

Swiss Re achieved its over-the-cycle economic net worth per share growth target with a growth rate of 10.8%.

EVM performance

Underwriting losses in Property & Casualty Reinsurance and Corporate Solutions due to natural catastrophes, offset by strong new business contribution in Life & Health Reinsurance as well as a strong investment result.



Read online a description of the summary of significant EVM principles and sensitivities.



David Cole

Group Chief Financial Officer

“EVM allows Swiss Re to measure sustainable, long-term value creation.”

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

Swiss Re reported a total contribution to economic net worth (ENW) of USD 1.9 billion in 2017 compared to USD 4.2 billion in 2016. On a risk-adjusted basis, Swiss Re reported an EVM loss of USD 9 million, implying that the required cost of capital was essentially covered in 2017. This result was in contrast to the reported EVM profit of USD 1.4 billion in 2016.

EVM profit

in USD millions, 2017

–9

(2016: USD 1.4 billion)

ENW per share growth

over-the-cycle target: 10%

10.8%

(2016: 11.0%)

Total contribution to ENW

in USD billions, 2017

1.9

(2016: USD 4.2 billion)

Group performance

The EVM loss of USD 9 million in 2017 reflected the impact of Cyclone Debbie in Australia as well as hurricanes, earthquakes and wildfires in the Americas that adversely impacted the Property & Casualty Reinsurance and Corporate Solutions economic results. These losses were partially offset by a strong new business result in Life & Health Reinsurance, as well as a strong overall investment result, mainly due to tightening credit spreads.

The EVM loss on new business was USD 1.3 billion compared to an EVM profit on new business of USD 884 million in 2016. The drop was mainly driven by lower Property & Casualty Reinsurance and Corporate Solutions new business results following large natural catastrophe events in the Americas in the second half of 2017. This was partially offset by a strong new business result in Life & Health Reinsurance.

The EVM loss from previous years' business amounted to USD 148 million in 2017 compared to an EVM loss of USD 579 million in 2016. The result was primarily driven by large man-made and natural catastrophe loss development in Corporate Solutions, partially offset by favourable claims experience in Property & Casualty Reinsurance.

Investment activities generated an EVM profit of USD 1.5 billion in 2017 compared to a profit of USD 1.1 billion in 2016. The results in both years reflected a positive impact from credit spread tightening and performance across equities and alternative investments, while the 2017 result also reflected a favourable performance from Principal Investments.

Economic net worth (ENW) per share growth was 10.8% in 2017, achieving the over-the-cycle target of 10%, driven by the total contribution to ENW and favourable foreign exchange impacts.

KEY INFORMATION

USD millions, unless otherwise stated	2016	2017	Change in %
EVM profit	1 399	–9	–
Total contribution to ENW	4 231	1 867	–56
Economic net worth (ENW)	36 648	37 667	3
Economic net worth per share in USD	112.42	119.74	7
<i>Economic net worth per share growth, %¹</i>	<i>11.0</i>	<i>10.8</i>	
<i>Profit margin – new business, %</i>	<i>3.1</i>	<i>–4.1</i>	
<i>Profit margin – previous years' business, %</i>	<i>–2.9</i>	<i>–0.8</i>	
<i>Profit margin – investments, %</i>	<i>12.0</i>	<i>16.5</i>	

¹ ENW per share growth is calculated as follows: (current-year closing ENW per share + current year dividends per share) / (prior-year closing ENW per share + current year opening balance sheet adjustments per share).

Business segment performance

Property & Casualty Reinsurance reported an EVM loss of USD 1.2 billion in 2017 compared to a profit of USD 562 million in 2016. The EVM loss on new business of USD 1.5 billion was driven by severe natural catastrophe events, which included hurricanes Harvey, Irma and Maria, two earthquakes in Mexico and the wildfires in California. EVM profit on previous years' business was USD 120 million, driven by favourable experience in property and specialty, partially offset by losses from Cyclone Debbie and negative casualty development in the motor business in both the US and the UK. Investment activities generated an EVM profit of USD 212 million in 2017 compared to a loss of USD 29 million in 2016. The 2017 profit was driven by performance across equities and alternative investments, and from credit investments, while the prior year was impacted by a negative rates performance on a short duration position.

Life & Health Reinsurance reported an EVM profit of USD 1.6 billion in 2017 compared to USD 1.2 billion in 2016. The 2017 result included a strong new business profit of USD 987 million, driven by large transactions in EMEA and continued growth in Asia. The 2017 previous years' business profit was USD 11 million. This was mainly driven by positive results from model

conversions and the restructuring of an intra-group retrocession agreement in Australia and lower capital costs, partially offset by mortality and critical illness assumption updates in the US and UK, respectively. Investment activities generated an EVM profit of USD 627 million in 2017 compared to USD 596 million in 2016. The results in both years were positively impacted by credit spread tightening as well as performance from equity securities.

Corporate Solutions reported an EVM loss of USD 917 million in 2017 compared to a loss of USD 111 million in 2016. The EVM loss on new business was USD 595 million higher compared to 2016, significantly impacted by hurricanes Harvey, Irma and Maria, the earthquake in Puebla, Mexico and the California wildfires, partially offset by a lower impact from the non-recognition of intangible assets relating to acquisitions. The EVM loss on the Bradesco acquisition in 2017 was USD 81 million, whereas the EVM loss on the IHC acquisition in 2016 was USD 148 million. The EVM loss on previous years' business was USD 257 million, driven by less favourable reserve development and higher natural catastrophe losses. Investment activities generated an EVM profit of USD 79 million in 2017 compared to a profit of USD 59 million in 2016, with results in both years reflecting a positive impact from credit spread tightening as well as performance from equity securities.

Life Capital generated an EVM profit of USD 572 million in 2017 compared to a profit of USD 115 million in 2016. The 2017 profit reflected a strong investment result as well as a favourable result from large transactions, while the 2016 profit reflected a strong investment result which was partially offset by losses from previous years' business. The investment result in both years was driven by performance from all asset classes.

In 2017, an EVM loss of USD 128 million was reported in Group items compared to a loss of USD 364 million in 2016. The EVM loss from new business was USD 232 million in 2017, driven by capital costs on excess capital and expenses, partially offset by trademark licence fees charged to the business segments. The previous years' business loss was USD 42 million, mainly driven by an increase in overhead expenses. Investment activities generated an EVM profit of USD 146 million in 2017 compared to a loss of USD 216 million in 2016, with the favourable variance reflecting an improved result from Principal Investments.

BUSINESS SEGMENTS – KEY INFORMATION

USD millions, unless otherwise stated	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Life Capital	Group items	Total
2016						
EVM profit	562	1 197	-111	115	-364	1 399
Total contribution to ENW	1 589	1 916	140	599	-13	4 231
<i>Profit margin – new business, %</i>	<i>1.9</i>	<i>11.0</i>	<i>-4.2</i>	<i>–</i>		<i>3.1</i>
<i>Profit margin – previous years' business, %</i>	<i>5.1</i>	<i>-4.7</i>	<i>-2.1</i>	<i>-17.8</i>		<i>-2.9</i>
<i>Profit margin – investments, %</i>	<i>-1.0</i>	<i>14.7</i>	<i>10.9</i>		<i>-15.7</i>	<i>12.0</i>
2017						
EVM profit	-1 161	1 625	-917	572	-128	-9
Total contribution to ENW	-954	2 180	-750	987	404	1 867
<i>Profit margin – new business, %</i>	<i>-10.2</i>	<i>8.6</i>	<i>-21.2</i>	<i>4.3</i>		<i>-4.1</i>
<i>Profit margin – previous years' business, %</i>	<i>1.9</i>	<i>0.1</i>	<i>-18.3</i>	<i>1.0</i>		<i>-0.8</i>
<i>Profit margin – investments, %</i>	<i>7.2</i>	<i>16.0</i>	<i>14.6</i>		<i>11.0</i>	<i>16.5</i>

EVM financial information

EVM INCOME STATEMENT

For the years ended 31 December

USD millions, unless otherwise stated	2016	2017
Underwriting result		
Gross premiums and fees	47 235	41 846
<i>Gross premiums and fees growth rate, %</i>	<i>15.3</i>	<i>-11.4</i>
Premiums and fees	46 566	40 796
<i>Premiums and fees retention rate, %</i>	<i>98.6</i>	<i>97.5</i>
<i>Premiums and fees growth rate, %</i>	<i>14.8</i>	<i>-12.4</i>
Claims and benefits	-31 668	-30 017
Commissions	-8 492	-7 413
Other	-240	136
Gross underwriting result – new business	6 166	3 502
Expenses	-3 314	-3 390
Net underwriting result – new business	2 852	112
Taxes	-744	18
Capital costs	-1 224	-1 475
EVM profit – new business	884	-1 345
EVM profit – previous years' business	-579	-148
EVM profit – underwriting	305	-1 493
Investment result		
Mark-to-market investment result	7 500	5 132
Benchmark investment result	-4 266	-1 761
Gross outperformance (underperformance)	3 234	3 371
Other	121	125
Expenses	-274	-253
Net outperformance (underperformance)	3 081	3 243
Taxes	-743	-747
Capital costs	-1 244	-1 012
EVM profit – investments	1 094	1 484
EVM profit	1 399	-9
Cost of debt	-461	-626
Release of current year capital costs	2 778	2 792
Additional taxes	515	-290
Total contribution to ENW	4 231	1 867
<i>Profit margin – new business, %</i>	<i>3.1</i>	<i>-4.1</i>
<i>Profit margin – previous years' business, %</i>	<i>-2.9</i>	<i>-0.8</i>
<i>Profit margin – investments, %</i>	<i>12.0</i>	<i>16.5</i>

EVM BALANCE SHEET

As of 31 December

USD millions	2016	2017
Assets		
Investments	164 314	162 873
Cash and cash equivalents	9 007	6 467
In-force business assets	197 647	224 231
Retrocession assets	24 457	25 000
Other assets	3 017	3 998
Total assets	398 442	422 569
Liabilities		
In-force business liabilities	304 359	331 288
Retrocession liabilities	19 663	19 835
Provision for capital costs	9 260	9 034
Future income tax liabilities	4 606	4 914
Debt	14 199	13 095
Other liabilities	9 707	6 736
Total liabilities	361 794	384 902
Economic net worth	36 648	37 667
Total liabilities and economic net worth	398 442	422 569

STATEMENT OF ECONOMIC NET WORTH

For the years ended 31 December

USD millions	2016	2017
Economic net worth as of 1 January	37 358	36 648
Change in EVM methodology	-1 699	
Adjusted economic net worth as of 1 January	35 659	36 648
Total contribution to ENW	4 231	1 867
Dividends and share buy-back	-2 662	-2 629
Other, including foreign exchange on economic net worth	-580	1 781
Economic net worth as of 31 December	36 648	37 667
Common shares outstanding as of 31 December	325 978 727	314 585 765
Economic net worth per share in USD as of 31 December	112.42	119.74

BUSINESS SEGMENTS - EVM INCOME STATEMENT



For the year ended 31 December

USD millions, unless otherwise stated	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Life Capital	Group items	Total
2016						
Underwriting result						
Gross premiums and fees	18 493	23 796	4 067	879		47 235
<i>Gross premiums and fees growth rate, %</i>	<i>-1.7</i>	<i>34.7</i>	<i>8.7</i>	<i>17.2</i>		<i>15.3</i>
Premiums and fees	18 440	24 060	3 708	358		46 566
<i>Premiums and fees retention rate, %</i>	<i>99.7</i>	<i>101.1</i>	<i>91.2</i>	<i>40.7</i>		<i>98.6</i>
<i>Premiums and fees growth rate, %</i>	<i>-1.4</i>	<i>33.9</i>	<i>4.5</i>	<i>0.6</i>		<i>14.8</i>
Claims and benefits	-11 539	-17 748	-2 092	-289		-31 668
Commissions	-4 308	-3 609	-570	-5		-8 492
Other	-34	-57	-137	-5	-7	-240
Gross underwriting result – new business	2 559	2 646	909	59	-7	6 166
Expenses	-1 335	-862	-842	-188	-87	-3 314
Net underwriting result – new business	1 224	1 784	67	-129	-94	2 852
Taxes	-346	-408	-68	15	63	-744
Capital costs	-598	-281	-143	-49	-153	-1 224
EVM profit – new business	280	1 095	-144	-163	-184	884
EVM profit – previous years' business	311	-494	-26	-406	36	-579
EVM profit – underwriting	591	601	-170	-569	-148	305
Investment result						
Mark-to-market investment result	1 626	2 317	261	3 211	85	7 500
Benchmark investment result	-1 073	-1 086	-100	-1 960	-47	-4 266
Gross outperformance (underperformance)	553	1 231	161	1 251	38	3 234
Other	53	23	8	37		121
Expenses	-88	-69	-19	-52	-46	-274
Net outperformance (underperformance)	518	1 185	150	1 236	-8	3 081
Taxes	-124	-289	-36	-296	2	-743
Capital costs	-423	-300	-55	-256	-210	-1 244
EVM profit – investments	-29	596	59	684	-216	1 094
EVM profit	562	1 197	-111	115	-364	1 399
Cost of debt	-212	-154	-14	-63	-18	-461
Release of current year capital costs	1 008	757	202	426	385	2 778
Additional taxes	231	116	63	121	-16	515
Total contribution to ENW	1 589	1 916	140	599	-13	4 231
<i>Profit margin – new business, %</i>	<i>1.9</i>	<i>11.0</i>	<i>-4.2</i>	<i>-</i>		<i>3.1</i>
<i>Profit margin – previous years' business, %¹</i>	<i>5.1</i>	<i>-4.7</i>	<i>-2.1</i>	<i>-17.8</i>		<i>-2.9</i>
<i>Profit margin – investments, %</i>	<i>-1.0</i>	<i>14.7</i>	<i>10.9</i>		<i>-15.7</i>	<i>12.0</i>

¹ The overall previous years' business profit margin for the Business Unit Reinsurance was -1.1%.

BUSINESS SEGMENTS - EVM INCOME STATEMENT

For the year ended 31 December

USD millions, unless otherwise stated	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Life Capital	Group items	Total
2017						
Underwriting result						
Gross premiums and fees	17 668	18 923	4 088	1 167		41 846
<i>Gross premiums and fees growth rate, %</i>	-4.5	-20.5	0.5	32.8		-11.4
Premiums and fees	17 495	18 974	3 685	642		40 796
<i>Premiums and fees retention rate, %</i>	99.0	100.3	90.1	55.0		97.5
<i>Premiums and fees growth rate, %</i>	-5.1	-21.1	-0.6	79.3		-12.4
Claims and benefits	-13 253	-13 330	-2 929	-505		-30 017
Commissions	-4 156	-2 628	-561	-68		-7 413
Other	-47	-37	-92	309	3	136
Gross underwriting result – new business	39	2 979	103	378	3	3 502
Expenses	-1 320	-909	-843	-203	-115	-3 390
Net underwriting result – new business	-1 281	2 070	-740	175	-112	112
Taxes	172	-369	129	22	64	18
Capital costs	-384	-714	-128	-65	-184	-1 475
EVM profit – new business	-1 493	987	-739	132	-232	-1 345
EVM profit – previous years' business	120	11	-257	20	-42	-148
EVM profit – underwriting	-1 373	998	-996	152	-274	-1 493
Investment result						
Mark-to-market investment result	1 287	1 912	273	1 099	561	5 132
Benchmark investment result	-542	-757	-116	-295	-51	-1 761
Gross outperformance (underperformance)	745	1 155	157	804	510	3 371
Other	58	26	9	32		125
Expenses	-87	-63	-14	-38	-51	-253
Net outperformance (underperformance)	716	1 118	152	798	459	3 243
Taxes	-162	-260	-35	-184	-106	-747
Capital costs	-342	-231	-38	-194	-207	-1 012
EVM profit – investments	212	627	79	420	146	1 484
EVM profit	-1 161	1 625	-917	572	-128	-9
Cost of debt	-352	-170	-39	-40	-25	-626
Release of current year capital costs	881	871	186	382	472	2 792
Additional taxes	-322	-146	20	73	85	-290
Total contribution to ENW	-954	2 180	-750	987	404	1 867
<i>Profit margin – new business, %</i>	-10.2	8.6	-21.2	4.3		-4.1
<i>Profit margin – previous years' business, %¹</i>	1.9	0.1	-18.3	1.0		-0.8
<i>Profit margin – investments, %</i>	7.2	16.0	14.6		11.0	16.5

¹ The overall previous years' business profit margin for the Business Unit Reinsurance was 0.8%.

BUSINESS SEGMENTS – EVM BALANCE SHEET



As of 31 December

USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Life Capital	Group items	Consolidation	Total
2016							
Assets							
Investments	51 155	37 082	8 252	68 155	6 420	-6 750	164 314
Cash and cash equivalents	4 922	410	469	2 636	570		9 007
In-force business assets	14 725	177 930	2 891	10 003		-7 902	197 647
Retrocession assets	2 640	18 541	4 697	9 021		-10 442	24 457
Other assets	5 631	1 258	401	438	955	-5 666	3 017
Total assets	79 073	235 221	16 710	90 253	7 945	-30 760	398 442
Liabilities							
In-force business liabilities	48 803	180 098	11 170	74 072	658	-10 442	304 359
Retrocession liabilities	472	18 520	983	7 590		-7 902	19 663
Provision for capital costs	212	7 033	214	1 801			9 260
Future income tax liabilities	1 541	2 574	317	251	-77		4 606
Debt	5 111	12 536	497	1 590	513	-6 048	14 199
Other liabilities	8 655	3 708	721	1 148	1 841	-6 366	9 707
Total liabilities	64 794	224 469	13 902	86 452	2 935	-30 758	361 794
Economic net worth	14 279	10 752	2 808	3 801	5 010	-2	36 648
Total liabilities and economic net worth	79 073	235 221	16 710	90 253	7 945	-30 760	398 442

USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Life Capital	Group items	Consolidation	Total
2017							
Assets							
Investments	54 625	38 384	9 323	64 776	6 284	-10 519	162 873
Cash and cash equivalents	1 335	1 595	651	2 623	263		6 467
In-force business assets	16 446	223 346	2 962	32 100	3	-50 626	224 231
Retrocession assets	2 776	35 944	4 637	25 378		-43 735	25 000
Other assets	6 675	652	485	1 657	1 651	-7 122	3 998
Total assets	81 857	299 921	18 058	126 534	8 201	-112 002	422 569
Liabilities							
In-force business liabilities	54 174	218 935	12 608	88 590	717	-43 736	331 288
Retrocession liabilities	537	40 151	912	28 861		-50 626	19 835
Provision for capital costs	97	7 179	198	1 560			9 034
Future income tax liabilities	1 513	3 259	79	239	-176		4 914
Debt	4 697	14 071	526	2 246	60	-8 505	13 095
Other liabilities	8 429	3 245	817	1 060	2 315	-9 130	6 736
Total liabilities	69 447	286 840	15 140	122 556	2 916	-111 997	384 902
Economic net worth	12 410	13 081	2 918	3 978	5 285	-5	37 667
Total liabilities and economic net worth	81 857	299 921	18 058	126 534	8 201	-112 002	422 569

BUSINESS SEGMENTS – STATEMENT OF ECONOMIC NET WORTH

For the year ended 31 December

USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Life Capital	Group items	Consolidation	Total
2017							
Economic net worth as of 1 January	14 279	10 752	2 808	3 801	5 010	-2	36 648
Total contribution to ENW	-954	2 180	-750	987	404		1 867
Dividends and share buy-back	-1 950	-650	-150	-1 058	1 179		-2 629
Other, including foreign exchange on economic net worth	1 035	799	1 010	248	-1 308	-3	1 781
Economic net worth as of 31 December	12 410	13 081	2 918	3 978	5 285	-5	37 667

Comparison of EVM and US GAAP

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

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

BUSINESS SEGMENTS – RECONCILIATION TO US GAAP

As of 31 December

USD billions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Life Capital	Group items	Total
2016						
US GAAP shareholders' equity	13.0	7.6	2.2	7.3	5.5	35.6
Discounting	4.1	-0.4	0.2	-3.8	0.0	0.1
Investments and debt	1.3	-2.1	0.0	0.0	0.4	-0.4
Reserving basis						
GAAP margins	0.0	15.2	0.0	2.8	0.0	18.0
Other	-0.3	-0.2	1.0	-0.6	-0.6	-0.7
Recognition differences	-0.1	0.1	0.0	-0.7	0.0	-0.7
Goodwill and other intangibles	-2.0	-1.8	-0.3	-0.1	-0.5	-4.7
Taxes	-1.5	-0.5	-0.3	0.6	0.1	-1.6
Capital costs	0.2	-7.1	-0.1	-1.7	-0.1	-8.8
Other	-0.5	0.0	0.1	0.0	0.2	-0.2
Total EVM valuation adjustments	1.2	3.2	0.6	-3.5	-0.5	1.0
Economic net worth	14.2	10.8	2.8	3.8	5.0	36.6
2017						
US GAAP shareholders' equity	10.7	8.2	2.4	7.1	5.7	34.1
Discounting	4.4	-0.3	0.4	-4.2	0.0	0.3
Investments and debt	1.8	-2.3	0.0	0.0	0.5	0.0
Reserving basis						
GAAP margins	0.0	17.3	0.0	3.3	0.0	20.6
Other	-0.1	0.1	1.0	-0.5	-0.7	-0.2
Recognition differences	0.0	0.0	-0.1	-0.5	0.0	-0.6
Goodwill and other intangibles	-2.0	-1.9	-0.4	-0.2	-0.5	-5.0
Taxes	-2.0	-0.9	-0.3	0.6	0.1	-2.5
Capital costs	0.0	-7.1	-0.2	-1.6	0.0	-8.9
Other	-0.4	0.0	0.1	0.0	0.2	-0.1
Total EVM valuation adjustments	1.7	4.9	0.5	-3.1	-0.4	3.6
Economic net worth	12.4	13.1	2.9	4.0	5.3	37.7

Independent Assurance Report

To the Board of Directors of Swiss Re Ltd on the Economic Value Management financial information as of 31 December 2017

We have been engaged to perform a reasonable assurance engagement on the Economic Value Management ("EVM") financial information of Swiss Re Ltd (the "Company") for the year ended 31 December 2017 (the "EVM financial information"). The EVM financial information consists of the income statement, balance sheet, statement of economic net worth and information on business segments as set out on pages 57 to 63 in the Company's 2017 Annual Report.

All other EVM information included in, or made available outside, the Company's 2017 Annual Report was not subject to assurance procedures and, accordingly, we express no conclusion on this information.

Criteria

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

Board of Directors' responsibility

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

Our responsibility

Our responsibility is to perform a reasonable assurance engagement to express a conclusion on the EVM financial information as set out on pages 57 to 63 in the Company's 2017 Annual Report. We conducted our reasonable assurance engagement in accordance with International Standards on Assurance Engagements 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain reasonable assurance about the assurance conclusions.

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

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

Our independence and quality control

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

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

Conclusion

In our opinion, the EVM financial information of the Company for the year ended 31 December 2017 as set out on pages 57 to 63 is prepared, in all material respects, in accordance with the Company's EVM principles applied as published on the Company's website (swissre.com/EVM_principles).

This report does not extend to any other financial information of the Company.

PricewaterhouseCoopers Ltd

A handwritten signature in dark ink, appearing to read 'Alex Finn', with a long, sweeping horizontal stroke extending to the right.

Alex Finn

A handwritten signature in dark ink, appearing to read 'Bret M. Griffin', written in a cursive style.

Bret Griffin

Zurich, 14 March 2018