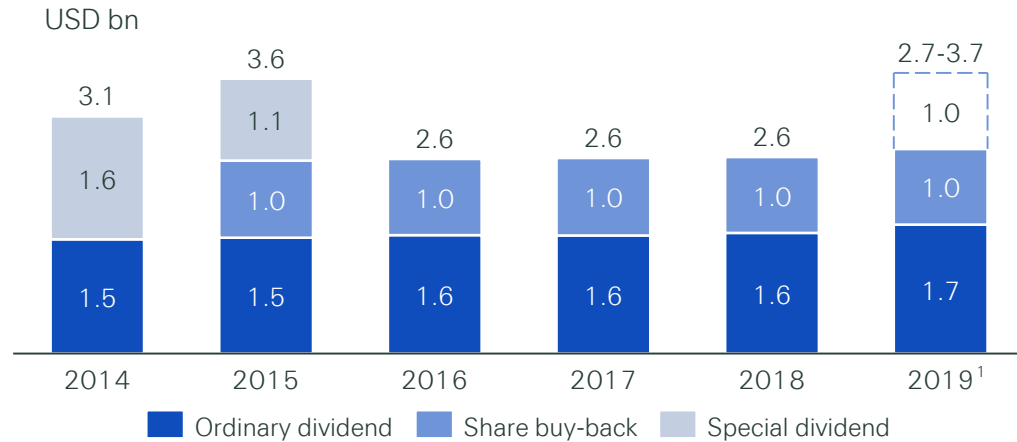
- The Board of Directors (“Board”) will propose to the AGM 2019:
 - Cancellation of shares repurchased through the 2018 share buy-back programme
 - Increase of the regular dividend by 12% to CHF 5.60 per share
 - Authorisation of new public share buy-back programme to be executed prior to the 2020 AGM in accordance with Swiss Re’s capital management priorities and subject to obtaining all necessary legal and regulatory approvals
 - first tranche of up to CHF 1.0 billion to commence at the discretion of the Board shortly after the 2019 AGM pre-approval
 - second tranche of up to CHF 1.0 billion conditional on the 2019 development of the Group’s excess capital position, for example a significant increase as a result of the successful reduction of Swiss Re’s holding in ReAssure to below 50%
 - Renewal of existing authorised capital (up to 85 million shares with a sublimit of 33 million shares where Board may limit or withdraw subscription rights of existing shareholders); new proposed expiry date 17 April 2021
 - No changes in conditional capital for equity-linked financing instruments of up to 50 million shares
 - Limitation of the number of shares that can be issued, prior to the 2021 AGM, from authorised and conditional capital where existing shareholders' subscription rights are excluded to 33 million

Swiss Re’s capital management priorities remain unchanged

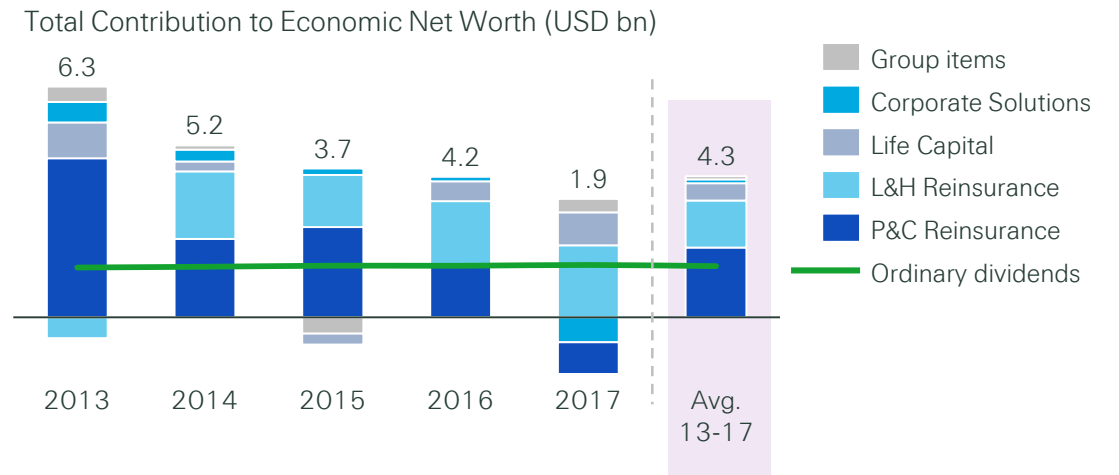
- Ensure superior capitalisation at all times and maximise financial flexibility
- Grow the regular dividend with long-term earnings, and at a minimum maintain it
- Deploy capital for business growth where it meets our strategy and profitability requirements
- Repatriate further excess capital to shareholders

Capital actions supported by strong track record and confident outlook

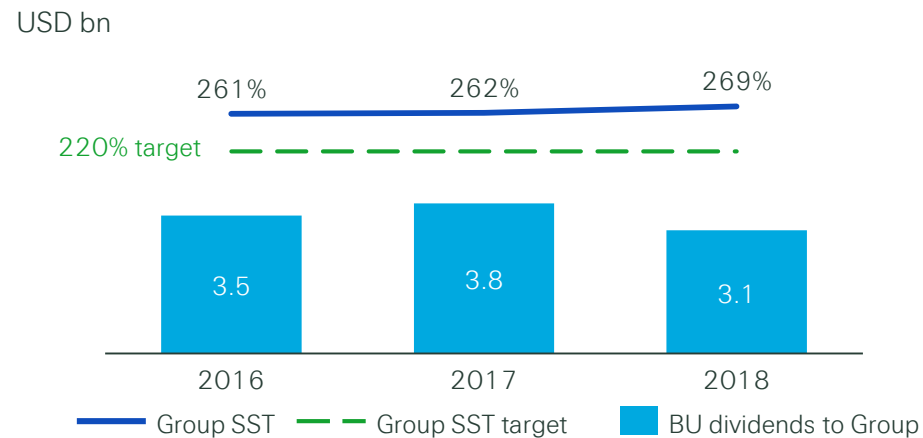
Peer-leading track record on capital repatriation



Contribution to ENW is driving Group SST capital generation



Group SST capital position significantly above target



- Group paid out USD 14.5bn to shareholders in the last 5 years, representing ~70% of Total Contribution to ENW (i.e. economic earnings) over the corresponding period
- L&H Re structurally a strong contributor to economic earnings with continued attractive growth
- P&C Re renewals, with improved volume and price quality, expected to increase economic earnings power

Sensitivities

(USD bn, pre-tax)

Change in market values

(Equities and Alternative Investments, excl. Real Estate)

	-25%	-10%	+25%
Estimated impact on shareholders' equity	-1.7	-0.7	+1.7
Estimated impact on economic net worth (EVM)	-2.0	-0.8	+2.0
Estimated impact on income/loss before income tax expense	-1.5	-0.6	+1.5

Change in interest rates

	-50bps	-25bps	+50bps	+100bps
Estimated impact on shareholders' equity	+3.4	+1.6	-3.1	-6.0
Estimated impact on economic net worth (EVM)	-0.1	-0.1	+0.1	+0.1

Change in credit spreads

	-50bps	+50bps	+100bps
Estimated impact on shareholders' equity	+2.0	-1.9	-3.7
Estimated impact on economic net worth (EVM)	+2.0	-1.9	-3.7

All sensitivities are assumed to take effect on 31 December 2018. No management actions are included in this analysis. Figures are estimated as mutually exclusive events and reflect the estimated impact on the Group. All figures are net of hedging impacts.

Premiums by country

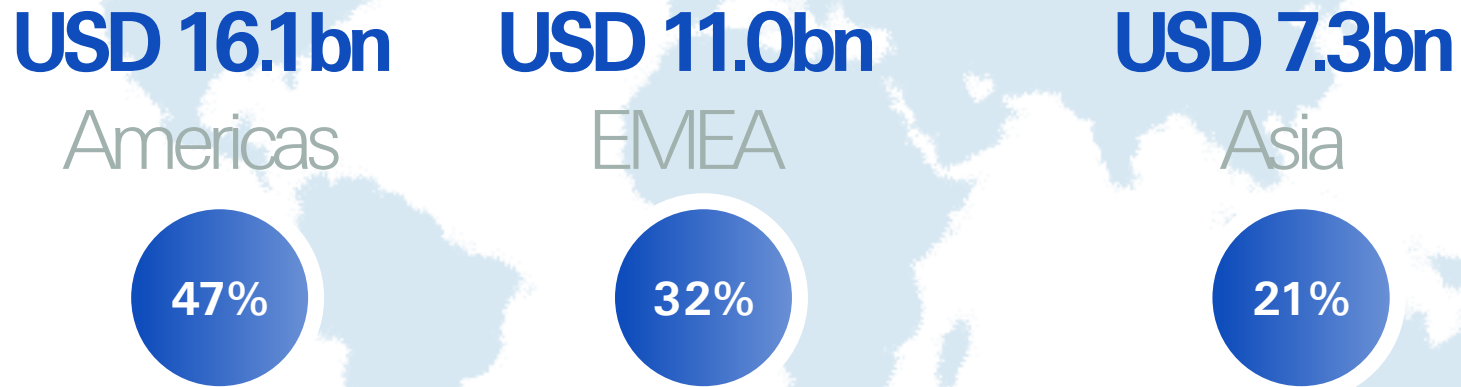
2018 Gross premiums written and fees assessed against policyholders by country¹ (USD m)

	Life & Health	Non-Life	Total FY 2018	Total FY 2017
United States	5 943	8 924	14 867	14 751
United Kingdom	2 511	1 093	3 604	3 389
Australia	1 363	726	2 089	2 146
China	265	1 468	1 733	1 532
Japan	835	593	1 428	1 118
Germany	185	1 049	1 234	1 256
Canada	831	402	1 233	1 172
Ireland	1 039	51	1 090	1 017
Switzerland	234	625	859	935
Netherlands	684	170	854	511
France	163	676	839	778
Republic of Korea	188	364	552	556
India	101	335	436	328
Israel	179	227	406	395
Bermuda	23	375	398	466
Spain	115	279	394	504
Italy	99	241	340	349
Hong Kong	283	38	321	254
Brazil	3	300	303	301
Other	1 085	2 928	4 013	3 604
Total	16 129	20 864	36 993	35 362



Swiss Re is broadly diversified

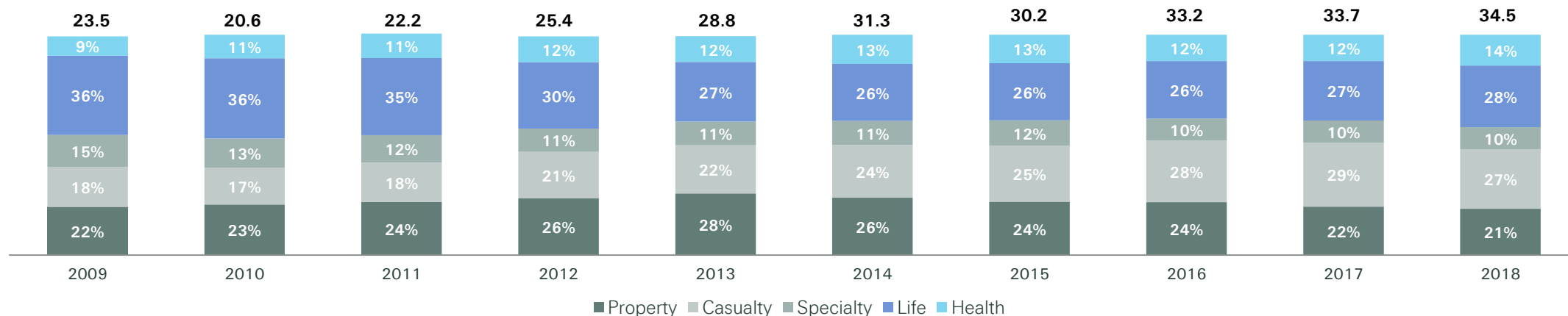
Swiss Re Group net premiums earned¹ 2018: USD 34.5bn



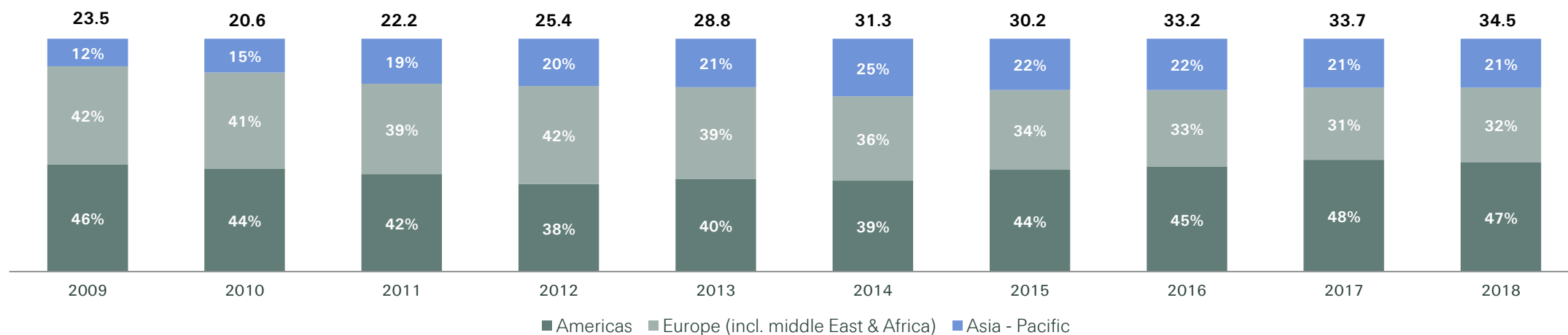
of which				
HGMs:	~3%	~3%	~10%	≈16%
HGMs incl. PI ² :	~5%	~3%	~14%	≈22%

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)



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 and acts of war;
- mortality, morbidity and longevity experience;
- the cyclical nature of the insurance and reinsurance sectors;
- instability affecting the global financial system;
- deterioration in global economic conditions;
- the effect of market conditions, including the global equity and credit markets, and the level and volatility of equity prices, interest rates, credit spreads, currency values and other market indices, on the Group’s investment assets;
- changes in the Group’s investment result as a result of changes in the Group’s investment policy or the changed composition of the Group’s investment assets, and the impact of the timing of any such changes relative to changes in market conditions;
- 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;
- any inability to realize amounts on sales of securities on the Group’s balance sheet equivalent to their values recorded for accounting purposes;
- changes in legislation and regulation, and the interpretations thereof by regulators and courts, affecting us or the Group’s ceding companies, including as a result of shifts away from multilateral approaches to regulation of global operations;
- the outcome of tax audits, the ability to realize tax loss carryforwards, 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 business models;
- failure of the Group’s hedging arrangements to be effective;
- the lowering or loss of one of the financial strength or other ratings of one or more Swiss Re companies, and developments adversely affecting the Group’s ability to achieve improved ratings;
- uncertainties in estimating reserves;
- 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;
- extraordinary events affecting the Group’s clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- legal actions or regulatory investigations or actions, including those in respect of industry requirements or business conduct rules of general applicability;
- changes in accounting standards;
- significant investments, acquisitions or dispositions, and any delays, unexpected costs, lower-than expected benefits, or other issues experienced in connection with any such transactions;
- changing levels of competition, including from new entrants into the market; and
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks and the ability to manage cybersecurity 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.

Corporate calendar & contacts

Corporate calendar

2019

14 March	Publication of Annual Report 2018	Conference call
17 April	155th Annual General Meeting	Zurich
3 May	Q1 2019 Key Financial Data	Conference call
23 May	Management Dialogues	London
31 July	H1 2019 Results	Conference call
31 October	9M 2019 Key Financial Data	Conference call
25 November	Investors' Day 2019	Zurich

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