

Extracts from Swiss Re's 2018 Annual Report

- Economic performance and solvency
- Loss ratio development triangles

Swiss Re investor and analyst presentation
Zurich, 14 March 2019

Economic performance and solvency

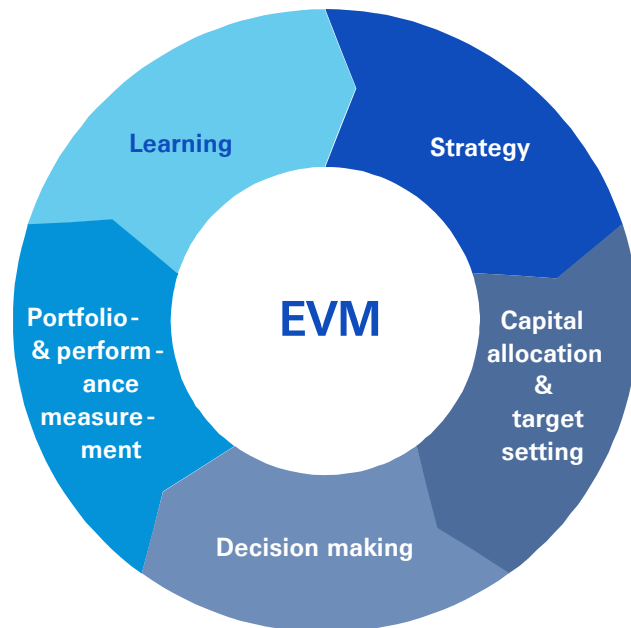
▶ **Strong economic earnings track record**

▶ Economic performance 2018

▶ Economic solvency and capital generation

EVM enables Swiss Re to deliver sustainable, long-term value creation

Economic value management (EVM) is the core of our steering framework



EVM key objectives

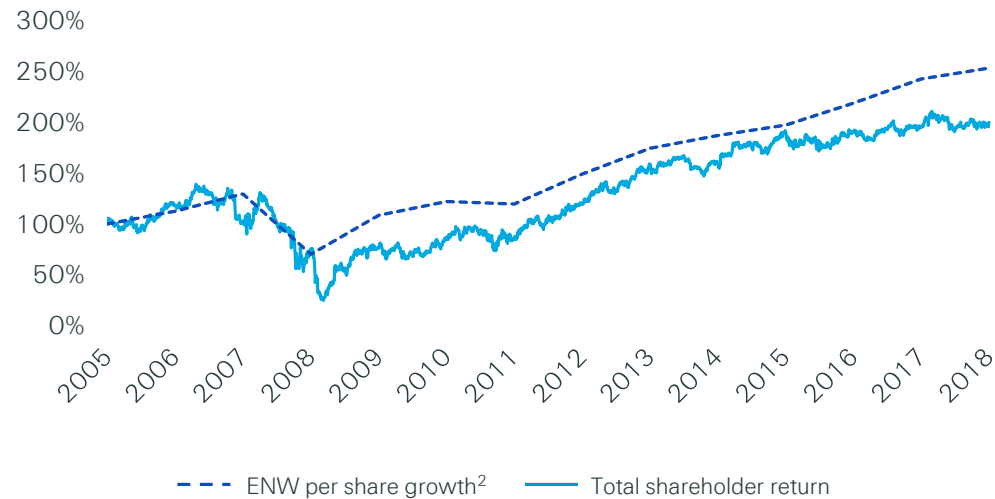
- Measure economic value generated from underwriting activities on a stand-alone basis
- Measure economic value generated from investment activities after risk adjustment
- Assess different underwriting and investment opportunities on a consistent basis

- ✓ Supports portfolio steering
- ✓ Allows consistent measurement of economic performance
- ✓ Forms basis for capital actions

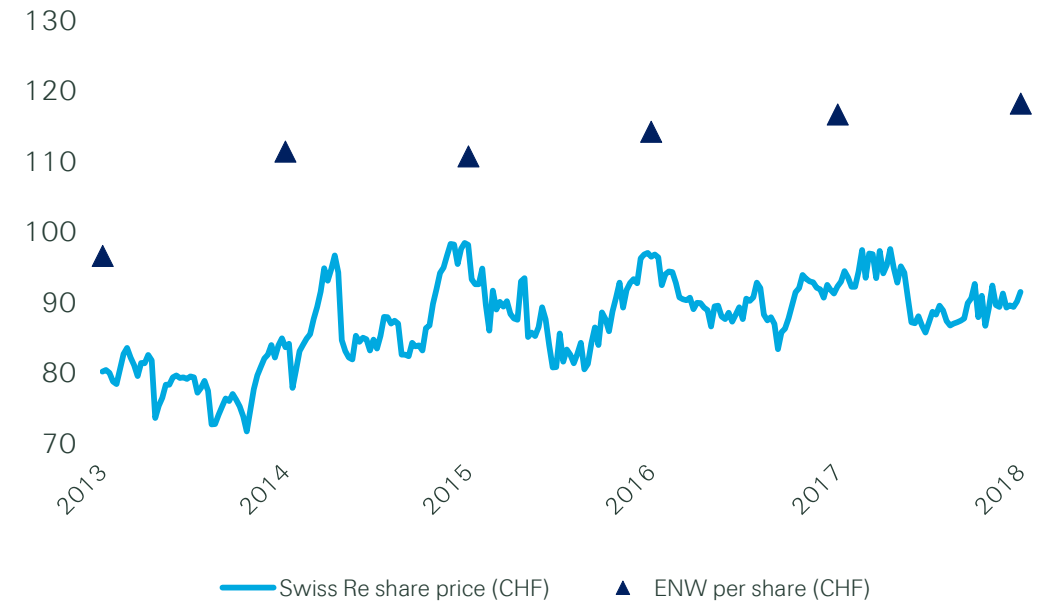
▶ EVM is Swiss Re's integrated economic framework for steering our business, including planning, pricing and reserving

Swiss Re's total shareholder return is best tracked by economic net worth (ENW) developments

ENW per share growth vs. total shareholder return¹



ENW per share vs. share price development

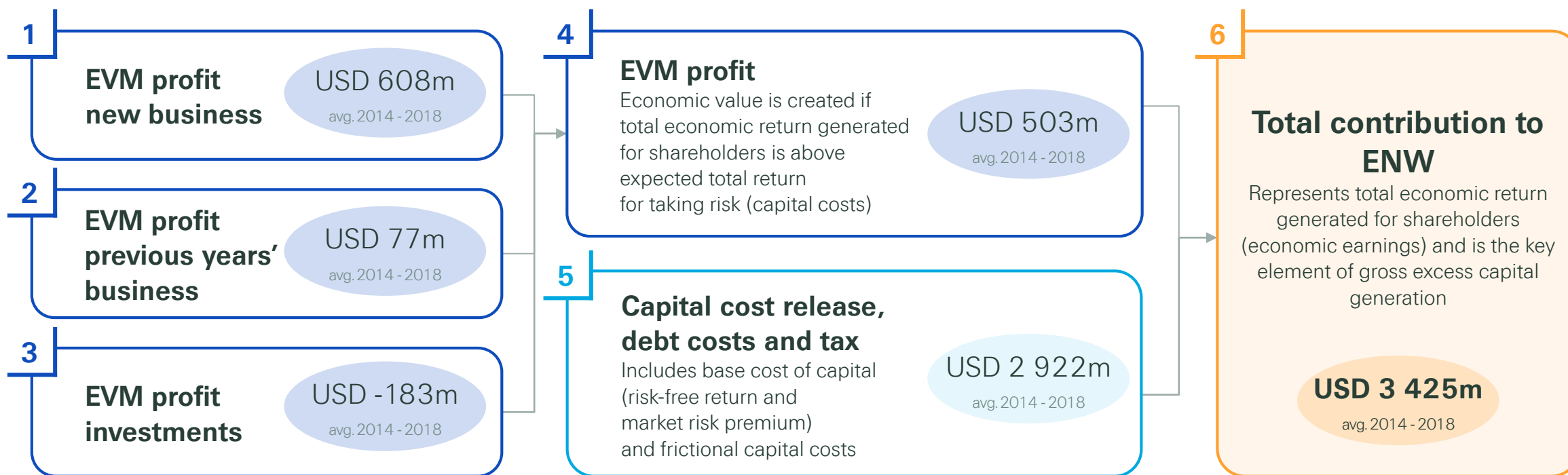


► EVM results represent the market relevant information aligned with total return to shareholders

¹ Reflects share price development and dividends paid in USD; shown on a cumulative basis and indexed from 1 December 2005

² Calculated as: (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); shown on a cumulative basis and indexed from 1 December 2005

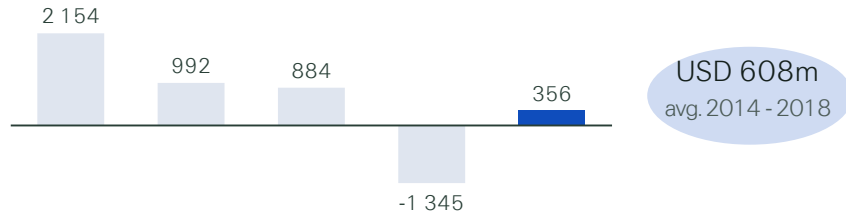
Swiss Re's strong economic earnings track record 2014-2018



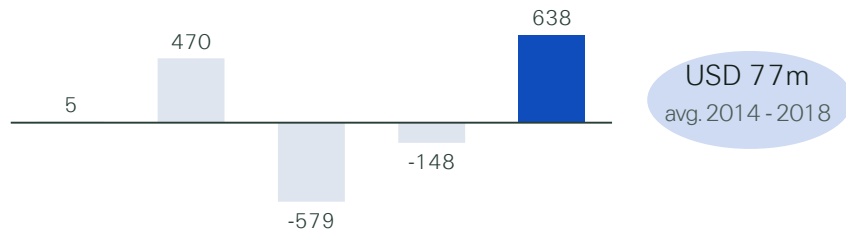
▶ Total contribution to ENW forms the basis for Swiss Re's attractive capital management actions

EVM new business profit is a strong contributor to economic performance

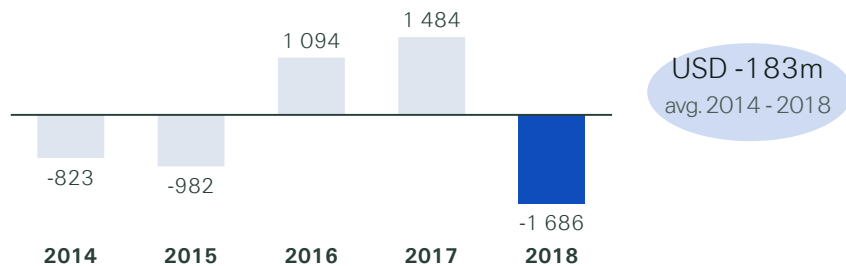
1 EVM profit – new business (USD m)



2 EVM profit – previous years' business (USD m)



3 EVM profit – investments (USD m)



2018 highlights

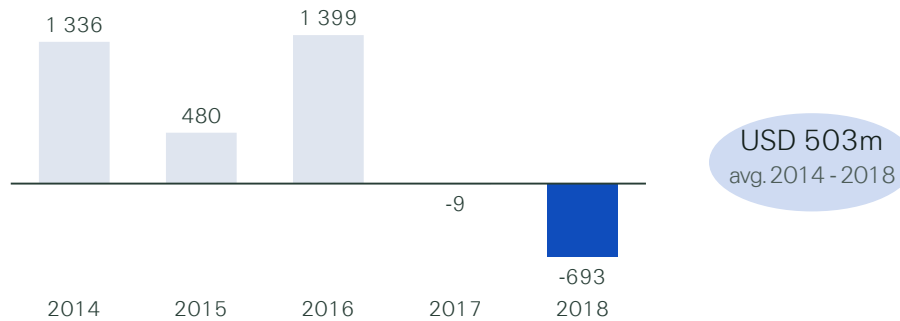
- Continued strong contribution from L&H Reinsurance driven by large transactions
- Underperformance in P&C Reinsurance and Corporate Solutions due to large nat cat and man-made losses

- Positive P&C Reinsurance (favourable experience and lower capital costs) and Life Capital results
- L&H Reinsurance positive result driven by lower funding cost charges as well as lower capital cost allocation
- Corporate Solutions negative result driven by large man-made losses

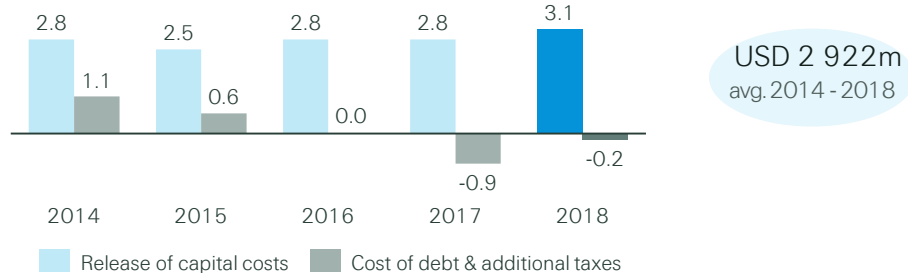
- Significant EVM loss driven by spread widening on credit investments (USD 1 bn)
- Additional negative impact from equity markets and lower interest rates

Strong long-term economic earnings are the basis for our capital generation and dividend capacity

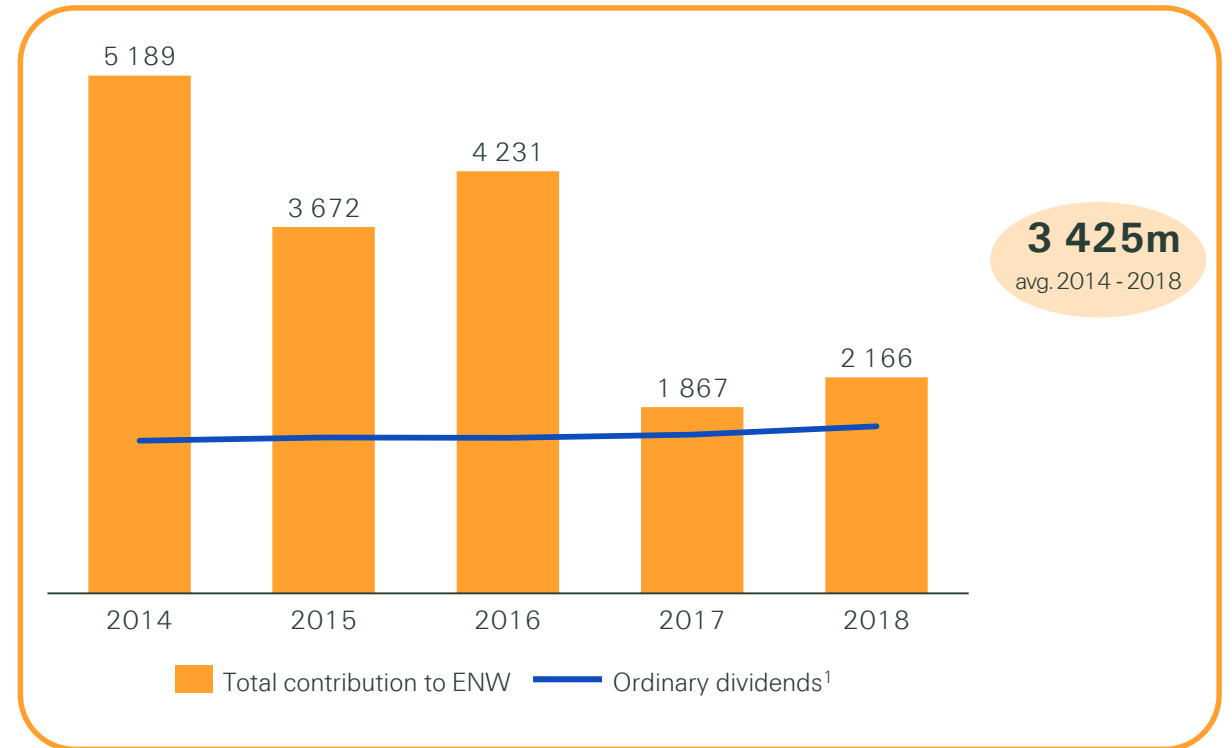
4 EVM profit (USD m)



5 Capital cost release, debt costs and tax (USD bn)



6 Total contribution to ENW (USD m)

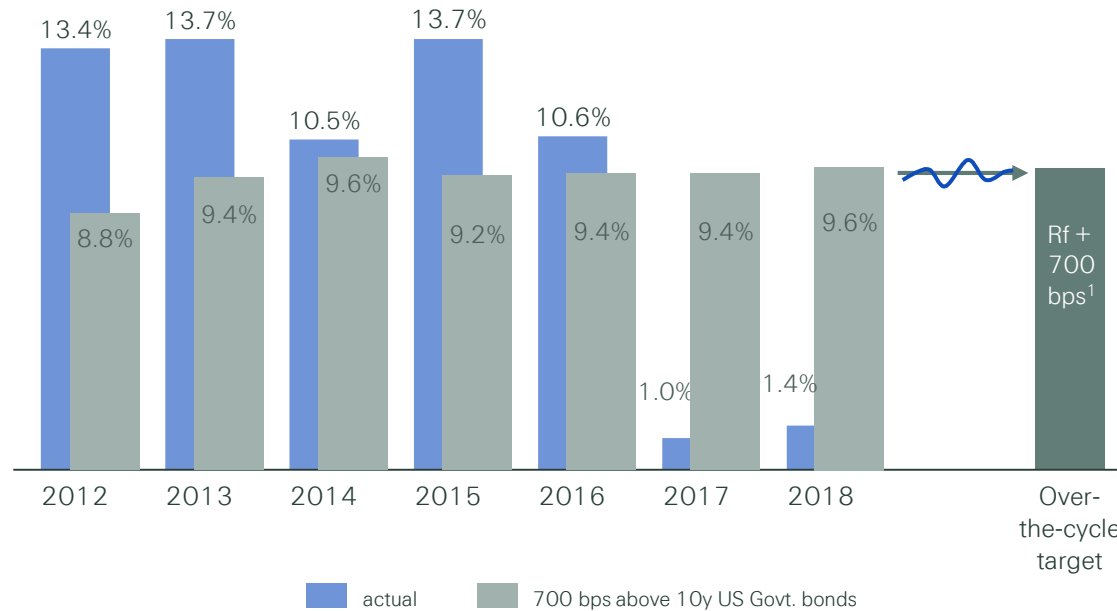


▶ Average total contribution to ENW (economic earnings) of USD 3.4bn supports resilient capital generation

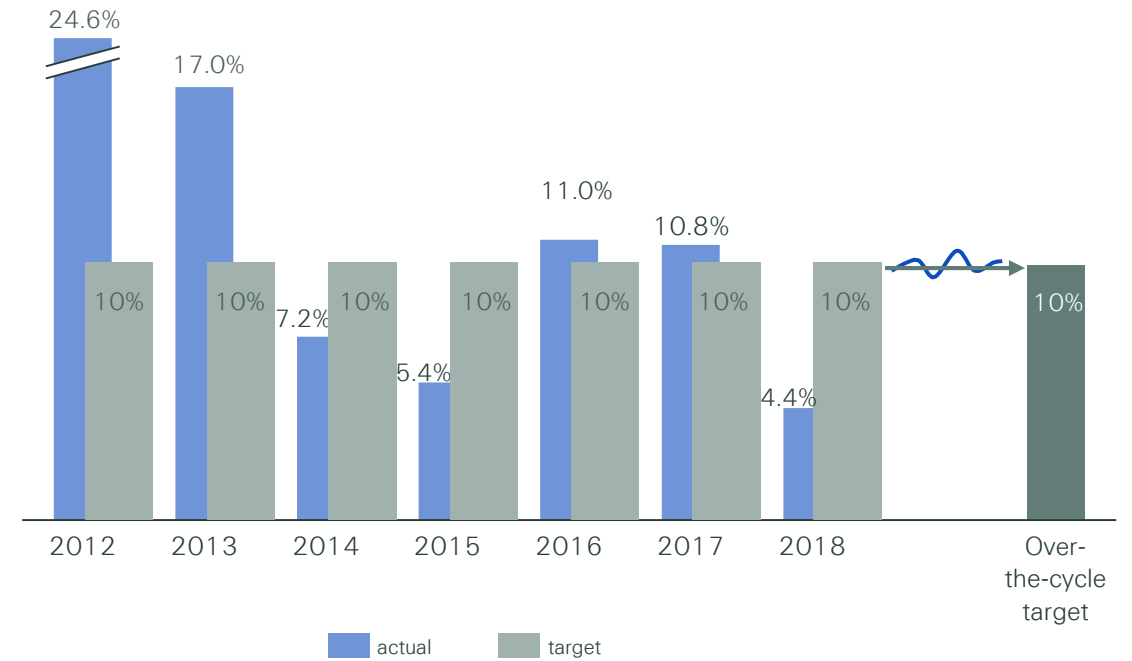
We continue to focus on our over-the-cycle Group financial targets

Group targets over-the-cycle

Group return on equity



Group ENW per share growth²



¹ 700 bps above 10y US Govt. bonds. Management to monitor a basket of rates reflecting Swiss Re's business mix

² The 10% ENW per share growth target is calculated as: (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)

Economic performance and solvency

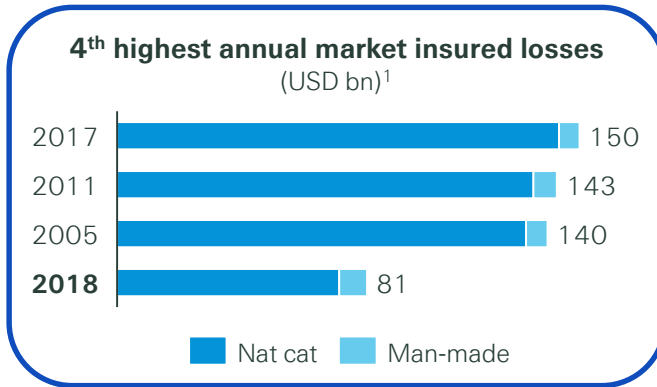
- ▶ Strong economic earnings track record

- ▶ **Economic performance 2018**

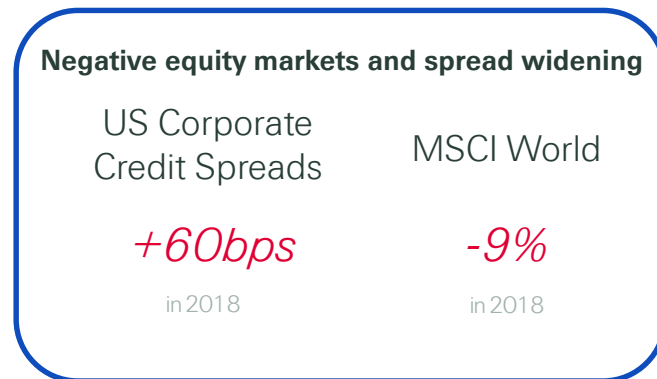
- ▶ Economic solvency and capital generation

2018 EVM results impacted by large losses, credit spread widening and negative equity market performance

Impact on Swiss Re's 2018 Total contribution to ENW:



USD ~500m loss on new business²
driven by nat cat and man-made losses



USD 1.7bn EVM loss in investment activities

driven by credit spread widening and negative equity performance

USD 2.2bn

Total contribution to ENW (economic earnings), including impact of

USD 0.7bn

EVM loss



Key EVM figures

USD m, unless otherwise stated

	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Total FY 2018	Total FY 2017
• EVM profit – new business	-430	980	-81	66	-179	356	-1 345
• EVM profit – previous years' business	698	168	-530	374	-72	638	-148
• EVM profit – investments	-68	-625	-63	-533	-398	-1 686	1 484
• EVM profit	199	523	-673	-93	-649	-693	-9
• Release of current year capital costs	908	1 060	200	398	493	3 059	2 792
• Cost of debt and additional taxes	242	-313		-40	-89	-200	-916
• Total contribution to ENW	1 350	1 271	-474	265	-245	2 166	1 867
• ENW	12 913	12 377	2 454	3 270	4 979	35 993	37 667
• ENW per share (USD)						119.96	119.74
• ENW per share (CHF)						118.20	116.67
• ENW per share growth						4.4%	10.8%

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

EVM premiums

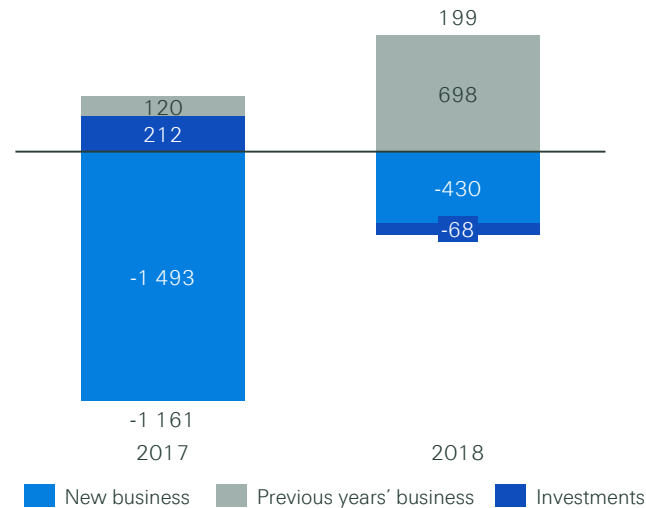
USD 18.6bn

In 2018

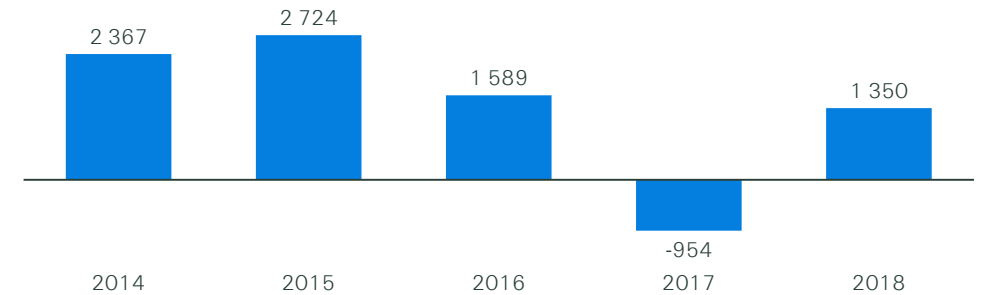
USD 17.5bn

In 2017

EVM profit split (USD m)



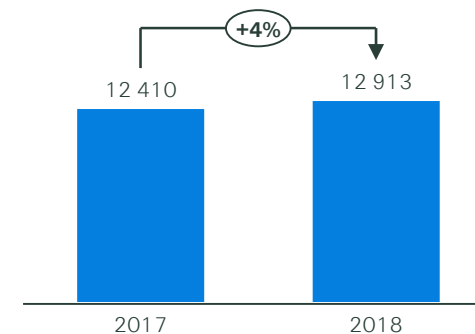
Total contribution to ENW (USD m)



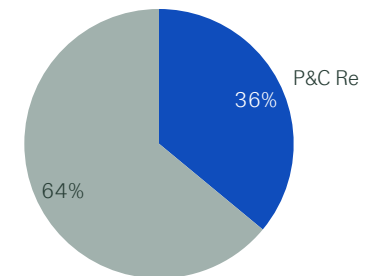
- Total contribution to ENW supported by EVM profit and release of capital costs
- ENW increased due to the total contribution to ENW, partly offset by the dividend payout

- Higher premiums driven by transactions in Asia
- New business loss impacted by several large losses in both periods
- Previous years' business profit driven by a net favourable development in expected claims payout patterns and ultimate claims estimates as well as lower capital costs
- Investment loss due to credit spread widening and losses on equities, partly offset by positive performance from alternative investments

ENW (USD m)



Split of 2018 ENW



L&H Reinsurance shows continued strong contribution to ENW

EVM premiums

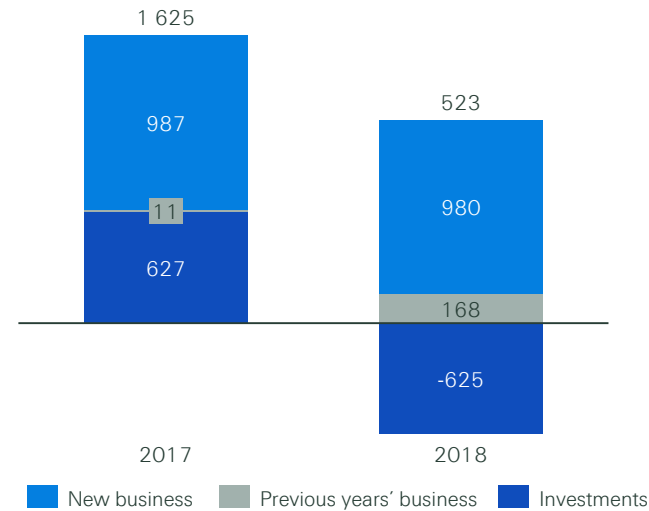
USD 20.3bn

In 2018

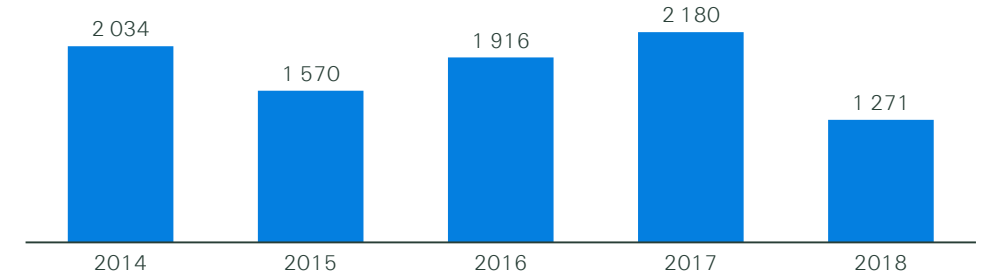
USD 19.0bn

In 2017

EVM profit split (USD m)

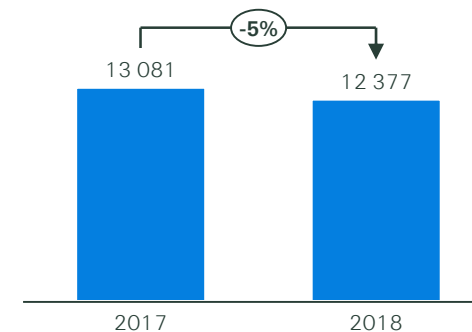


Total contribution to ENW (USD m)

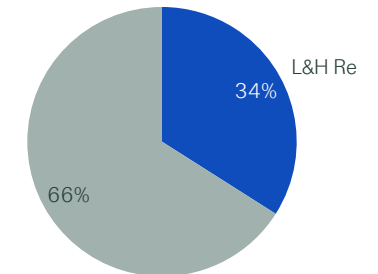


- Total contribution to ENW decreased mainly due to investment loss impacting 2018
- ENW decrease mainly driven by the dividend payout and revised allocation of EVM deferred tax

ENW (USD m)



Split of 2018 ENW



- Premiums growth driven by large transactions in Asia
- New business profit due to strong contribution from transactions in Asia and improved core business profitability in the US
- Previous years' business profit included positive impact of changes in the capital cost parameters, partly offset by adverse experience in the US and several valuation and assumption updates across markets
- Investment loss due to impact of rising interest rates on a net long duration position as well as credit spread widening

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

EVM premiums

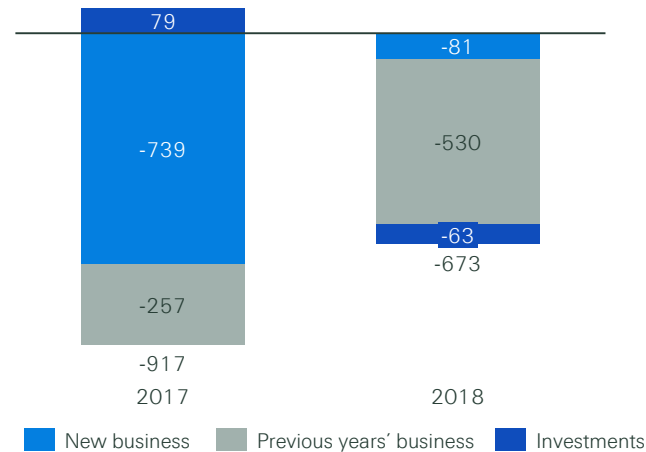
USD 4.0bn

In 2018

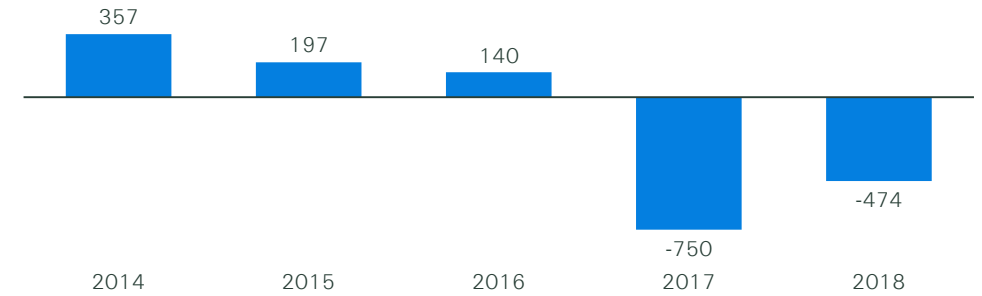
USD 3.7bn

In 2017

EVM profit split (USD m)



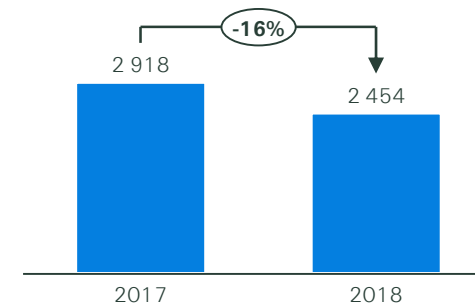
Total contribution to ENW (USD m)



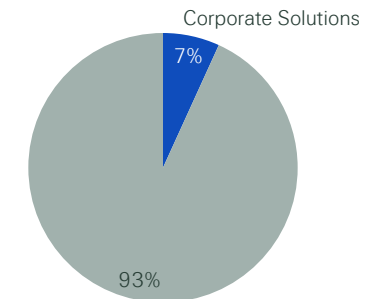
- Total contribution to ENW impacted by large man-made and nat cat losses
- ENW decreased primarily due to the negative total contribution

- Premiums increase driven by growth in Primary Lead
- Reduced new business loss driven by significantly lower nat cat losses, partly offset by higher large man-made losses
- Previous years' business loss significantly impacted by an increase in severity and frequency of large man-made losses
- Investment loss driven by spread widening and reduced equity performance

ENW (USD m)



Split of 2018 ENW



Life Capital impacted by investment underperformance

EVM premiums

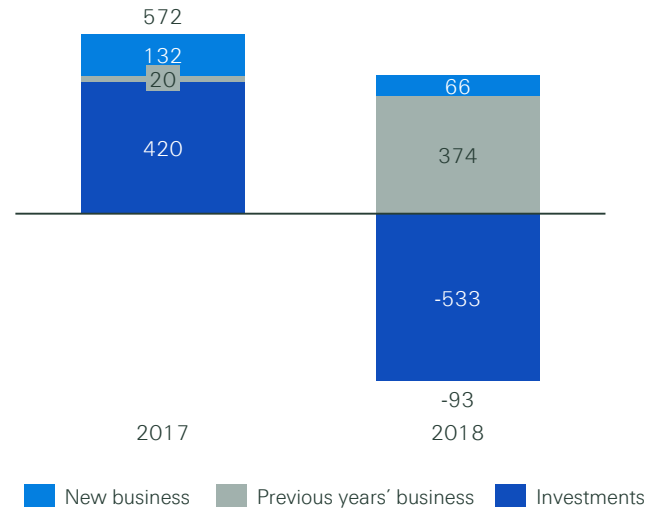
USD 1.0bn

In 2018

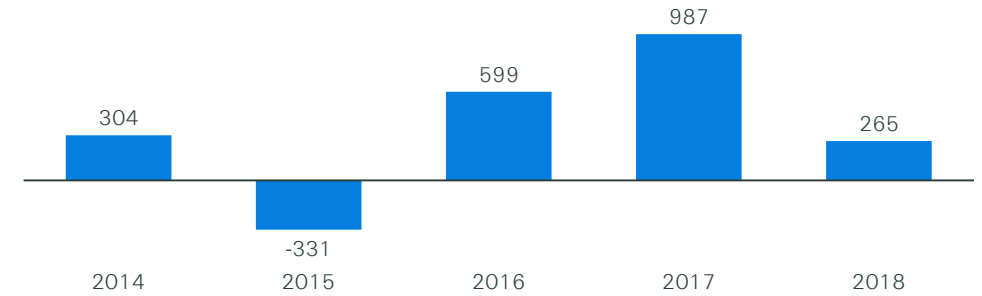
USD 642m

In 2017

EVM profit split (USD m)

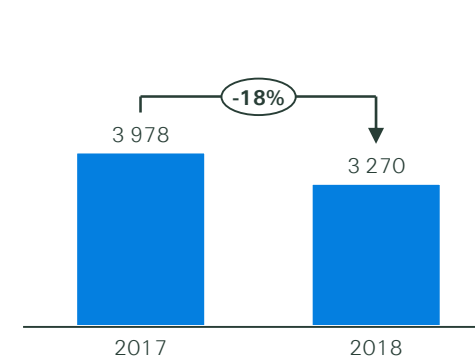


Total contribution to ENW (USD m)

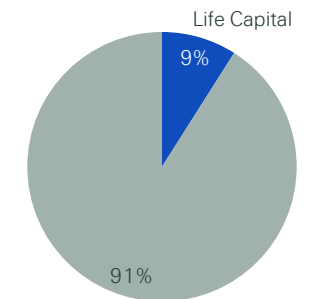


- Total contribution to ENW impacted by adverse investment result
- ENW decreased reflecting dividend paid to Group partially offset by contribution to ENW

ENW (USD m)



Split of 2018 ENW



- Significant premium increase driven by growth in the open book businesses
- New business profit driven by favourable underwriting result
- Previous years' business profit mainly driven by positive experience on transactions and updated capital cost assumptions in the ReAssure business
- Investment loss mainly driven by credit spread widening

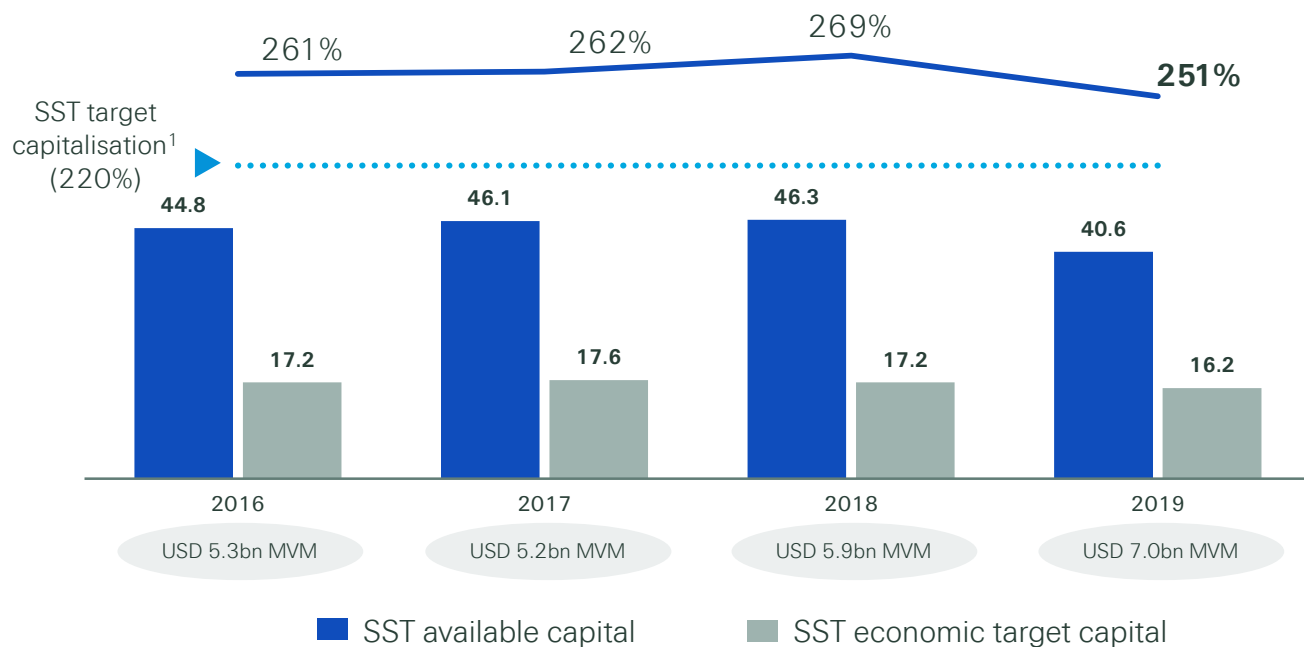
Economic performance and solvency

- ▶ Strong economic earnings track record
- ▶ Economic performance 2018
- ▶ **Economic solvency and capital generation**

Group capital position remains very strong, even after significant large losses and continued peer-leading capital repatriation to shareholders

SST ratio development

USD bn, %



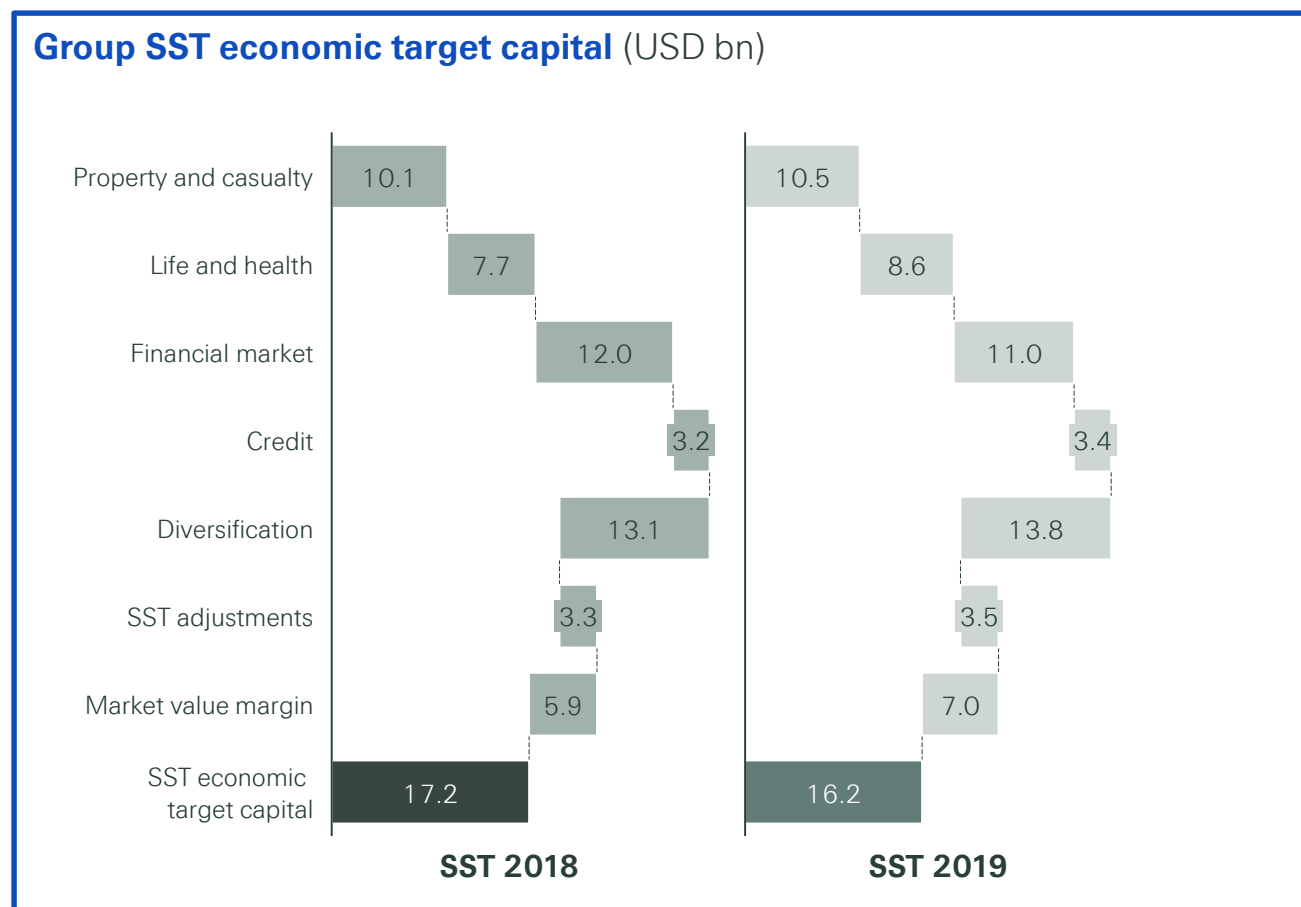
Group SST ratio calculation

$$\frac{\text{SST available capital}}{\text{SST economic target capital}} = \frac{\text{SST risk-bearing capital} - \text{MVM}^2}{\text{SST target capital} - \text{MVM}^2}$$

- Group SST ratio remains very strong and comfortably above the 220% target level
- The SST ratio decreases by 18%pts mainly due to lower risk-bearing capital reflecting capital repatriation, redemption of a subordinated instrument and depressed financial markets at year-end 2018. These effects are partly offset by positive contributions from underwriting activities
- Increase in MVM mainly driven by growth in Asia
- Swiss Reinsurance Company Ltd solo ratio also remains strong at 218% with USD 14.3bn excess capital above the 100% regulatory requirement



Group total risk remained broadly stable in 2018

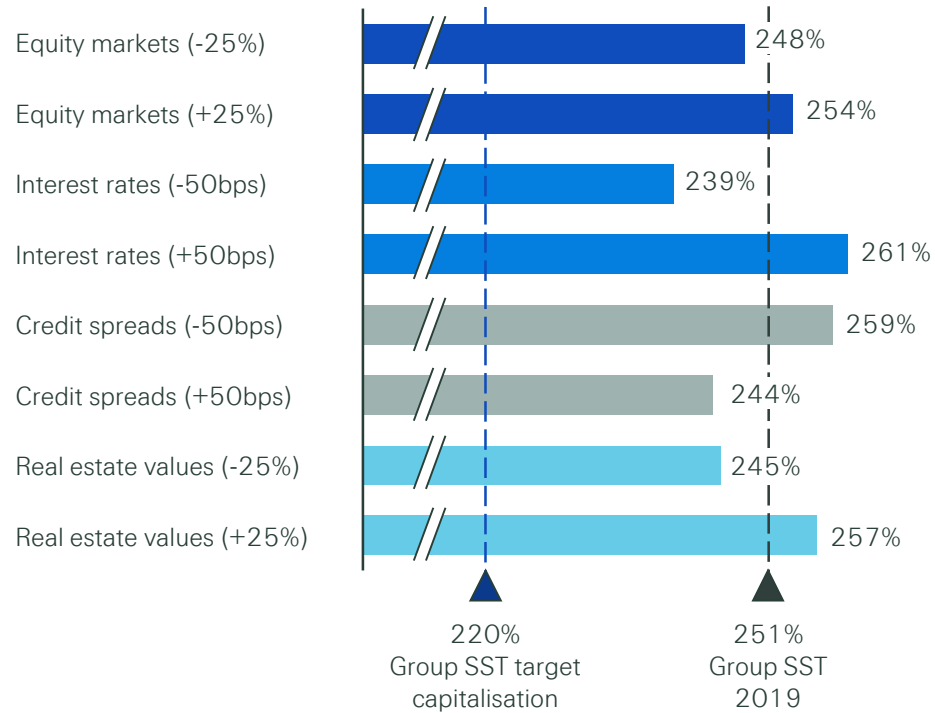


- Increase in property and casualty risk mainly driven by growth in nat cat exposures
- Overall life and health risk increase mainly driven by growth in Asia
- Financial market risk decrease mainly driven by adverse market developments during 2018; increased minority investment of MS&AD into ReAssure further contributed to the reduction
- Credit risk increase due to a slight growth in credit and surety business

Swiss Re's capital strength remains resilient to market moves

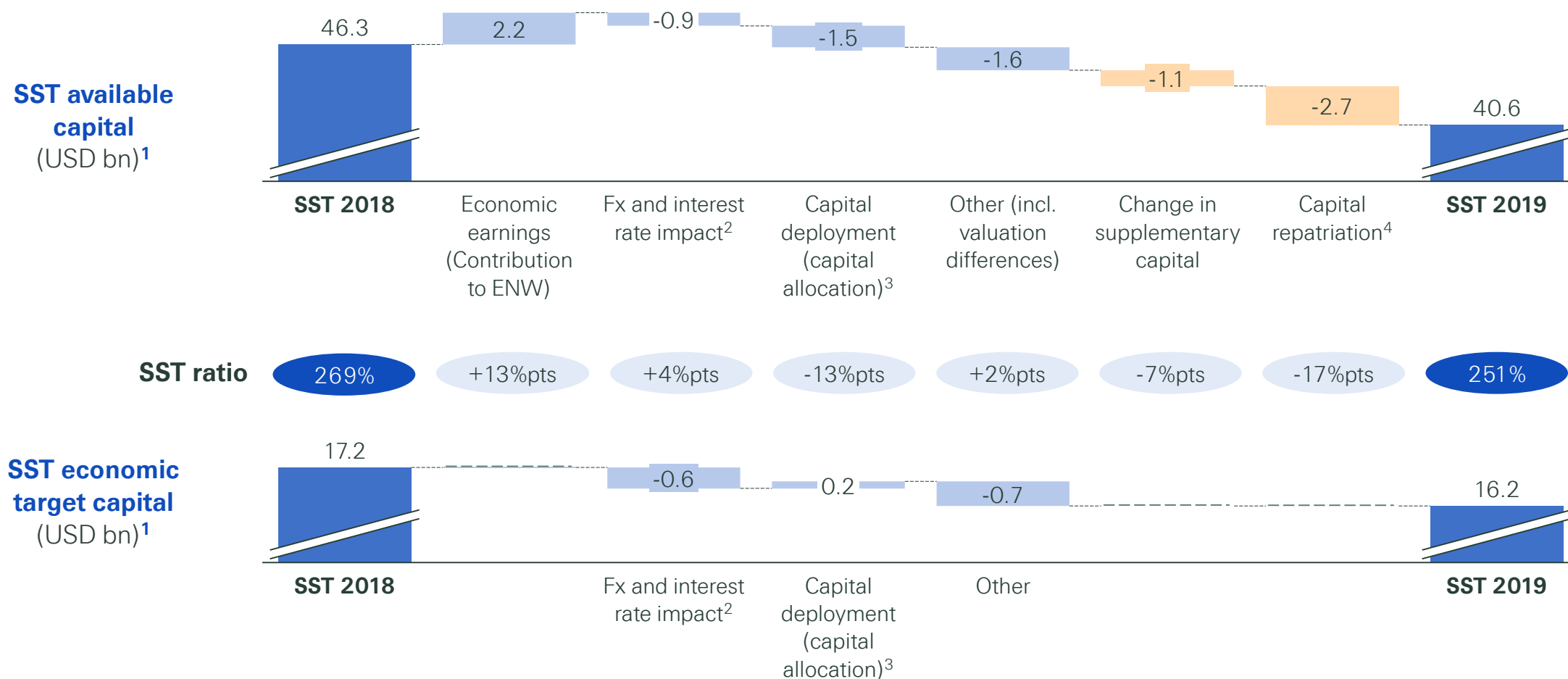
Group SST sensitivities

Resulting estimated Group SST ratio 2019



- Swiss Re uses a central proprietary risk model to measure capital requirements, define risk tolerance, risk limits and assess stress test impacts
- Swiss Re remains strongly capitalised under strict risk limits curtailing the impact of market moves on the Group SST ratio

Group SST capitalisation remains very strong



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

² Foreign exchange impact on SST available capital and interest rate impact on valuation differences between EVM and SST

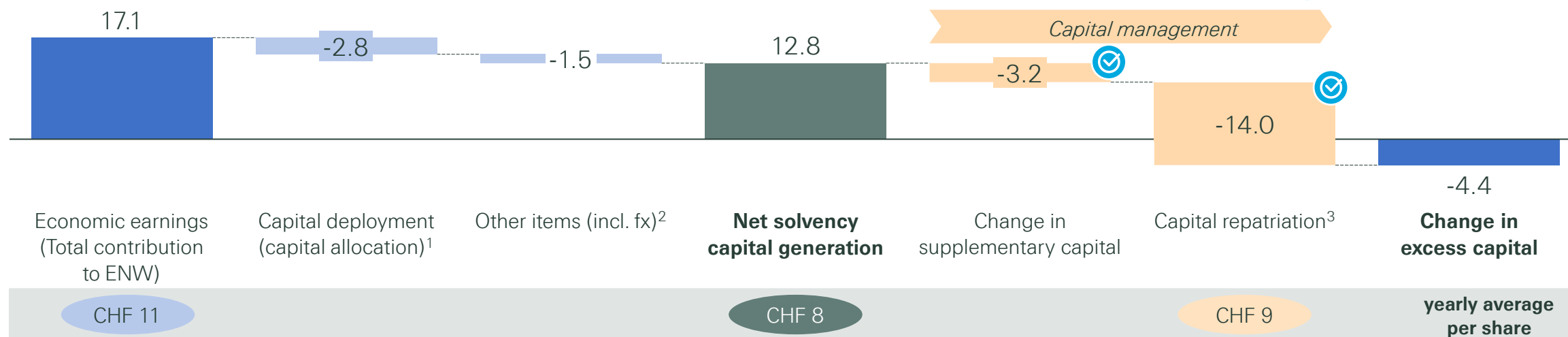
³ SST available capital: change in MVM from business update; SST economic target capital: change in shortfall from business update

⁴ Capital repatriation includes AGM 2019 proposal for regular dividend and new share buy-back programme of up to CHF 1 bn with no commencement pre-conditions, of which a pro-rata share of CHF 0.9bn is used for SST 2019

Strong solvency capital generation over the last five years

Swiss Re's solvency capital generation – five year aggregated view from Group SST 2014 to 2019

More details on following slides



- Solid economic earnings (USD 3.4bn on average) drove Swiss Re's strong solvency capital generation over the last five years (USD 2.6bn net solvency capital generation on average per year or CHF 8 yearly average per share)
- In line with its target capital structure, Swiss Re reduced its traditional funded subordinated debt instruments by USD 3.2bn and at the same time strengthened its financial flexibility through the issuance of USD 2.7bn of pre-funded subordinated debt facilities at Group level (not counting as SST supplementary capital until drawn)
- Over the period, Swiss Re implemented peer-leading capital repatriation of USD 14bn in total or USD 2.8bn per year

¹ Including model changes

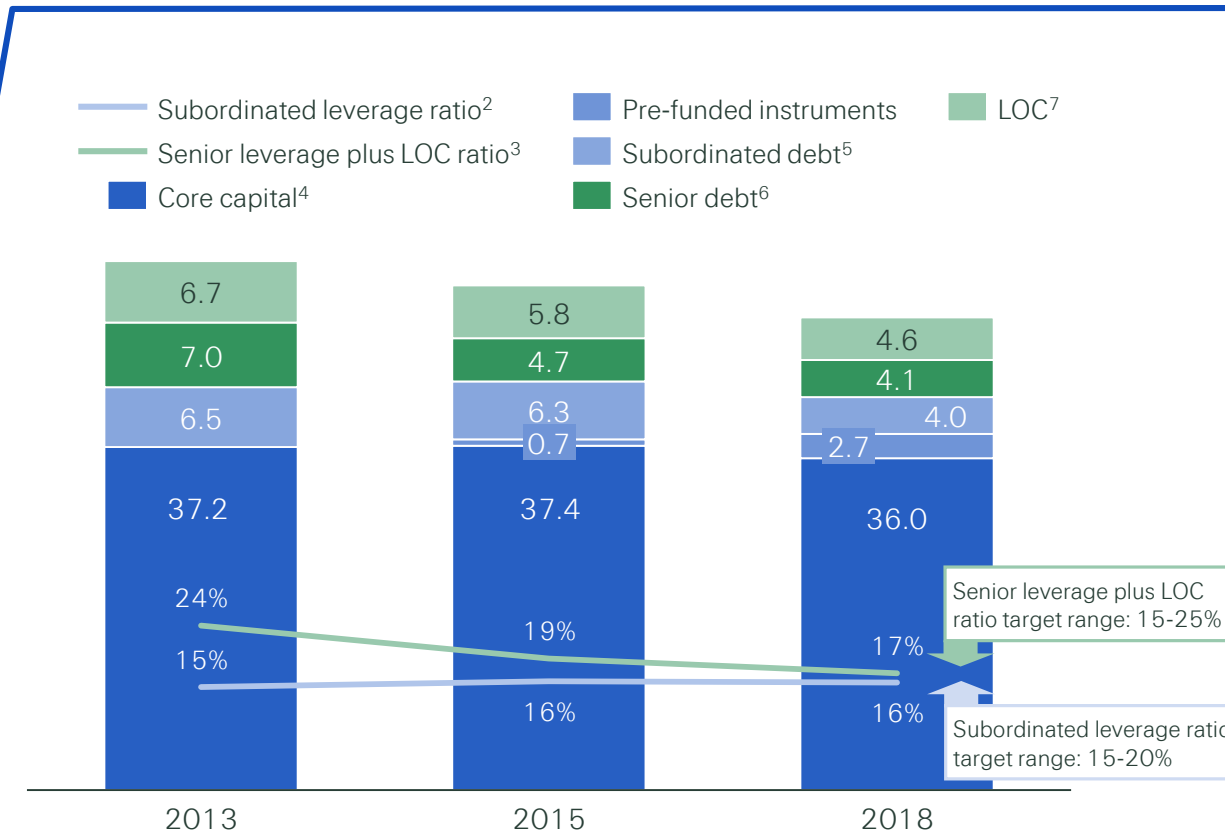
² SST available capital: includes change in other EVM items (including foreign exchange impacts on ENW) and change in SST valuation differences with EVM on a best effort basis; SST economic target capital: includes foreign exchange, interest rate and other impacts on Swiss Re's economic target capital on a best effort basis

³ Includes the sum of paid (2015 – 2018) and proposed 2019 dividends and public share buy-backs (a pro-rata share of the 2019 share buy-back programme with no commencement pre-conditions of CHF 0.9bn is used)

Leverage ratios managed to secure the Group's high financial flexibility

USD bn

3.2
Reduction in supplementary capital¹
Group SST 2014-19



² Subordinated debt and pre-funded instruments divided by sum of subordinated debt and ENW
³ Senior debt plus LOCs divided by total capital
⁴ Core capital of Swiss Re Group is defined as economic net worth (ENW)

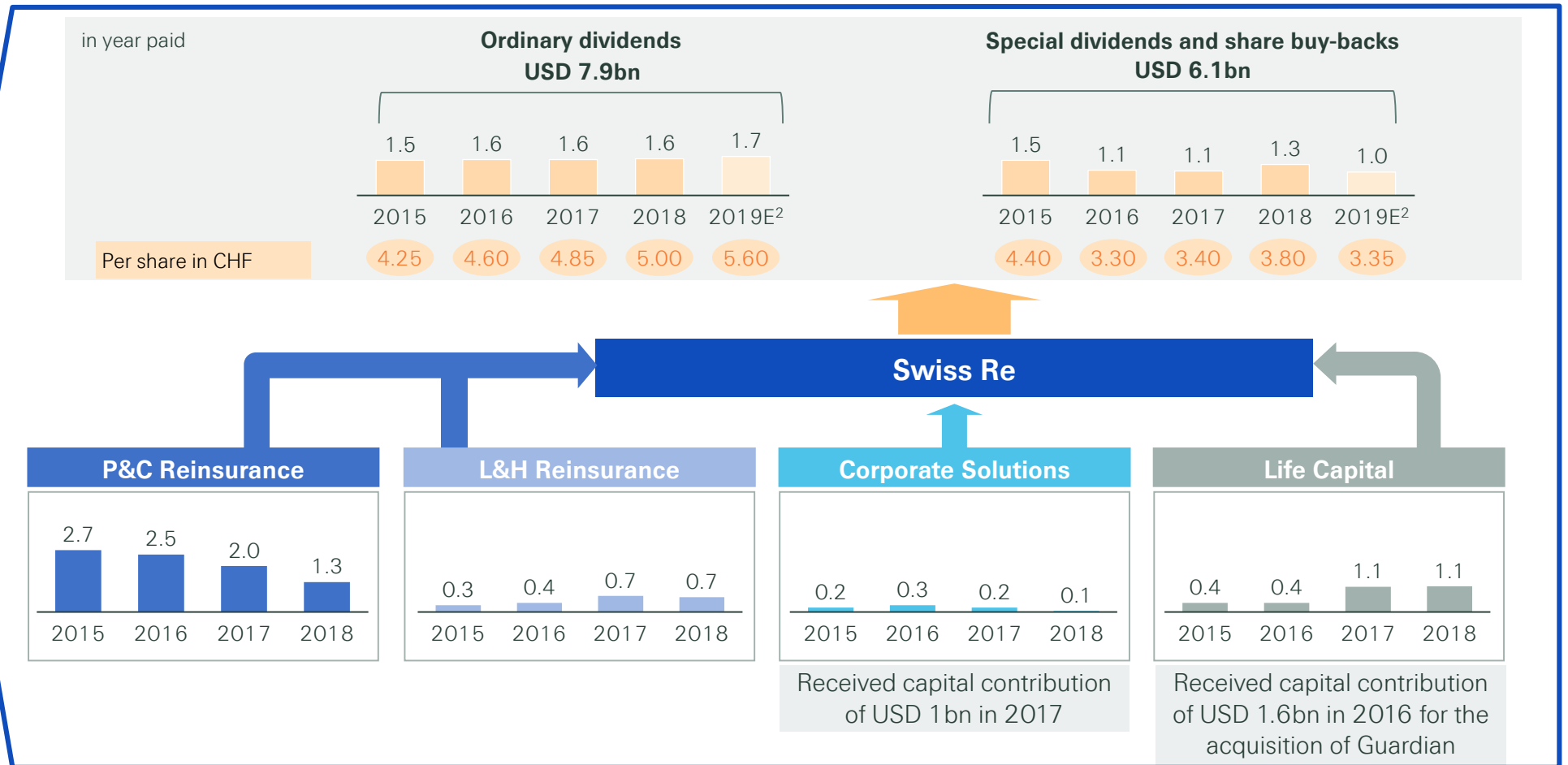
⁵ Subordinated debt incl. contingent capital instruments accounted for as equity
⁶ Senior debt excluding non-recourse positions
⁷ Unsecured LOC capacity and related instruments (usage is lower)

- Notional amount of subordinated leverage (incl. contingent capital) decreased in 2018 due to:
 - Redemption of USD 750m subordinated perpetual notes with anytime issuer stock settlement
 - Partially offset by the issuance of USD 500m 6 year non-dilutive senior exchangeable bond with anytime issuer stock settlement
- Notional amount of senior leverage decreased due to:
 - Repayment of Swiss Re ReAssure Ltd's GBP 320m bridge facility established to partially fund the L&G acquisition
 - Reduction in LOC capacity



Peer-leading capital repatriation

USD bn

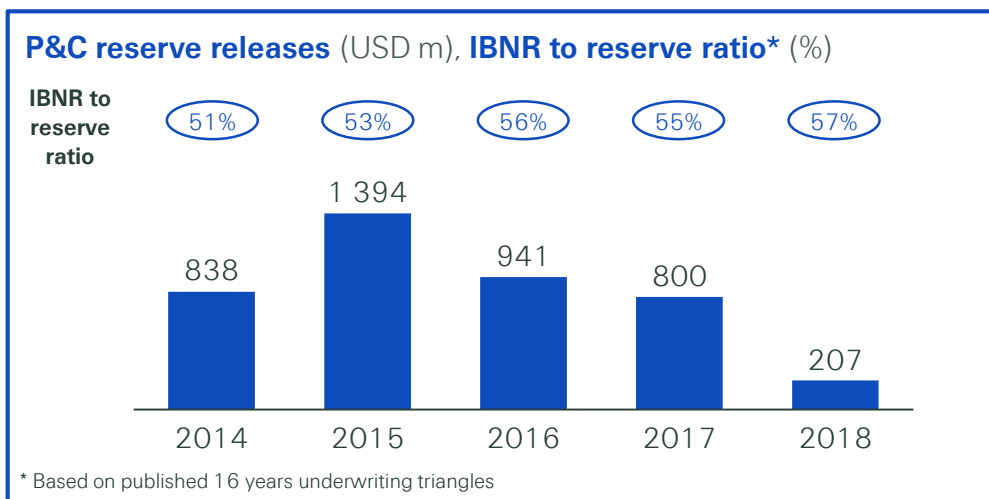
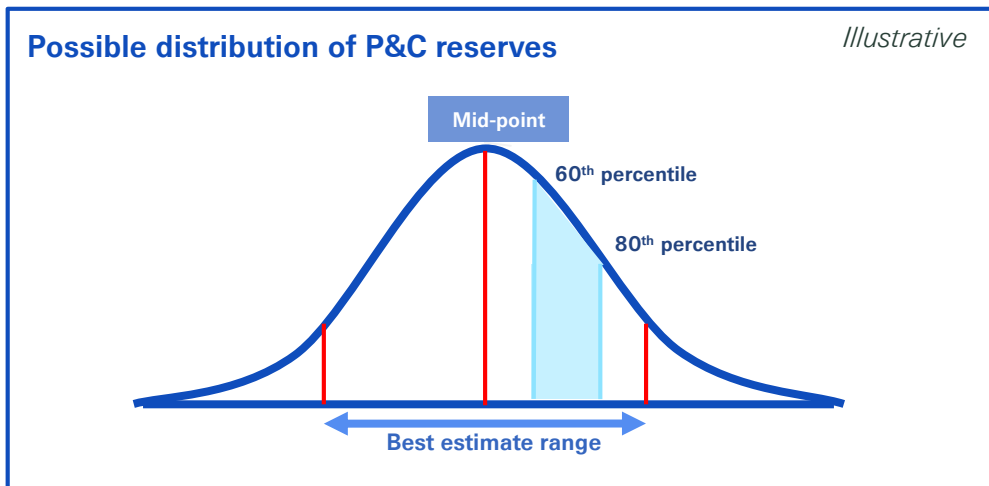


¹ Capital repatriation includes dividends and share buy-backs paid in 2015-18 and projected for 2019

² Capital repatriation includes AGM 2019 proposal for ordinary dividend and new unconditional share buy-back programme of up to CHF 1bn, of which a pro-rata share of CHF 0.9bn is used for SST

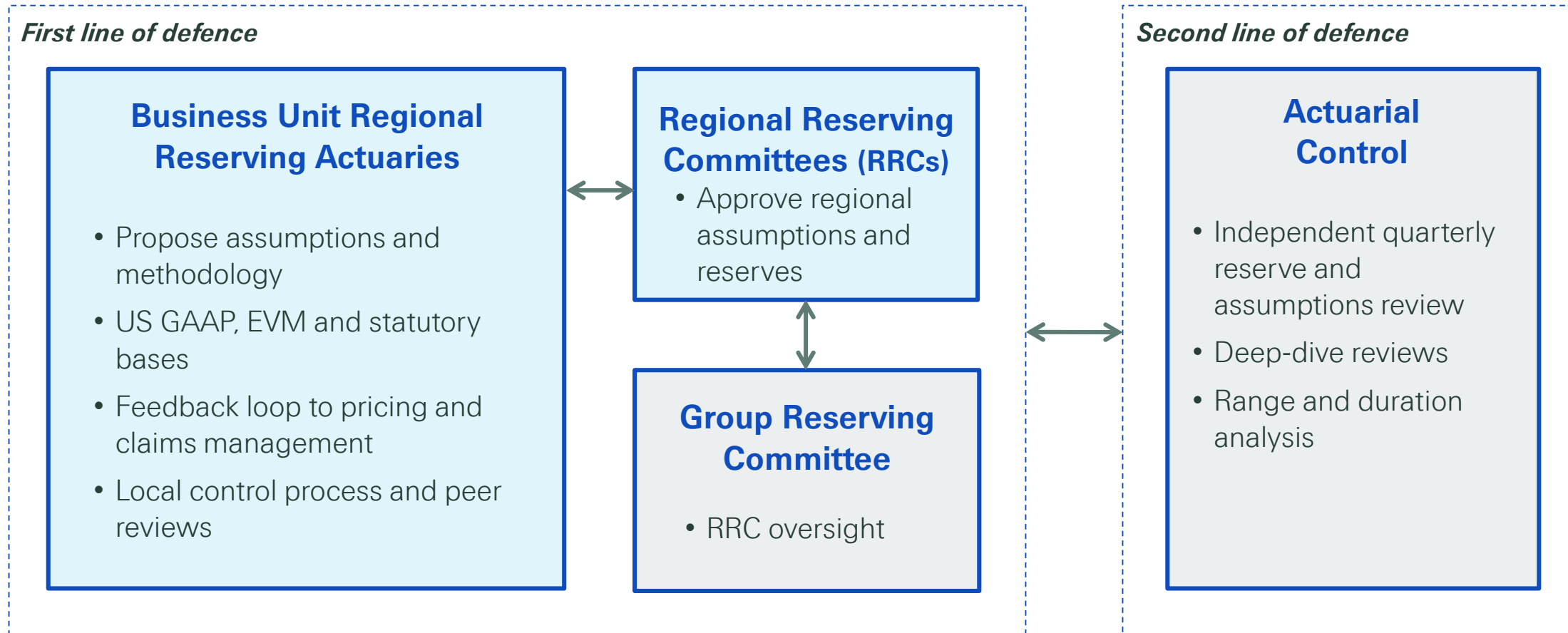
Loss ratio development triangles

Swiss Re's P&C reserving strength is demonstrated by being in the upper half of a range of best estimates

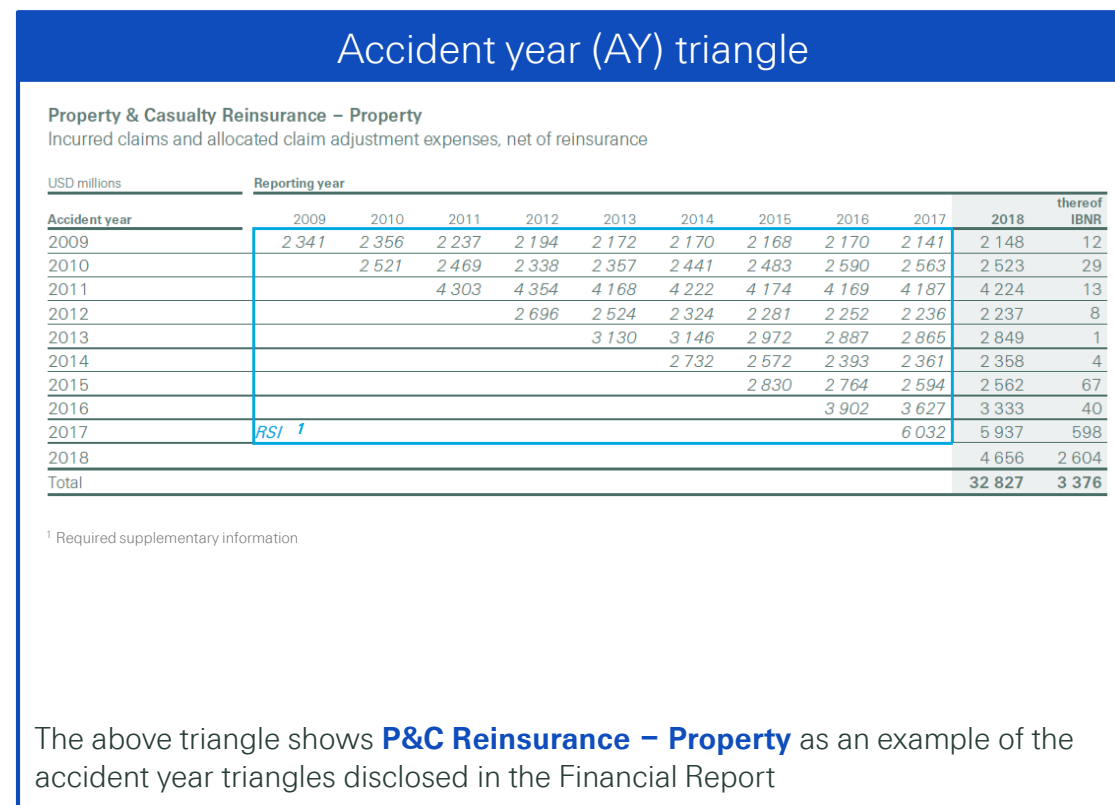
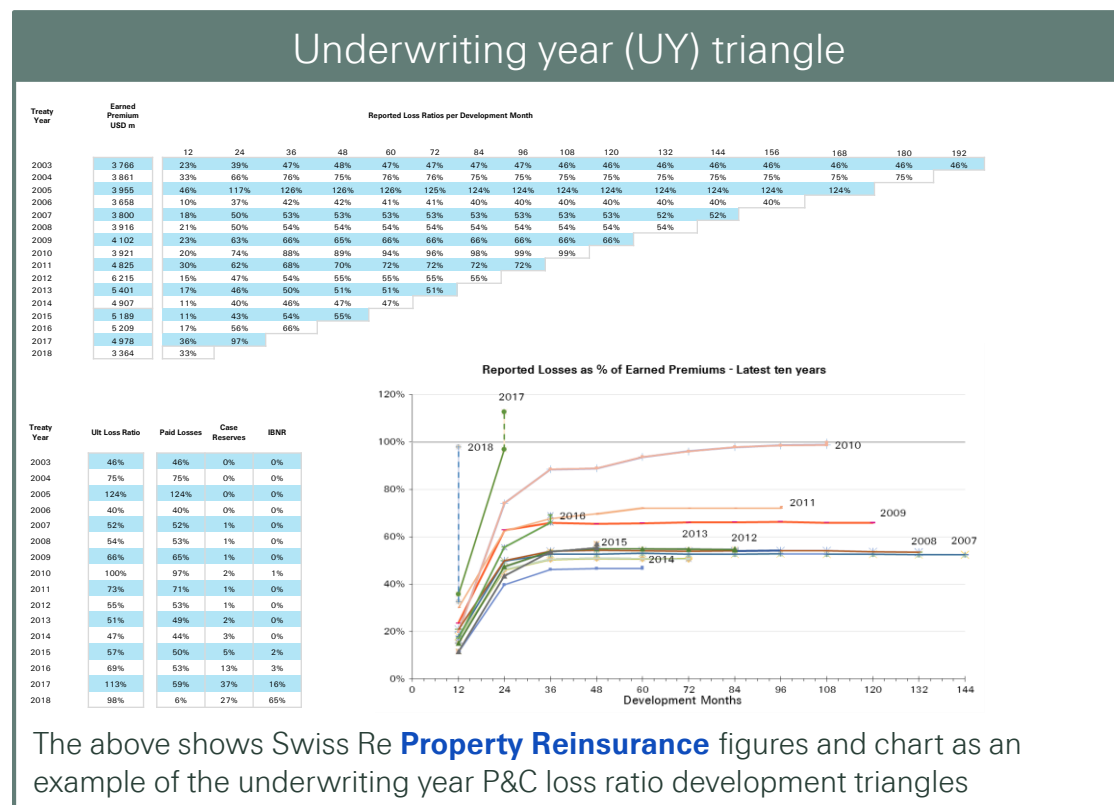


- Booked reserves are positioned on a range of best estimates; for more than 15 years, Swiss Re's P&C reserves have been between the 60th and 80th percentile
- Swiss Re does not target a specific percentile in the range
- Reduction in reserve releases in recent years driven by Motor and Liability lines
- Trend on recent underwriting years is captured
- IBNR to reserve ratio is higher compared to previous year
- Actuarial methods are continuously improved (e.g. impairment assumptions, use of L&H techniques for annuities)
- Minor changes introduced in 2018:
 - Cedant IBNR is included in IBNR ratio and no longer in reported loss ratios development
 - Specialty Lines combine Marine, Engineering and Aviation & Space
 - Shift of a portfolio from Corporate Solutions Accident & Health to Life & Health

Robust process and governance for appropriate reserve setting



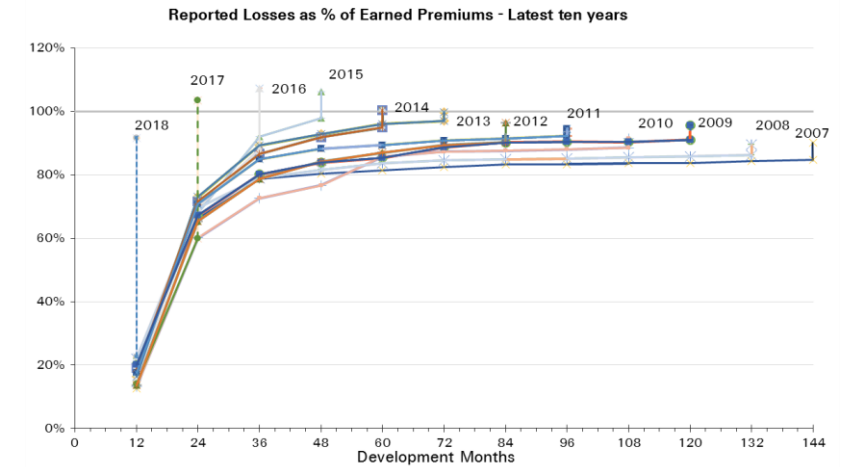
Underwriting year triangles disclosed online and accident year triangles disclosed in the Financial Report



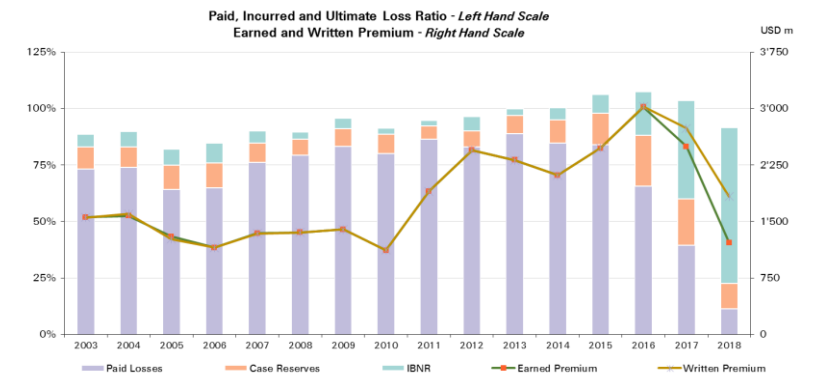
- ▶ UY triangle is the basis to determine best estimate ultimate claims
- ▶ AY triangle can give an indication of how Swiss Re’s initial estimation has developed over time

Motor Reinsurance – different mix of business

Treaty Year	Earned Premium USD m	Reported Loss Ratios per Development Month																	Ult. Loss Ratio	Paid Losses	Case Reserves	IBNR
		12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192					
2003	1 555	44%	68%	76%	79%	80%	81%	81%	81%	81%	82%	82%	81%	82%	82%	83%	83%	89%	73%	10%	6%	
2004	1 574	39%	67%	75%	81%	81%	82%	82%	82%	82%	82%	82%	82%	82%	83%	83%		90%	74%	9%	7%	
2005	1 300	17%	61%	67%	68%	71%	71%	71%	71%	72%	73%	73%	73%	74%	75%			82%	64%	11%	7%	
2006	1 153	3%	57%	69%	73%	74%	75%	74%	75%	74%	75%	75%	76%	76%				85%	65%	11%	9%	
2007	1 344	13%	66%	79%	80%	81%	82%	83%	83%	84%	84%	84%	85%					90%	76%	8%	5%	
2008	1 355	22%	70%	79%	82%	84%	85%	85%	85%	85%	86%	86%						89%	79%	7%	3%	
2009	1 395	20%	67%	80%	84%	85%	89%	90%	90%	91%								96%	83%	8%	5%	
2010	1 116	13%	60%	73%	77%	86%	87%	88%	88%	89%								91%	80%	9%	3%	
2011	1 902	18%	71%	85%	88%	89%	91%	92%	92%									95%	87%	6%	2%	
2012	2 447	14%	65%	79%	84%	87%	89%	90%										96%	83%	7%	6%	
2013	2 316	16%	73%	89%	93%	96%	97%											100%	89%	8%	3%	
2014	2 113	19%	72%	87%	92%	95%												100%	85%	10%	5%	
2015	2 474	18%	68%	92%	98%													106%	84%	14%	8%	
2016	3 018	16%	70%	88%														107%	66%	22%	19%	
2017	2 493	14%	60%															104%	39%	20%	44%	
2018	1 218	23%																92%	11%	11%	69%	

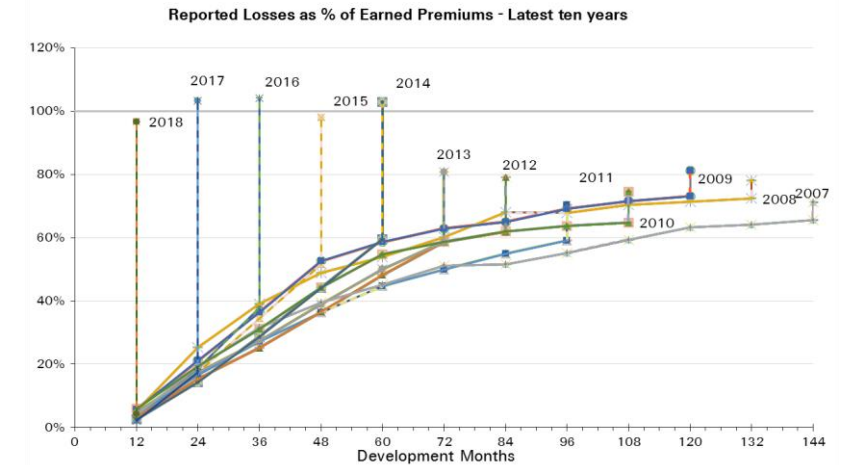


- Mixture of business leads to different underlying reserve developments (e.g. positive run-off experienced in Germany, shorter-tail business in Asia and annuity components in Germany and the UK)
- Improvement in reporting as cedant IBNRs are removed from the reported loss ratios
- Trend on recent underwriting years is captured
- Current loss ratio reflects changes in business mix

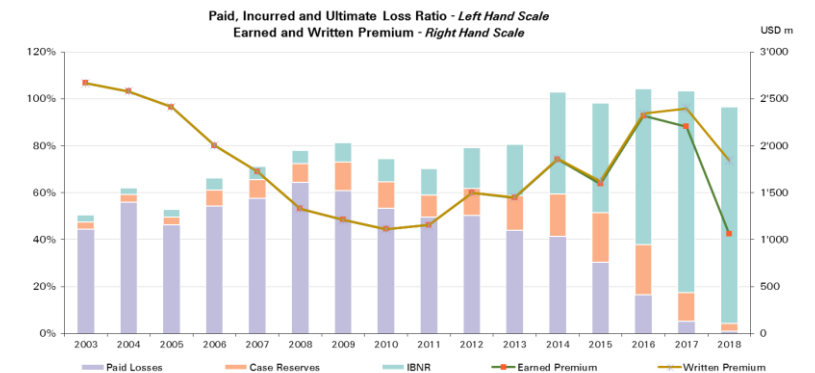


Liability Reinsurance – recent trend captured

Treaty Year	Earned Premium USD m	Reported Loss Ratios per Development Month																Ult. Loss Ratio	Paid Losses	Case Reserves	IBNR
		12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192				
2003	2 668	7%	16%	23%	31%	41%	43%	45%	46%	48%	49%	49%	49%	49%	50%	51%	48%	50%	44%	3%	3%
2004	2 579	8%	22%	32%	42%	47%	50%	52%	54%	55%	56%	56%	57%	58%	59%			62%	56%	3%	3%
2005	2 413	2%	15%	23%	29%	37%	41%	43%	44%	45%	46%	47%	48%	49%	50%			53%	46%	3%	3%
2006	2 003	4%	21%	27%	39%	47%	54%	54%	56%	58%	59%	60%	60%	61%				66%	54%	7%	5%
2007	1 727	4%	19%	32%	39%	45%	51%	52%	55%	59%	63%	64%	66%					71%	58%	8%	6%
2008	1 329	5%	25%	39%	49%	54%	60%	68%	68%	70%	71%	72%						78%	64%	8%	6%
2009	1 213	6%	21%	36%	53%	59%	63%	65%	69%	72%	73%							81%	61%	12%	8%
2010	1 113	6%	19%	31%	44%	55%	59%	62%	64%	65%								75%	53%	11%	10%
2011	1 156	4%	17%	27%	36%	45%	50%	55%	59%									70%	50%	10%	11%
2012	1 500	3%	15%	25%	37%	48%	59%	62%										79%	50%	12%	17%
2013	1 446	5%	17%	27%	39%	50%	59%											81%	44%	15%	22%
2014	1 855	2%	14%	29%	44%	60%												103%	41%	18%	43%
2015	1 593	3%	17%	34%	52%													98%	30%	21%	47%
2016	2 317	4%	19%	38%														104%	16%	21%	66%
2017	2 204	2%	17%															103%	5%	12%	86%
2018	1 062	4%																97%	1%	3%	92%

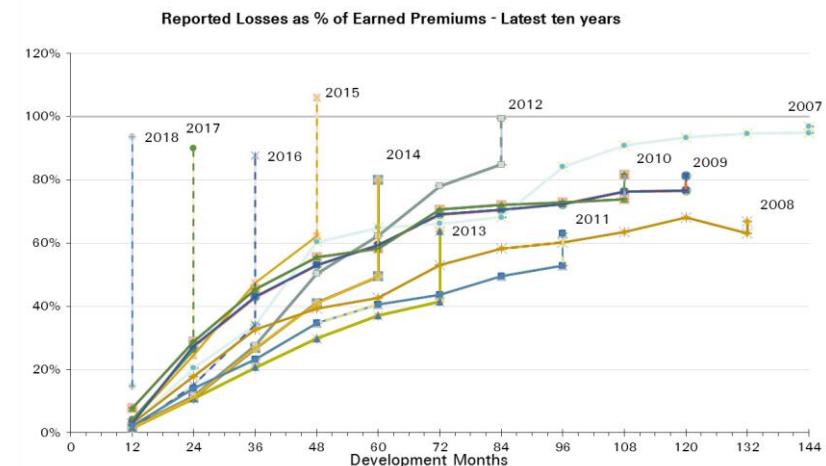


- Trends impacting recent underwriting years have been captured and reserves strengthened accordingly
- Continuous improvement on older underwriting years where reserves have been released on various portfolios
- Current year loss ratio reflects the change in the mix of business

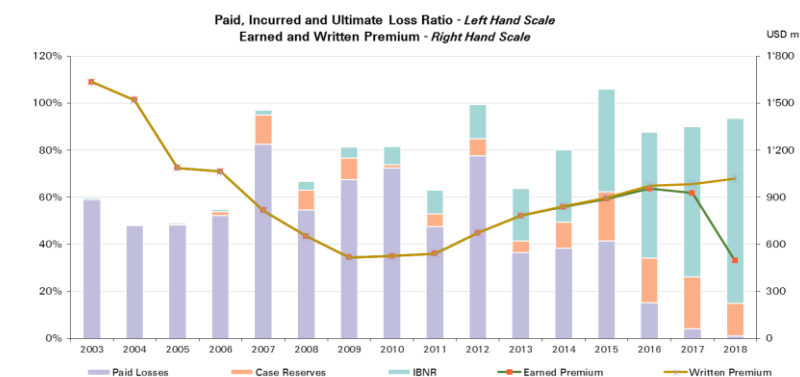


Liability Corporate Solutions – heavily impacted by large losses

Treaty Year	Earned Premium USD m	Reported Loss Ratios per Development Month																Ult. Loss Ratio	Paid Losses	Case Reserves	IBNR
		12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192				
2003	1 635	2%	12%	21%	41%	47%	54%	56%	58%	60%	60%	61%	61%	59%	59%	59%	59%	60%	59%	0%	1%
2004	1 519	2%	11%	20%	27%	35%	38%	43%	46%	47%	48%	49%	49%	49%	48%	48%	48%	49%	48%	0%	0%
2005	1 087	2%	16%	26%	34%	39%	42%	45%	46%	46%	47%	48%	48%	48%	48%	48%	48%	48%	0%	1%	
2006	1 064	3%	13%	22%	31%	41%	47%	48%	49%	51%	53%	53%	53%	54%					1%	1%	
2007	815	3%	21%	34%	60%	65%	66%	68%	84%	91%	93%	95%	95%						12%	2%	
2008	652	3%	18%	33%	39%	43%	53%	58%	60%	64%	68%	63%							9%	4%	
2009	515	3%	27%	43%	53%	59%	69%	71%	72%	76%	77%								9%	5%	
2010	526	8%	29%	45%	56%	58%	71%	72%	73%	74%									1%	8%	
2011	541	2%	14%	23%	35%	41%	44%	50%	53%										5%	10%	
2012	673	2%	12%	28%	50%	62%	78%	85%											7%	14%	
2013	782	1%	11%	21%	30%	37%	41%												5%	22%	
2014	838	1%	11%	27%	41%	49%													11%	31%	
2015	889	4%	24%	47%	62%														21%	44%	
2016	955	1%	15%	34%															19%	53%	
2017	927	4%	26%																22%	64%	
2018	496	15%																	14%	79%	



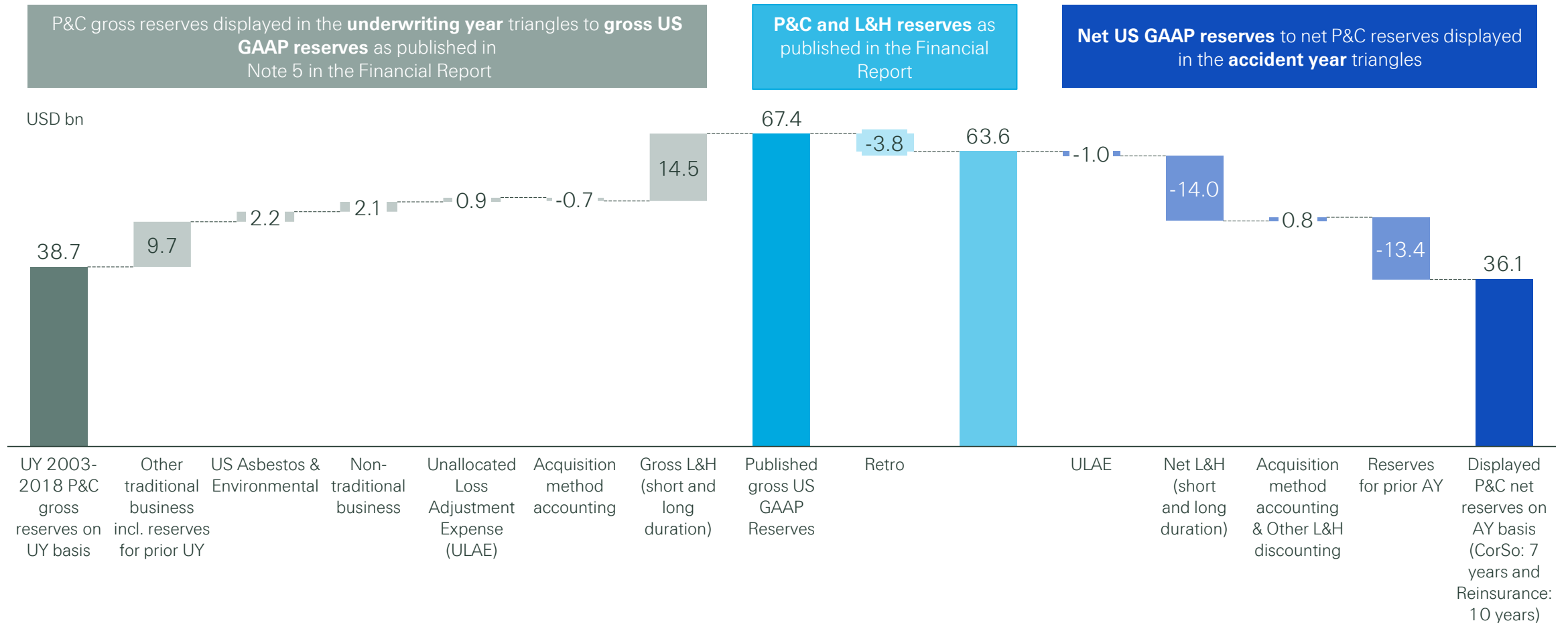
- High ultimate loss ratios for 2015, 2017 and 2018 reflect impact of large losses
- Despite a high number of large losses, the ultimate loss ratios for recent years remain below 100%



Underwriting and accident year triangles serve different purposes

	UY triangle	AY triangle
Definition	Underwriting year groups claims information according to the calendar year in which the original policy or reinsurance contract was incepted	Accident year groups claims information by the calendar year in which the claim event (the date of loss) falls
Basis	Gross of external retrocession	Net of internal and external retrocession
Data	Paid and reported loss ratio triangles, earned premiums net of commissions and <i>latest</i> IBNR	Paid and incurred (i.e. reported plus IBNR) claims triangles
Scope	Traditional P&C business	Traditional and non-traditional business
Purpose	<ul style="list-style-type: none"> • Project paid or reported claims to ultimate and are the basis for deriving the best estimate reserves • Used internally to project to ultimate 	<ul style="list-style-type: none"> • Give an indication on how the ultimate loss (i.e. <i>reported plus IBNR</i>) developed over time • Constructed in order to comply with US GAAP reporting requirement
Number of years disclosed	16 underwriting years	10 accident years for Reinsurance and 7 accident years for Corporate Solutions

Reserves walk between underwriting and accident year triangles



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

Appendix

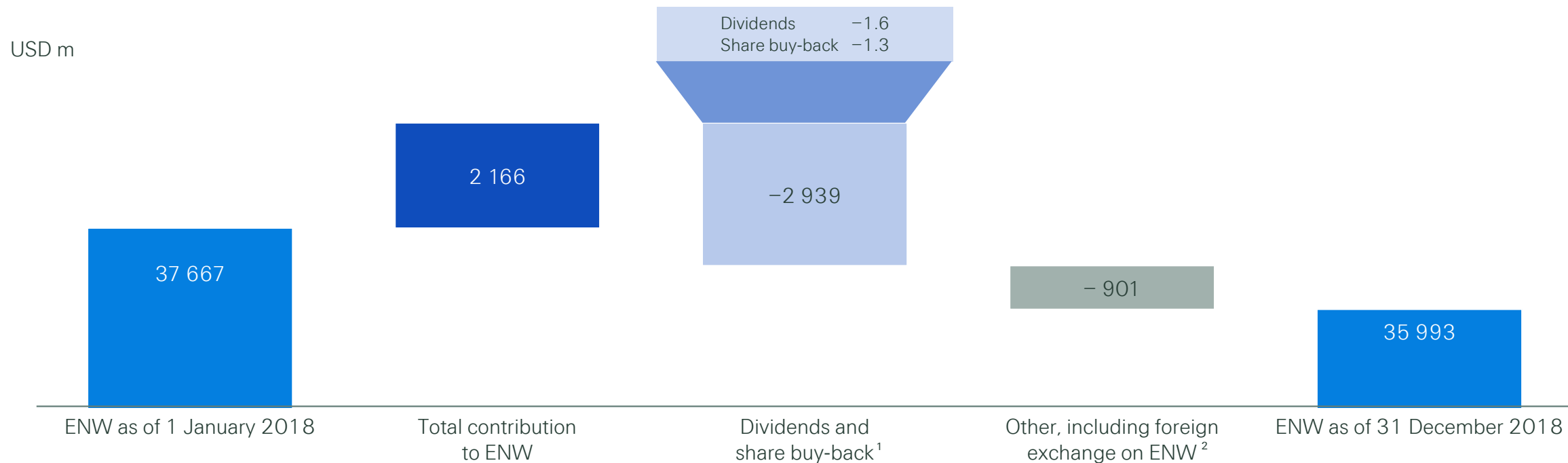
EVM segmental income statement FY 2018

USD m, unless otherwise stated	Reinsurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Total FY 2018	Total FY 2017
Underwriting result								
Gross premiums and fees	38 768	19 014	19 754	4 488	1 376		44 807	41 846
Premiums and fees	38 857	18 604	20 253	3 962	1 042		43 860	40 796
Claims and benefits	-26 728	-12 587	-14 141	-2 367	-809		-29 904	-30 017
Commissions	-7 568	-4 644	-2 923	-617	-93		-8 278	-7 413
Other	-81	62	-143	-9	286	89	286	136
Gross underwriting result – new business	4 480	1 435	3 045	969	427	89	5 965	3 502
Expenses	-2 231	-1 301	-929	-880	-302	-211	-3 624	-3 390
Net underwriting result – new business	2 250	134	2 116	89	124	-122	2 341	112
Taxes	-504	-117	-388	-21	31	79	-415	18
Capital costs	-1 195	-447	-748	-148	-89	-137	-1 570	-1 475
EVM profit – new business	550	-430	980	-81	66	-179	356	-1 345
EVM profit – previous years' business	866	698	168	-530	374	-72	638	-148
EVM profit – underwriting	1 416	268	1 148	-611	440	-251	993	-1 493
Investment result								
Mark-to-market investment result	1 018	1 046	-28	125	-137	-112	895	5 132
Benchmark investment result	-1 149	-707	-442	-164	-310	-77	-1 702	-1 761
Gross outperformance (underperformance)	-131	339	-470	-39	-447	-189	-808	3 371
Other	81	59	22	10	24	1	116	125
Expenses	-155	-90	-66	-17	-36	-44	-252	-253
Net outperformance (underperformance)	-205	308	-513	-46	-460	-232	-943	3 243
Taxes	23	-74	97	9	92	44	167	-747
Capital costs	-511	-302	-209	-26	-165	-209	-911	-1 012
EVM profit – investments	-693	-68	-625	-63	-533	-398	-1 686	1 484
EVM profit	723	199	523	-673	-93	-649	-693	-9
Cost of debt	-98	-58	-40	36	-2	-3	-67	-626
Release of current year capital costs	1 968	908	1 060	200	398	493	3 059	2 792
Additional taxes	27	299	-272	-37	-38	-86	-133	-290
Total contribution to ENW	2 620	1 350	1 271	-474	265	-245	2 166	1 867

EVM balance sheet FY 2018

USD m	Reinsurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Consolidation	Total FY 2018	Total FY 2017
Assets									
Investments	90 286	55 645	34 641	8 774	49 954	7 263	-12 614	143 663	162 873
Cash and cash equivalents	3 356	1 651	1 705	795	1 316	227		5 695	6 467
In-force business assets	235 430	15 912	219 518	2 677	28 760		-43 793	223 075	224 231
Retrocession assets	35 916	2 613	33 303	5 046	22 577		-41 369	22 170	25 000
Other assets	7 663	5 710	1 954	745	1 196	1 370	-7 434	3 540	3 998
Total assets	372 653	81 531	291 122	18 038	103 802	8 860	-105 210	398 142	422 569
Liabilities									
In-force business liabilities	270 477	54 480	215 998	13 237	72 558	745	-41 280	315 737	331 288
Retrocession liabilities	35 809	492	35 317	665	24 529		-43 889	17 114	19 835
Provision for capital costs	6 162	-88	6 250	226	1 181			7 569	9 034
Future income tax liabilities	4 720	324	4 396	-186	-48	-221		4 264	4 914
Debt	19 754	5 415	14 339	817	1 290	547	-11 227	11 180	13 095
Other liabilities	10 441	7 996	2 446	824	1 023	2 810	-8 814	6 285	6 736
Total liabilities	347 363	68 618	278 745	15 583	100 532	3 881	-105 210	362 149	384 902
Economic net worth	25 290	12 913	12 377	2 454	3 270	4 979	0	35 993	37 667
Total liabilities and economic net worth	372 653	81 531	291 122	18 038	103 802	8 860	-105 210	398 142	422 569

Development of ENW

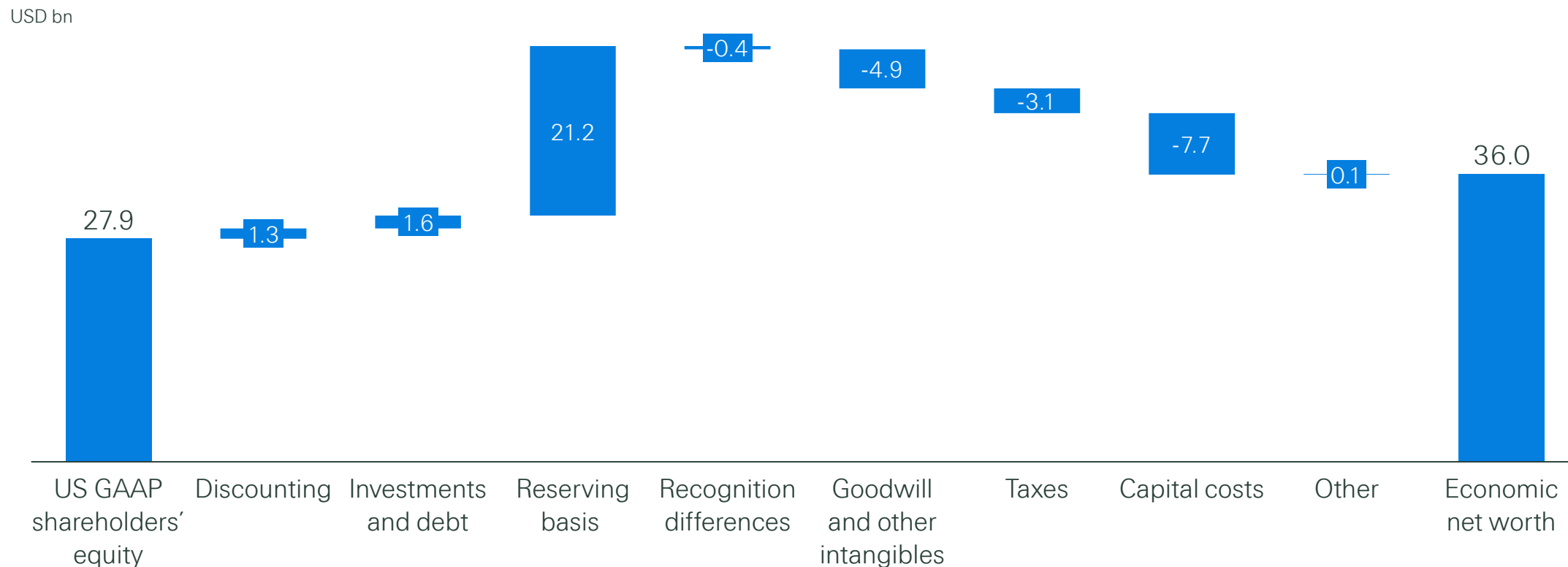


▶ Decrease in ENW mainly driven by capital returned to the shareholders, partially offset by total contribution to ENW

¹ Includes USD 437m of 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

² Includes USD -778m due to foreign currency translation adjustments

Reconciliation of EVM ENW to US GAAP shareholders' equity

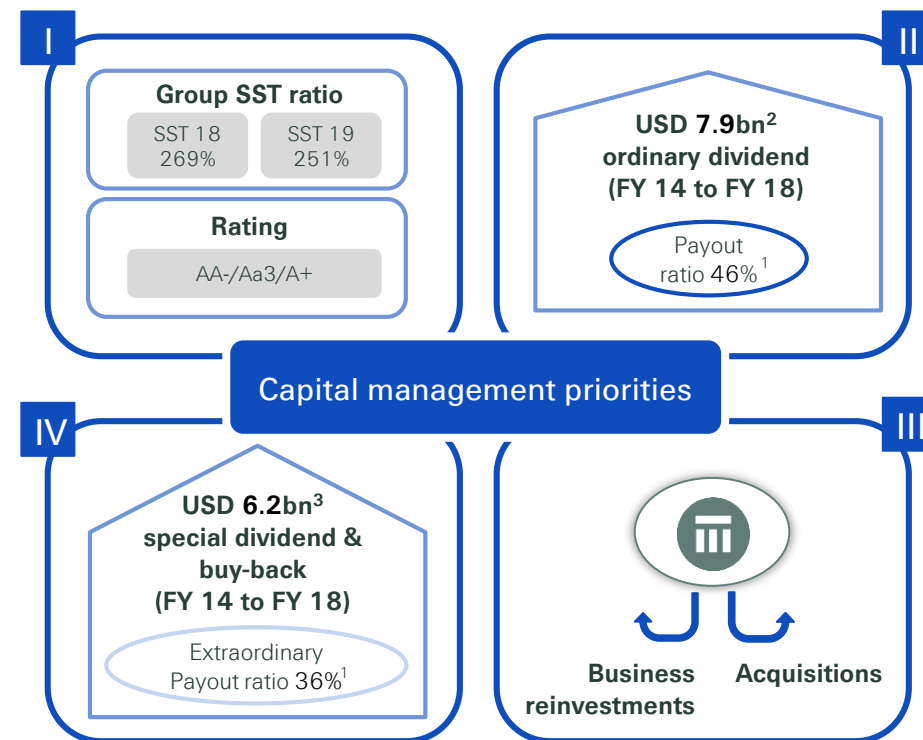


▶ Main variance represents the valuation of liabilities, especially for L&H Reinsurance

Our capital management priorities remain unchanged

Swiss Re's capital management priorities remain unchanged

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

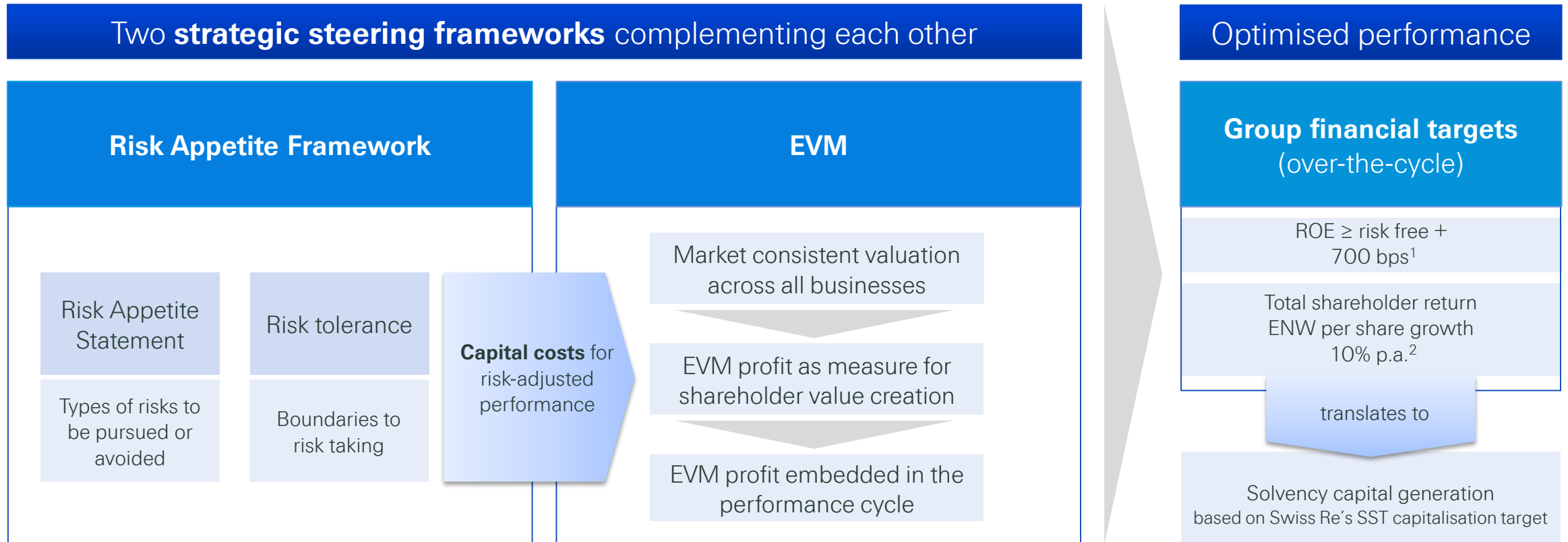


¹ Payout ratio calculated as capital repatriation over total contribution to ENW; assumes AGM approval of the proposed ordinary dividend of CHF 5.60 per share and the unconditional share buy-back of up to CHF 1 bn

² Includes AGM 2019 proposal for ordinary dividend of CHF 5.60 per share

³ Includes AGM 2019 proposal for unconditional share buy-back programme of up to CHF 1 bn

Swiss Re applies holistic capital allocation approach to systematically deploy capital to risk pools and maximise shareholder value creation



¹ 700 bps above 10y US Govt. bonds. Management to monitor a basket of rates reflecting Swiss Re's business mix

² The 10% ENW per share growth target 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). This new target applies from 1 January 2016

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 realise 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 realise tax loss carryforwards, the ability to realise deferred tax assets (including by reason of the mix of earnings in a jurisdiction or deemed change of control), which could negatively impact future earnings, and the overall impact of changes in tax regimes on 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.

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Corporate calendar & contacts

Corporate calendar

2019

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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