Swiss Re

Swiss Re International SE
Solvency and Financial Condition Report

For the year ended 31 December 2016

Swiss Re International SE
2A, rue Albert Borschette
L – 1246 Luxembourg
Luxembourg

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Executive summary

Business and performance

- Swiss Re International SE (the Company) is authorized by the Luxembourg Finance Minister to conduct commercial insurance business with international scope, focusing on property, casualty, credit and suretyship, marine and aviation business.
- Technical account at 31 December 2016 amounted to EUR 37 261 thousand.
- Gross premiums written amounted to EUR 1 320 998 thousand reflecting the challenging current market environment. On a net basis, earned premium was EUR 360 410 thousand which includes the positive impact of earnings from prior multi-year contracts.
- Net claims incurred at 31 December 2016 amounted to EUR 209 591 thousand with a loss ratio of 58%. The Company experienced several large losses in particular in credit and suretyship, general liability and in property. The impact of these loss events on the technical account was mitigated by the internal reinsurance programme in force.
- Administrative expenses amounted to EUR 164 373 thousand which includes operational costs as well as investments related to the continuous expansion of the Company's business activities in Asia and Europe with the opening of new branches, hiring of additional employees and the set-up of systems and processes.
- Overall, the reinsurance structure remained unchanged during 2016, comprising quota share and stop loss covers.
- Investment income in 2016 amounted to EUR 20 491 thousand which consists mainly of interest earned and realised gains on the portfolio.

System of governance

- The governance and organisational structure of the Company is set out in the Company's terms of reference and charters. These define the responsibilities and authority of the Board and its committees.
- The Terms of Reference have been revised and updated in June and September 2016 to ensure full alignment with Solvency II, to reflect the establishment of the Key Functions Committee, to formalise the process around declaration of conflict of interest, and to clarify SRI Board and Management Committee responsibilities with respect to various matters.
- The Board carries out an annual evaluation of its system of governance against relevant best practice standards. During the reviews performed in 2016, the Board concluded that the system of governance is adequate to the nature, scale and complexity of the risks inherent in its business.

Risk profile

In terms of 99.5% value at risk, there are no significant changes in the risk profile but exposure continues to increase commensurate with the Company's growth plan. Costing and reserving risk and unexpected inflation risk, along with generic liability, credit and suretyship underwriting and aviation risk as well as Earthquake Japan continue to dominate the risk profile.

Valuation for solvency purposes

Non-life technical provisions

The total non-life net technical provision of EUR -112 500 thousand under Solvency II valuation is compared to the Company statutory amount of EUR 1 066 424 thousand. Solvency II being an economic valuation framework, and the Company statutory valuation being an accounting valuation framework, the key differences are the following:

- In the Company statutory figures, future cash flows are not discounted, there is no concept of risk margin and the counterparty risk is not included in the valuation;
- For Solvency II purposes, an estimate of the cash flows ultimately received for the contracts in scope is recognised. For the Company statutory, only a portion of cash flows written by the cedent and earned during the reporting period is recognised;
- In the Company statutory figures there is no provision for future losses, whereas the Solvency II technical provisions contain best estimates of future losses not yet incurred at the date of valuation.

Other assets and liabilities

- There were no material changes to other assets and liabilities during 2016.

Capital management

- Eligible amount of own funds to cover Solvency Capital Requirement (SCR) for 2016 was EUR 486 053 thousand.
- The Solvency II SCR as at 31 December 2016 is EUR 128 347 thousand and Minimum Capital requirement (MCR) was EUR 57 759 thousand.
- The solvency ratio expressed as eligible own funds as a percentage of the SCR as at 31 December 2016 was 379%.

Section A: Business and performance

A1: Business

Full name and legal form
Swiss Re International SE is a European company (Societas Europaea), which was redomiciled to the Grand Duchy of Luxembourg on 1 January 2008 and which is registered with the Luxembourg Trade and Companies Register under number B134 553. The Company was originally incorporated as a private limited company in the United Kingdom. The Company´s legal entity identifier (LEI) is 222100BV3WGRWD8XI851.

Supervisory authority
The Company is authorised by the Commissariat aux Assurances (CAA) to conduct non-life insurance business and operates through a number of branches and contact offices.

Commissariat aux Assurances
7, Boulevard Joseph II
L-1840 Luxembourg
Grand-Duché de Luxembourg
Telephone: +352 22 69 11-1
Fax: +352 22 69 10
www.commassu.lu

Ultimate parent company and group supervisor
The ultimate parent company is Swiss Re Ltd, which is incorporated in Switzerland. For the purposes of this report, the ultimate parent company and all its subsidiaries are referred to as Swiss Re or the Swiss Re Group. The Group supervisor is the Swiss Financial Market Supervisory Authority.

Swiss Financial Market Supervisory Authority
Laupenstrasse 27
CH-3003 Berne
Switzerland
Telephone: +41 31 327 91 00
Fax: +41 31 327 91 01
www.finma.ch

External auditor
The external auditor appointed by the Company's shareholder is PricewaterhouseCoopers.

PricewaterhouseCoopers, Société coopérative
2, rue Gerhard Mercator
B.P. 1443
L-1014 Luxembourg
Grand-Duché de Luxembourg
Telephone: +352 49 48 48 -1
Fax: +352 49 48 48 -2900
www.pwc.lu

Holding company
The parent company is Swiss Re Corporate Solutions Ltd, incorporated in Switzerland as a limited liability company. Ownership is 100%.

Material related undertakings
The Company does not have any new investment in material related undertakings in 2016.

Simplified group structure
The Company's parent and ultimate parent company and sole wholly owned subsidiary as at 31 December 2016 were as follows:

Swiss Re Ltd (Switzerland)	
Swiss Re Corporate Solutions Ltd. (Switzerland)	100%
Swiss Re International SE (Luxembourg)	100%
Swiss Re Corporate Solutions Insurance China Ltd (China)	100%

Material lines of business and geographical split
Material countries by gross premiums written

The Company operates internationally through branches and contact offices. The material geographic zones for the year ended 31 December 2016 were as follows:
- United Kingdom;
- Switzerland;
- Netherlands;
- France;
- United States;
- Japan;
- Italy;
- Germany;
- Australia.

Material lines of business for the year ended 31 December 2016 were as follows:
- general liability insurance;
- credit and suretyship insurance;
- marine, aviation and transport insurance;
- fire and other damage to property insurance.

Significant business or other events
New branches

On 30 March 2016, the CAA authorised the establishment of a new branch of Swiss Re International SE in Hong Kong. On 30 August 2016, the Company obtained the formal authorisation from the Office of the Commissioner of Insurance to carry out general insurance business in or from Hong Kong and commenced its business operations.

On 22 August 2016, the CAA approved the establishment of a new branch of the Company in Bratislava, Slovakia, which is authorised to write all non-life insurance classes and will operate primarily as a sale and marketing hub for Central & Eastern Europe.

A2: Underwriting performance

Underwriting performance

The underwriting performance by material Solvency II lines of business, calculated on the same basis as used in the Company's statutory financial statements, for the reporting period ended 31 December 2016, was as follows:

EUR thousands	Underwriting performance 2016
General liability insurance	17 326
Credit and suretyship insurance	7 235
Marine, aviation and transport insurance	5 847
Fire and other damage to property insurance	- 14 822
Other	12 471
Total	**28 057**

The underwriting performance by material countries was as follows:

EUR thousands	Underwriting performance 2016
United Kingdom	18 831
Switzerland	14 726
Netherlands	9 986
France	8 327
United States	6 923
Japan	5 683
Italy	- 1 548
Germany	- 7 481
Australia	- 15 504
Other	-11 886
Total	**28 057**

Gross premiums written amounted to EUR 1 320 998 thousand reflecting the challenging current market environment. On a net basis, earned premium was EUR 360 410 thousand which includes the positive impact of earnings from prior multi-year contracts.

Net claims incurred at 31 December 2016 amounted to EUR 209 591 thousand with a loss ratio of 58%. The Company experienced several large losses in particular in credit and suretyship, general liability and in property. The impact of these loss events on the technical account was mitigated by the internal reinsurance programme in force.

A3: Investment performance

Investment results

Investment income in 2016 was of EUR 20 491 thousand. Investment income consisted mainly of interest earned on the portfolio as well as net gains realised from the sale of securities.

Investment income and expenses by investment asset category as at 31 December were as follows:

Investment performance
EUR thousands

	2016
Investment income	**20491**
Income from other investments	**15781**
Fixed income securities	15015
Shares in units and unit trusts	435
Deposit with credit institutions	331
Value re-adjustments on investments	**16**
Gains on realisation of investments	**4694**
Fixed income securities	4055
Shares in units and unit trusts	639
Investment charges	**–7884**
Investment management charges incl. interests	**–5961**
Interest charges	–328
Fixed income securities	–4803
Management charges	–830
Value adjustments on investments	**–**
Fixed income securities	–
Loss on realisation of investments	**–1923**
Fixed income securities	–1923
Total	**12607**

Gains and losses recognised directly in equity

The Company does not recognise any gains or losses directly in equity.

Investments in securitisation

The Company does not have any investments in tradable securities or other financial instruments based on repackaged loans.

A4: Performance of other activities

Material leasing arrangements

The Company does not have any material financial and operating leasing arrangements.

Other material income and expenses incurred during 2016

No other material income nor expenses incurred in 2016.

A5: Any other material information

Other material information

There is no other material information to report for 2016.

Section B: System of governance

B1: Governance structure

Organisational structure and system of governance
The governance and organisational structure of the Company is set out in the Company's terms of reference and charters. These define the responsibilities and authority of the members of the Board and Committees.

Board
The Board's duty is to manage the Company in the best possible way to achieve the Company's purpose and within the Company's best interests. The Board is responsible for the sound and prudent management of the Company.

The members of the Board bear ultimate responsibility and liability for meeting the applicable legal obligations. They therefore have the right and obligation to take all measures to fulfil their legal duties.

The members of the Board are individuals with the abilities, professional background and personal character (including honesty and financial soundness) necessary and required to ensure an independent decision-making process in a critical exchange of ideas with the executive management.

Composition of the Board
As at 31 December 2016, the Board had thirteen members, of whom seven are independent non-executive members and six members of the Swiss Re Group Executive Committee. The Chairman of the Board is an independent non-executive member appointed by the Board.

Delegation and retained responsibilities of the Board
The Board has delegated certain responsibilities and authorities to the following joint Board Committees of the Luxembourg Companies:
- Audit Committee; and
- Finance and Risk Committee.

The Board has further delegated certain responsibilities and authorities to:
- Management Committee of the Company;
- Material Transaction Sub-Committee of the Company;
- Solvency II Committee of the Company;
- General Manager of the Company;
- Branch Managers;
- General Manager Committee of the Company;
- Key Function Holders of the Company;
- Key Functions Committee of the Company;
- Local Bodies required for the Asian branches of the Company.

The Board retains ultimate responsibility, oversight and control of the delegated responsibilities and authorities.

Board Committees
Audit Committee
The Audit Committee assists the Board in fulfilling its oversight responsibilities as they relate to the integrity of the Company's financial statements (including its Luxembourg statutory returns), the Company's internal controls, compliance with legal, tax and regulatory requirements, the qualifications and independence of the external auditor, and the performance of both the internal audit function and the external auditor.

Finance and Risk Committee
The Finance and Risk Committee assists the Board in fulfilling its oversight responsibilities as they relate to the Company's risk tolerance and capital adequacy, Own Risk and Solvency Assessment (ORSA), risk concentration, threats, etc. both from a local statutory and economic perspective. This includes a forward-looking perspective arising from the Company's business and capital plan and strategic transactions.

Other Delegations

Management Committee

The Management Committee's primary responsibility is to manage the day-to-day business and operations of the Company. The Management Committee as a collegial body is fully accountable to the Board.

Material Transaction Sub-Committee

The Board has authorized the set-up of a sub-committee of the Management Committee. The purpose of the Material Transaction Sub-Committee is to exercise specific management responsibilities and authorities with respect to some material transactions including external outsourcing arrangement in respect of underwriting and claims functions to be entered into by the Company.

Solvency II Committee

The purpose of the Solvency II Committee is to assist the Board, the Management Committee and the General Manager of the Company with Solvency II application. The Solvency II Committee is authorised to take Solvency II related decisions on operational matters and to submit proposals and recommendations on strategic matters to the Board and the Management Committee.

General Manager

The General Manager is in charge of the day-to-day management of the Company and represents the Company at the CAA. In particular, the General Manager has authority to sign in respect of financial and treasury management, including opening and operations of bank accounts, hedging agreements and payments. He also has authority regarding employment matters and to act in the best interests of the Company's branches. The General Manager must be resident in Luxembourg and approved by the Luxembourg Minister of Finance.

Branch Managers

For each branch, the Board has appointed one person as Branch Manager and legal representative of the Company in the jurisdiction of the branch, who is in charge of the day-to-day management of the branch and of conducting business in the name of the Company in the jurisdiction of the branch.

General Manager Committee

The purpose of the General Manager Committee is to assist the General Manager with the management and supervision of the operational activities of the Company and its respective branches, and representative office, to the extent that such operational activities relate to the legal entity, and to provide a cross-functional and cross-location coordination and communication platform for matters relating to the Company.

Key functions

The Board is responsible for adopting appropriate measures to implement Group guidelines or policies relating to the functions defined as key or critical under the Solvency II framework, i.e. Risk Management, Compliance, Internal Audit and Actuarial (referred to as "key functions").

The roles of the key functions are as follows:

Risk Management

Please refer to paragraph "Implementation and integration of the Risk Management function" on page 13 for details of the Risk Management function.

Compliance

Please refer to paragraph "Implementation of the Compliance function" on page 15 for details of the Compliance function.

Internal Audit

Please refer to paragraph "Internal Audit function implementation" on page 15 for details of the Internal Audit function.

Actuarial

Please refer to paragraph "Implementation of Actuarial function" on page 16.

Key function holders

The Board nominates individuals as designated representatives of the respective key functions of the Company (the "key function holder") and monitors the key functions to ensure they are adequately staffed with professionals possessing the requisite professional qualifications, knowledge and experience. Key function holders operate under the oversight of and report directly to the Board and Board Committees of the Company.

Key Functions Committee
The central task of the Key Function Committee is to assist the Board in fulfilling its oversight responsibilities as they relate to the Company's key functions and internal controls.

Local Bodies required for the Asian branches of the Company
Specifically for the Asian branches of the Company, the Board or Management Committee may appoint legal representative(s) of the Company or set up local committees for specific matters as may be required under local law or regulatory requirements. The legal representative(s) and local committees operate under the oversight of and report directly to the Board or the Management Committee of the Company, as applicable.

Reporting and access to information
The Board, the Board Committees and the Management Committee have full authority to investigate any matters within their respective duties. They are authorised to obtain independent professional advice, request external advisors to undertake specific tasks or to obtain any information from any director, officer or employee acting on behalf of the Company, and to secure their attendance at the relevant meetings when necessary.

The key functions have operational independence in performing their reporting functions, with the exception of Internal Audit, which has complete independence in performing its reporting function. Key function holders are obliged to report directly to the Board, Board Committees, Management Committee or Key Functions Committee any issues that could have an impact on the Company.

Material changes in the system of governance
In Q1 2016, in order to allow for an effective communication and coordination between the head office and branch managers/ US office representative, the General Manager Committee was split into two sessions: one session dedicated to the EMEA branch managers and US office representative and a second session dedicated to the APAC branch managers. The Key Functions Committee of the Company was established in June 2016, to assist the Board in fulfilling its oversight responsibilities as they relate to the Company's key functions and internal controls.

Remuneration policy and practices
The Company adopted the Swiss Re Group Compensation Policy, which captures Swiss Re's compensation framework and governance. Furthermore, the policy governs the compensation processes and provides key guidelines for the execution of individual compensation actions. The aim is to reward sustained performance as well as providing for closer alignment of the interests of shareholders and employees.

Swiss Re's compensation framework comprises core components such as base salary, pensions and benefits and short-and long-term incentives. These incentive programmes reflect the long-term nature of the business: both the Value Alignment Incentive (VAI) as the deferred part of the Annual Performance Incentive (API) and the Leadership Performance Plan (LPP) aim to reward sustained performance rather than short-term results.

Overview of the compensation components

Fixed compensation
Base salary
The base salary is the fixed compensation paid to employees for carrying out their role and is established based on the following factors:
- scope and responsibilities of the role, and qualifications required to perform the role;
- market value of the role in the location in which Swiss Re compete for talent; and
- skills and expertise of the individual in the role.

Variable compensation
Annual Performance Incentive
The API is a discretionary, variable component of compensation. Combined with the base salary, it provides competitive total cash compensation when both business and individual performance targets are achieved. When the variable annual compensation level for an employee exceeds a pre-defined amount, the variable pay is delivered in two components: an immediate cash incentive payment (cash API) and a deferred API (VAI).

Value Alignment Incentive
The VAI is a mandatory deferral of a portion of the API and introduces a time component to this discretionary, variable compensation. This supports the Group's business model by aligning a portion of variable compensation with sustained long-term results.

Leadership Performance Plan
The purpose of the LPP is to provide an incentive for Swiss Re's senior management to create successful and sustainable company performance over the long-term. For Group Executive Committee members and other key executives, the duration of the LPP is five years comprising a three-year vesting and performance measurement period and an additional two-year holding requirement for GEC members. For all other participants, the vesting and performance measurement period is three years with no additional holding requirement.

Participation plans
Incentive Share Plan
The Incentive Share Plan (ISP) provides employees with an opportunity to purchase with some or all of their immediate cash API Swiss Re Ltd shares. Shares are offered with a 10% discount on the Fair Market Value and are subject to a one-year blocking period. Full shareholder rights apply during this blocking period. The ISP encourages alignment with shareholder interests. At the end of one-year period, the employee assumes full ownership of the shares.

Global Share Participation Plan
The Global Share Participation Plan (GSPP) provides employees with an opportunity to directly participate in the long-term success of the Group by purchasing Swiss Re shares (up to a maximum of CHF 7 000 per year and capped at 10% of base salary). Swiss Re provides a 30% match on the number of shares held by employees at the end of the three-year plan cycle. The match is subject to forfeiture rules in case of termination of employment before the end of the plan cycle. The GSPP has the same core design in all locations.

Compensation framework for the Board
Compensation structure for non-executive directors
The non-executive members of the Board and Board Committees of the Company receive 100% of their fees in cash. The payments are made on a quarterly basis. The fees are determined in advance at the start of the financial year and are approved at the Swiss Re Group level. Any compensation paid to non-executive directors who are also members of the Swiss Re Ltd Board of Directors (or Group Executive Committee, if any) is subject to approval by the Annual General Meeting of Swiss Re Ltd and may only be paid after due authorisation. The fee level for each member is reviewed annually and reflects their differing levels of responsibility and time commitment.

Compensation structure for executive directors
Executive directors receive no additional fees for their services as members of the Boards at subsidiary level.

Performance criteria

Annual Performance Incentive
A Target API (TAPI) is set for each eligible employee based on multiple factors, but primarily on the role being performed and market benchmarks. The actual API payout is based on Swiss Re's financial results and other qualitative criteria as well as the achievement of individual objectives and the demonstration of desired behaviours.

Value Alignment Incentive
The payout factor of the VAI is calculated based on the three-year average EVM previous years' business profit margin for all prior underwriting years. EVM is Swiss Re's proprietary integrated economic valuation and accounting framework for planning, pricing, reserving and steering the business.

Leadership Performance Plan
At grant date, the LPP award amount is split into two equal underlying components:

Restricted Share Units
The performance condition for Restricted Share Units (RSUs) is RoE with a linear vesting line. Vesting is at 0% for a RoE at the risk free rate and at 100% for RoE at a pre-defined premium above the risk-free rate. The premium is set at the beginning of the plan period and for LPP 2016, this premium has been set at 900 basis points above the annual risk-free rate, which is determined as the average of 12 monthly rates for 10-year US Treasury Bonds of the corresponding performance year. At the end of each year, the performance against the RoE condition is assessed and one third of the RSUs are locked in within a range from 0% to 100%. At the end of the three-year period, the total number of units locked in at each measurement period will vest (capped at 100%[1]).

Performance Share Units
The performance condition for Performance Share Units (PSUs) is relative total shareholder return (TSR) measured over three years. Swiss Re's TSR performance is assessed relative to the TSR of the pre-defined peer group. This peer group consists of companies that are similar in scale, have a global footprint or a similar business mix as Swiss Re.

[1] Maximum vesting percentage excludes share price fluctuation until vesting.

Supplementary pension or early retirement schemes for key individuals
The Company does not have a policy of offering supplementary or enhanced early retirement to key individuals.

Material transactions
During 2016, there were no material transactions with shareholders, with persons who exercise a significant influence on the Company, or with members of the administrative, management and supervisory bodies.

B2: Fit and proper requirements

Policy framework for fit and proper
The Company's compliance with fit and proper requirements is assured through a combination of policies and related procedures at both the Group and the Company level. In particular, the Board, Management Committees and Branch Managers follow special procedures related to appointments (nominations or changes), performance reviews and training. A set of tools and templates facilitates the implementation of these policies, which collectively ensure that those who effectively run the undertaking possess the requisite skills, knowledge and expertise for their roles.

Process for assessing fitness and propriety
Compliance with fit and proper requirements of the Board and Board Committees is reviewed at various stages, as shown in the table below:

Stage	Activities
Initial assessment	The company has adopted a specific policy and standards describing the appointment process and the skill/ experience approvals required. The company screens up-front (e.g. CV, passport, criminal records, check, etc.) nominees and uses the Swiss Re Group approval process and fitness and propriety assessment
Induction	Newly appointed members receive an induction package covering a range of Group/Company topics such as Finance, Legal and Compliance and Risk Management.
Training	Training sessions are integrated frequently into the agenda of regular Board meetings scheduled every 3 months.
Collective Assessment	A formal performance review of the Board is conducted annually during a private session. Board members individually prepare the review with a self-assessment questionnaire and checklist, which specifically refers to Fit and Proper requirements. Gaps and action items (e.g. training needs, suggested changes to board committees, etc.) are documented for follow-up.
Ongoing and ad-hoc assessment	All individuals subject to Fit & Proper requirements have to complete an annual fit and proper declaration, which focuses on the validation of the propriety to cover the assigned position. Re-assessments are performed if (a) additional responsibilities are assigned to a concerned individual, (b) if a concerned individual becomes aware that he/she no longer meets the Company's fit and proper criteria, or (c) if the performance or the behaviour of a concerned individual raises serious doubts about this person meeting the fit and proper criteria.

B3: Risk management system

Risk management system
The Company aligns its risk management system to the global framework that governs risk management practices throughout the Swiss Re Group. Risk policies, standards and guidelines established at Group and Business Unit level form a large part of the Company's risk management system; significant documents are reviewed for appropriateness by the Company and subsequently adopted. The Company establishes additional risk governance where needed as an addendum to the respective Group or Business Unit governance.

A key objective of the Risk Management function is to enable controlled risk-taking and the efficient, risk-adjusted allocation of capital. Risk management is based on four guiding principles:
- controlled risk-taking;
- clear accountability;
- independent risk controlling;
- open risk culture.

Swiss Re fosters and maintains a strong and sustainable risk culture across the Group to promote risk awareness and support appropriate attitudes and behaviours towards risk taking and risk management. A key element of risk culture is risk transparency. The central goal of risk transparency is to create a culture of mutual trust, and reduce the likelihood of surprises in the source and potential magnitude of losses

Risk transparency within the Company is ensured through regular reporting of both quantitative and qualitative risk information. These reports cover all aspects of the Company's risk landscape, including quantitative views of risk, solvency and liquidity, key risks with mitigating actions and recommendations. Information from these reports is included in regular updates to the Company's Management Committee, Finance and Risk and Audit Committees as well as to the Board.

Dialogue between the Company's key functions using these reports and other identification processes support the Company in monitoring and managing the risks to which it is exposed.

For its risk identification process, the Company applies Swiss Re's Group and Business Unit frameworks, under which risk takers are responsible for identifying, assessing, managing, controlling and reporting all relevant information on risks they are exposed to or undertake. In addition, the Company participates in and benefits from the results of Swiss Re's emerging risk process. The emerging risk process provides a Group-wide platform for raising emerging risks and reporting early warning signals; this information is complemented with external expertise and reported to internal and external stakeholders.

Regional Risk Advisory Councils have been established for EMEA and APAC to oversee all regional risk management matters and act as a forum to discuss and raise risk issues. In addition, regional risk matrices are used as tool to identify risks, raise awareness, improve regional risk culture and encourage accountability for mitigating actions. This process encourages dialogue between the business and risk management on key risks. Risk Management is involved in providing sufficient challenge to the action plan proposed by regional management.

Implementation and integration of the Risk Management function

Under the Company's terms of reference and charters, the Board assumes the oversight role for risk and capital steering supported by the Chief Finance Officer and the Chief Risk Officer. The Board has delegated certain responsibilities and authorities to the Finance and Risk Committee, to the Audit Committee as well as to the Management Committee and Solvency II committee.

The governance bodies for the Company are described in paragraph "Organisational structure and system of governance" on page 8. The Company's risk management is supported by both Swiss Re's global risk management units, which provide risk modelling services, regulatory relations management and central risk governance framework development, as well as by the Business Unit Risk Management function, which provides specialised risk category expertise, accumulation control and risk reporting services.

The branches described in paragraph "Full name and legal form" on page 4 follow to a large degree the processes and instruments used at the legal entity level in order to ensure consistency of approach. However, in particular for the branches in Asia, there are local regulatory and solvency requirements. The Company's Chief Risk Officer is responsible for risk management oversight of the branches supported by local risk management resources.

Internal model

The Company uses its internal model for the purposes of calculations of its SCR. The CAA approved the internal model and its associated governance framework for use in calculating the Compay's SCR under Solvency II on 17 December 2015. The Company's internal model governance framework sets out the requirements for model development standards, the governance around changes to the internal model, validation of the internal model and data quality standards.

The company's results from the internal model are reported periodically by the Chief Risk Officer, to the Management Committee and the Board as well as to the regulatory authorities according to the regulatory reporting requirements.

Process for accepting changes to the internal model

All model changes are subject to a controlled approval process, which is described more fully in the Swiss Re Group Risk Model Change Standards. This includes a qualitative and quantitative assessment of its impact on the Company.
All major model changes, in particular those with an impact (or an accumulation of minor impacts) of 5% or more on the Company's internal or regulatory capital requirement, are subject to endorsement by the Company's Chief Risk Officer. Changes are then subject to further internal approval processes before being adopted by the Company's Board. Subsequently the changes are submitted to the CAA for approval. Minor changes can be adopted by the Company Chief Risk Officer.

Material changes to internal model governance

The Group Risk Model Development Standards was implemented during 2016 to document the principles and criteria determining which risks need to be modelled in the internal model.

Internal Model validation tools and processes

The Company's internal model governance is based on Swiss Re Group standards for model validation, model development, model change and data quality standards that have been formally adopted by the Company. These standards are reviewed by the Chief Risk Officer of the Company prior to being endorsed and adopted by the Board.

Group Risk Management conducts regular model validations to ensure the appropriateness of the internal model on behalf of the Company. A broad range of validation tools are applied, including profit and loss attribution, stress tests, scenario analyses, reverse stress tests, sensitivity and stability analysis. In addition, all model changes are validated by independent experts.

For year-end 2016, an external party has provided an unqualified positive assurance opinion on the SCR and the risk margin calculated with the internal model.

Other risks
The principal quantified risk not included in the Company's SCR is funding liquidity risk. As liquidity risk focuses on cash flows and not on changes in economic value, it is not relevant for the capital adequacy view of the SCR. It is therefore measured and monitored independently, based on liquidity stress tests derived from the Group's internal model.

The prudent person principle
The management of the Company's investments is governed, in accordance with the Prudent Person Principle under Solvency II, by the general principle of the creation of economic value on the basis of returns relative to the liability benchmark and its replicating portfolio, the asset management policy adopted by the Company and a set of strategic asset allocation limits that are established by the Board of the Company.

ORSA process
The ORSA is an ongoing process, with critical risk control and reporting activities being carried out on a regular basis as outlined in paragraph "Risk management system" on page 12. ORSA is an iterative process within the annual business planning exercise and is used to assess the risk inherent in the plan and resilience of the Company solvency and balance sheet over a three-year horizon. Anticipated significant changes in risk profiles are included in assessing the future solvency position. Scenarios are used to provide insights into the strength of the balance sheet and to assess future potential solvency positions. Where exceptionally adverse scenarios are identified, mitigation actions and control measures are contemplated but would require Board approval prior to actions being taken.

The Chief Risk Officer maintains operational responsibility for carrying out the ORSA process and delivering ORSA reports to the Board.

Review of ORSA
The ultimate responsibility for the ORSA rests with the Board, which reviews and approves at least annually the results of the ORSA process.

Solvency assessment
Based on the planned risk profile, the internal model is used to determine target capital requirements. The Company sets aside capital to cover its quantifiable risks in accordance with its capitalisation policy. The risk-based capitalisation position of the Company is monitored frequently by the Company's Chief Risk Officer and Chief Financial Officer against target capital, with a number of options if risk and capital develop out of pre-defined control ranges. The ORSA process uses scenarios to stress the plan and assess the resilience of the solvency through the plan period including identifying relevant actions that may be considered to mitigate the potential downsides.

B4: Internal control system

Internal control system

Coordinated assurance framework

Swiss Re's Coordinated Assurance Framework is used by the Company to identify the principal operational risks to the organisation and the relevant key controls to manage them, as well as to demonstrate that a sufficient level of assurance is gained from the effectiveness of those controls.

The framework comprises of three lines of defence:

First line of defence

The first line of defence refers to those who carry out risk control activities at or close to the source of the risk and comprises risk owners and risk takers of the Company.

Second line of defence

The second line of defence refers to a layer of independent risk controlling and oversight. This is principally provided by Risk Management, although oversight and control tasks are also performed in Compliance, Group Underwriting, Business Unit Underwriting Centres, Finance, Legal and Operations.

Third line of defence
The third line of defence is the independent review of processes and procedures by GIA who are tasked with providing independent assurance to a Board of Directors at the Group, Business Unit, or Legal Entity level.

Assurance function interactions
While all functions retain their specific mandates and areas of expertise by working together and relying where possible on each other's work, a holistic approach is assured under the Coordinated Assurance Framework. Information, planning and execution of assurance work are coordinated and results are shared, reducing overlap between assurance units, increasing mutual reliance and providing an increased focus on pre-emptive assurance. The integrated approach is deployed within the following activities:
- risk scoping and assurance planning;
- coordination between assurance functions in business interactions;
- issue and action management interactions;
- monitoring across assurance functions;
- reporting.

Implementation of the Compliance function
The Compliance Charter of the Company sets out the objective and purpose of the Company's Compliance function, as well as the overall roles and responsibilities for compliance with all applicable legal and regulatory requirements, the highest professional and ethical standards and its stated corporate values.

To ensure that the compliance objectives are met consistently within the expectations of regulatory authorities, shareholders, clients and other stakeholders, the Board supports best compliance practices and an appropriately resourced Compliance function.

The Compliance function is responsible for:
- providing primary assurance oversight and assisting Management in the design of remedial actions and overseeing their implementation;
- overseeing compliance-related policies, guidelines and the Code of Conduct, and ensuring that these are regularly reviewed and up to date; and
- overseeing, as well as providing, appropriate compliance training to the Company's directors, officers and employees covering the Code of Conduct and certain related legal and regulatory compliance obligations.

The Compliance function is authorised to review all areas and to have full, unrestricted access to all activities, records, property, and personnel, including, without limitation, access to employee e-mail records, subject in all cases to applicable law. In addition, the Compliance function is operationally independent with regular interaction with the independent non-executive director who chairs the Audit Committee of the Company.

B5: Internal Audit function

Internal Audit function implementation
Group Internal Audit (GIA) assists the Board to protect the assets, reputation and sustainability of the Company. GIA performs audit activities designed to assess the adequacy and effectiveness of the Company's internal control systems, and to add value through improving the Company's operations.

GIA provides written audit reports, identifying issues and management actions to the Audit Committee, senior management and external auditor on a regular basis. GIA monitors and verifies that management's actions have been effectively implemented. Significant issues, and issues that have not been effectively corrected, are highlighted to the Audit Committee.

Independence of the Internal Audit function
GIA performs its internal audit activities with independence and objectivity. Activities are coordinated with the other assurance functions. GIA has no direct operational responsibility or authority over any of the activities it reviews. Authority is granted for full, free and unrestricted access to any and all of the Company's property and personnel relevant to any function under review. All employees are required to assist GIA in fulfilling their duty.

GIA staff govern themselves by adherence to The Institute of Internal Auditors' "Code of Ethics." The Institute of Internal Auditors' "International Standards for the Professional Practice of Internal Auditing" constitutes the operating guidance for the department. In addition, GIA adheres to the Group's guidelines and procedures, and GIA's organisation and processes, manuals and guidelines.

B6: Actuarial function

Implementation of Actuarial function

The tasks of the Actuarial function under the Solvency II framework are allocated across various functions:

- technical provisions calculations are performed by qualified actuaries within the Company;
- opinions on the underwriting policy and reinsurance adequacy are performed within Risk Management;
- input and feedback into the risk modelling framework is provided by the Risk Management team.

B7: Outsourcing

Outsourcing policy

The Company has adopted Swiss Re's comprehensive global outsourcing policy and has further specified the local oversight framework, which is approved by the Board in a separate annex to Swiss Re's Global Outsourcing Policy. The policy covers two types of outsourcing arrangements:

- third-party outsourcing, where the mandate is given to an external service provider;
- intra-Group outsourcing between Swiss Re entities.

The Company's policy includes an approval process for critical or important outsourcing arrangements based on a pre-defined due diligence selection process and requires a set of standard terms to be included in the outsourcing agreement. Requirements for post-approval control and monitoring, documentation and reporting are described.

The Board approves the outsourcing of critical and important outsourcing arrangements based on the recommendations of the Management Committee and approves the appointment of Outsourcing Managers for the key functions.

Outsourcing Managers are appointed to steer approval and governance processes and to exercise appropriate oversight.

Critical or important services related to risk management, actuarial function, compliance and internal audit are partially provided to the Company by other entities in the Swiss Re Group under intra-group outsourcing arrangements.

B8: Any other information

Assessment of adequacy of the system of governance

The Board carries out an annual evaluation of its system of governance against relevant best practice standards. During the reviews performed in 2016, the Board concluded that the system of governance is adequate to the nature, scale and complexity of the risks inherent in its business.

Other material information

There is no other material information to report for 2016.

Section C: Risk profile

Overview of risk exposure

The Company is exposed to a broad landscape of risks. These include core risks that are taken as part of insurance or asset management operations activities and are quantified in the Company's internal model (please refer to paragraph "Risk management system" on page 12). As required under Solvency II, the model also quantifies operational risk. In addition to these modelled risks, the Company is exposed to further risks that arise from undertaking business, including liquidity, strategic, regulatory, political and reputational risk. The following sections (C1 to C7) provide quantitative and qualitative information on the specific risk categories.

<table>
<tr><th colspan="2">Modelled risks</th><th colspan="2">Other risks</th></tr>
<tr><td>Underwriting: Property and casualty, life and health and credit</td><td rowspan="3">Operational risk</td><td rowspan="3">Liquidity risk</td><td>Strategic risk
Regulatory risk</td></tr>
<tr><td>Financial market risk</td><td>Political risk</td></tr>
<tr><td>Credit risk excl. credit underwriting</td><td>Reputational risk</td></tr>
<tr><td colspan="4">Emerging risks</td></tr>
</table>

Measures used to assess risks and material changes

The Company uses an integrated internal model based on Swiss Re's Group Risk Model to assess all modelled risk categories. Separate risk modules are used to model the individual risk factors. Risks not covered by the SCR (liquidity risks, strategic risks, regulatory, political risks and others) are regularly considered and assessed on a qualitative basis with various monitoring and reviews in place.

In line with the definition of the Solvency II SCR, the Company measures its capital requirement at 99.5% value at risk, which measures the loss likely to be exceeded in only one year out of two hundred.

Quantification of modelled risks by risk category

The table below sets out the quantification as at 31 December 2016 for the Company's modelled risk categories over the next twelve months. This represents the loss for each risk category that is likely to be exceeded only once in 200 years. Due to diversification, the total risk of the Company is lower than the sum of the individual categories.

Risk categories are based gross of outgoing Intra Group Transactions (IGT). Other impacts consist of outgoing IGT, expected change in own funds, intra-group default related effects, and discounting of the 99% VaR.

EUR thousands	2016
Property and casualty risk	782 704
Life and health risk	2 869
Financial market risk	77 358
Credit risk	299 509
Operational risk	59 432
Diversification	–380 635
Other impacts*	–676 596
Pre-tax Solvency Capital Requirement	**164 642**
Deferred tax impact	–36 295
Solvency Capital Requirement	**128 347**

Risk categories are gross of of outgoing intra group transactions (IGT) and net of external risk transfer (ERT)
** Other impacts: mainly driven by outgoing IGT*

Risk concentration

The most significant risk concentration for the Company derives from its use of intra-group reinsurance arrangements with other entities of the Group, namely Swiss Re Corporate Solutions Ltd. Under the Swiss Solvency Test, which is broadly similar to Solvency II and also based on Swiss Re's internal risk model, Swiss Re Corporate Solutions Ltd. is well capitalised.

Risks arising from underwriting risk are dominated by costing & reserving, non-life claims inflation, credit and suretyship, marine and generic liability risk. Underwriting risks are well mitigated by intra-group risk transfer.

The Company is also exposed to operational risk, which is not covered by the intra-group reinsurance arrangements but mitigated through application of the co-ordinated assurance framework.

C1: Underwriting risk

Risk exposure
Underwriting risk comprises exposures taken on by the Company when it writes property, casualty, credit and environmental & commodity market insurance business.

Property and casualty risk
Property and casualty risk arises from coverage that the Company provides for property and liability lines of business as well as for specialty lines of business such as engineering, aviation, marine. The Company is also exposed to the inherent risks from the property and casualty business it underwrites, such as inflation or uncertainty in costing and reserving. The Company has well diversified insurance risk exposures with costing and reserving risk and generic liability risk forming the largest exposures.

Life and health risk
The Company has immaterial life and health exposure from run-off business.

Credit underwriting and Environmental & Commodity Markets risk
Credit underwriting and Environmental & Commodity Markets (ECM) risk arises from liabilities taken on by the Company in the course of its credit & suretyship and agriculture underwriting, respectively. Both risks are shown separately as underwriting risk under Solvency II. However, due to the nature of these risks, credit underwriting risk and ECM risk are respectively quantified within the credit and financial markets risk categories.

Risk mitigation
Underwriting risk is mostly mitigated by intra-Group reinsurance. Regular assessment of the appropriateness of the intra-group Reinsurance programme is performed. An annual review is exercised based on plan numbers, internal risk model results and further coordination with other stakeholders such as local branch management, underwriting, capital management and finance.

Sensitivity analysis and stress testing
During the annual ORSA process, as described in paragraph "Internal control system" on page 14, various scenarios are used to test the resilience of the balance sheet of the Company beyond a baseline scenario, which contemplates adverse economic scenarios and underwriting assumptions.

The scenarios used take a multi-year time frame into account, consideration of these scenarios helps management to better understand the impact of potential deviations from the expected/baseline scenarios and to be better prepared to dynamically respond to such scenarios should they occur.

Scenarios consider a range of macro-economic situations (extreme to more probable) as well as insurance risk scenarios under which the Company could be expected to operate and/or situations that lead to differing underwriting results.
The baseline contemplates a moderate growth environment with improving global economic growth driven by a recovery in key advanced markets.

The Company used the following scenarios for the planning horizon 2017-2019:

Scenario	Description of the scenario
Downside	An economic scenario, which considers lower worldwide growth than the baseline plan, with an impact on financial markets. No impacts on Swiss Re's underwriting plans are allowed for.
Extreme loss	An economic scenario around a severe financial market downturn, which could be triggered by a number of factors e.g. financial or corporate sector crisis, US fiscal crisis, Eurozone break-up or China hard landing. This scenario is more severe than the "Downside" scenario and allows for underwriting impacts on the credit-underwriting portfolio.
Adverse reserve development	Assumes gross reserve deterioration in selected SRI branches, with no financial market and underwriting impacts considered concurrently.
Adverse market impacting planning assumptions	Challenging underwriting market conditions result in lower premiums and increased loss ratios, relative to the baseline plan, in each of the 2017-2019 years.

Under all scenarios the Company's solvency position has been assessed over the planning horizon, with management actions identified if required.

Special purpose vehicles
The Company does not use special purpose vehicles.

C2: Financial market risk

Risk exposure

The value of the Company's assets or liabilities may be affected by movements in financial market prices or rates, such as equity prices, interest rates, credit spreads, foreign exchange rates or real estate prices. The Company is exposed to such financial market risk from two main sources, through its investment activities as well as through the sensitivity of the economic value of liabilities to financial market fluctuations. Foreign exchange risk is the main form of financial market risk for the Company.

List of assets

The Company invests in government and corporate bonds, cash and cash equivalents and equities. Please refer to Quantitative Reporting Template (QRT) S.02.01.02 for a summary list of assets. These investments have been made in accordance to the prudent person principle outlined in paragraph "The prudent person principle" on page 14.

Risk mitigation

The Company uses a prudent and effective asset and liability matching process to mitigate market risks and regular reporting to monitor the effectiveness of the asset and liability matching process is in place.
Limits on asset classes are approved on an annual basis to take into account business planning, and the strategic asset allocation plan usage against approved limits is monitored regularly.

Sensitivity analysis and stress testing

No specific financial risks scenarios were considered over those described in paragraph "Sensitivity analysis and stress testing" on page 18.

Group-wide stress testing framework

The Company's financial market exposures are subject to the group-wide stress testing framework. This is reported on a weekly basis and the aggregated stress is monitored against an approved stress limit.

C3: Credit risk

Risk exposure

Credit risk primarily reflects the risk of incurring a financial loss from the default of counterparties or of third parties. In addition, it takes account of the increase in risk represented by any deterioration in credit ratings. This risk arises directly from investment activities, as well as from counterparty risk both related to external credit risk and to intra-Group counterparties which is reflected in default-related effects. In line with Solvency II, credit risk from underwriting activities is classified as underwriting risk (please refer to paragraph "Risk exposure" on page 18).

Risk mitigation

Risk Management regularly monitors corporate counterparty credit quality and exposures and compiles watch lists of cases that merit close attention. Risk Management monitors and reports credit exposure and limits on a regular basis in order to maintain exposure within approved limits. A governance framework is in place and appropriate actions taken when limits are near to being breached.

Sensitivity analysis and stress testing

The Company's credit risk market exposures are subject to the group-wide stress testing framework. This is reported on a weekly basis and the aggregated stress is monitored against an approved stress limit. No specific credit risks scenarios were considered over and above those described in paragraph "Sensitivity analysis and stress testing" on page 18.

C4: Liquidity risk

Risk exposure
The Company's exposure to liquidity risk stems mainly from the need to meet potential funding requirements arising from a range of possible stress events. However, given the high liquidity of the Company's invested assets, the risk to its solvency due to not being able to fund claims payments is very remote.

Risk mitigation
The Company controls liquidity risk to ensure that it can satisfy claims payments, debt maturities, expenses, and collateral requirements. To manage liquidity risk, the Company has a framework in place including regular reporting of key liquidity ratios to the Board.

Sensitivity analysis and stress testing
The Company applies a liquidity stress test to assess the liquidity sources and requirements in a stressed situation which assumes an extreme loss event in the size of a 99% shortfall along with a three notch rating downgrade.

These stress tests consider three time horizons and assumes that over 90 days only highly liquid assets (cash, government, supranational and agency bonds) are a source of liquidity, whereas over a 180 day and one-year horizon all the assets are considered.

The most recent analysis over the one-year horizon shows that the Company has sufficient liquidity requirements to withstand a large event.

Amount of expected profit in future premiums
The total amount of expected profit in future premiums for the Company as at 31 December 2016 is EUR 363 354 thousand.

C5: Operational risk

Risk exposure
Operational risk represents the risk of a change in value caused by the fact that actual losses, incurred for inadequate or failed internal processes, people and systems risks, or from external events (including legal risk), differ from the expected losses. Swiss Re's internal model includes a component to quantify operational risk for Solvency II purposes. In addition, operational risks are assessed and monitored qualitatively based on the Company's co-ordinated assurance framework.

Risk mitigation
The Company's coordinated assurance framework outlined in paragraph "Internal control system" on page 14 is used to manage and mitigate operational risk.

Sensitivity analysis and stress testing
The Company relies on regular exercises undertaken by Group Operational Risk Management to re-evaluate its exposure to operational risk. The team conducts workshops where business experts (first line risk takers) and second line of defence risk managers exchange views and outlooks of the potential for one-in-two-hundred-year operational events and the expected financial impact if these risks should materialise under various scenarios.

The outcome of these discussions enables the recalibration of the Group Risk Model's operational risk module and a calculation of Group operational risk capital. A portion of this is assigned to the Company on a pro rata basis.

The operational risk model is designed to represent the economic loss potential due to events classified as operational risk over a one-year horizon for use in the internal risk model. The focus of interest for this purpose lies entirely on large, unexpected events that potentially jeopardize the capital adequacy of the Company.

C6: Other material risks

All the important risks have already been disclosed in the sections above.

C7: Any other information

Other material Information All material information has been disclosed above.

Section D: Valuation for solvency purposes

D1: Assets

Methods applied for valuation of material assets

Material assets on a Solvency II valuation basis as at 31 December 2016 were as follows: (based on QRT Balance Sheet S.02.01.02 and per Company statutory)

EUR thousands	Solvency II	Company statutory	Change
Investments	792 191	804 045	–11 854
Reinsurance recoverables	1 797 761	4 062 531	–2 264 770
Reinsurance receivables & insurance and intermediaries receivables	105 256	218 745	–113 489
Total of all other assets not listed above	324 212	439 081	–114 869
Total assets	**3 019 420**	**5 524 402**	**–2 504 982**

The following valuation bases were used to value material assets for Solvency II purposes:

Material assets	Quoted market price valuation	Adjusted equity valuation	Alternative valuation
Investments			
■ All other investments, excluding the investments listed below	X		
■ Participations (subsidiaries and associates)		X	
Reinsurance recoverables			X
Reinsurance receivables			X

Investments

Solvency II:

Quoted market price valuation:

- Investments in government bonds, corporate bonds and ETFs are valued at fair value, determined as far as possible by reference to observable market prices.

Adjusted equity valuation:

- Participations: Valuation of participations (subsidiaries and associates) is estimated based on readily available accounting information.

Company statutory:

Shares, including shares in affiliated undertakings and participating interest, other variable yield transferable securities and units in unit trusts are valued at the lower of acquisition cost or market value. Debt securities and other fixed income transferable securities are valued at amortised cost. Deposits with credit institutions are valued at nominal value.

The difference between Solvency II and Company statutory represents the cash deposits with ceding companies recognized as investment only in the Company statutory while under Solvency II, these assets are presented under the line item "Total of all other assets not listed above".

Reinsurance recoverables

Solvency II:

The share of technical provisions for reinsured business is determined with reference to the contractual agreement and the underlying gross Solvency II best estimate liability per treaty.

Company statutory:

The share of technical provisions for reinsured business is determined with reference to the contractual agreement and the underlying gross business data per treaty.

The difference between Solvency II and Company statutory is discussed in section "D2: Technical provisions".

Reinsurance receivables & insurance and intermediaries receivables
Solvency II:
Reinsurance receivables & insurance and intermediaries receivables are valued using a discounted cash flow method.

Company statutory:
Reinsurance receivables & insurance and intermediaries are valued at their settlement value.

The difference observed between Solvency II and Company statutory is mostly attributable to a different assets/liabilities split between reinsurance and insurance payables and receivables.

Other assets not listed above
The difference between Solvency II and the Company statutory amounts of other assets not listed above is mainly driven by deferred acquisition costs only recognized in the Company statutory.

Assumptions and judgements applied for the valuation of material assets
Investments are valued at market value, which is determined to the extent possible by reference to observable market prices. Where observable market prices are not available, the Company follows the fair value measurement methodology. There are no major sources of estimation uncertainty when using judgments to determine valuations. Since Solvency II follows fair value (through profit and loss methodology), the securities are not carried at more than recoverable amounts.

Changes made to the recognition and valuation basis of material assets during the year
No changes were made to the recognition and valuation basis or to estimation assumptions during 2016.

Drivers of differences between Solvency II and Company statutory accounts
The differences between the Solvency II balance sheet and the Company statutory balance sheet are explained by the different valuation methodologies used as described in the paragraph "Methods applied for valuation of material assets" on page 21.

Property (held for own use)
The Company did not hold any property for own use as at 31 December 2016.

Inventories
The Company did not hold any inventories as at 31 December 2016.

Intangible assets
The Company did not show any intangible assets on the Solvency II balance sheet as at 31 December 2016.

Financial assets
Methods and assumptions applied in determining the economic value
Quoted prices in active markets for identical or similar assets are used to determine the economic value for the majority of securities. Where a quoted price is not available, alternative methods are used. Most financial asset prices are sourced from Blackrock Solutions. The list of vendors used by Blackrock Solutions to confirm pricing is held by the Company. In addition, all prices are reviewed by Swiss Re's independent pricing verification team to ensure agreement. When Blackrock Solutions prices are not available, a market price from an alternative source is selected. These are pre-agreed vendors, brokers, dealers or calculated prices depending on the type of financial assets.

As at 31 December 2016, the value of investments valued using quoted market prices in active markets for identical assets was EUR 264 829 thousand. The value of investments valued at quoted market prices in active markets for similar assets was EUR 499 586 thousand and the value of investments valued using adjusted equity method was EUR 49 623 thousand.

Use of non-observable market data
The Company follows the valuation methodology as per Article 10 of the Commission Delegated Regulation (EU) 2015/35 which states that "the use of quoted market prices in active markets for the same assets or liabilities, or, where that is not possible, for similar assets and liabilities, shall be the default valuation approach" This approach ensures that the values are not significantly higher or lower.

Significant changes to the valuation models used
There were no significant changes to the valuation method during the year.

Lease assets
The Company does not have any material financial and operating leasing arrangements.

Deferred tax assets

Recognition of deferred tax assets

Deferred income tax assets of EUR 113 789 thousand were recognised for all deductible temporary differences and for the carry forward on unused tax losses and unused tax credits, to the extent that the realisation of the related tax benefit through expected future taxable profits is probable.

Deferred income tax liabilities of EUR 258 287 thousand were recognised for all taxable temporary differences, which will result in higher future taxable income positions.

Deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax asset recognition on tax losses is also determined by reference to the tax laws enabling such recognition on the same enacted or substantively enacted basis.

Amount for which no deferred tax asset is recognised

The amount of deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset is recognised in the Solvency II balance sheet is EUR 633 thousand, because these amounts were not supportable by future taxable profit projections.

The expiry date, if any, for tax losses and tax credits, is dependent on the local tax law and hence varies depending on the relevant branch jurisdiction.

Temporary differences and unused tax losses are assumed to relate to the individual branch, and are consistent with tax rules. There is no offsetting of deferred tax assets in one branch against deferred tax liabilities in a different branch.

Projected future taxable profits

It is assumed that deferred tax assets and deferred tax liabilities are recoverable after more than 12 months.
The utilisation of deferred tax assets depends on projected future taxable profits, including those profits arising from the reversal of existing taxable temporary differences.

Actual tax losses suffered by the Company

Actual tax losses suffered by the branches of the Company in either the current or preceding periods, in the tax jurisdiction to which the deferred taxes assets are considered as a deferred tax asset, are taken into account to the extent that future tax benefits utilising these tax losses are probable. Local tax losses carry forward restrictions are considered. In certain jurisdictions, it may be possible to either utilise tax losses against prior year profits or against profits arising in sister subsidiaries or branches in those same jurisdictions. For balance sheet figures, the actual utilisation of tax losses in this manner is taken into account. For the purposes of computing the loss absorbing capacity of deferred taxes, such tax utilisation is assumed not to happen. The tax losses per branch as at 31 December 2016 are as follows:

EUR thousands	Tax losses 2016
Japan	2 800
Singapore	35 100
Australia	17 700
Switzerland	8 300
Spain	500

Tax rate changes during the year

The following branch tax rates changed in 2016 due to legislative changes:

Branch	National tax rate 2015 %	National tax rate 2016 %	Non-current tax rate* beginning of year %	Non-current tax rate* end of year %	Effect on deferred tax in EUR thousands
Switzerland	20.53%	20.47%	20.53%	20.47%	Decrease of a net liability by 19k EUR
United States	35.00%	35.00%	54.50%	54.50%	Double-taxation in the US has been considered in the deferred tax rate going forward.
Italy	33.72%	33.72%	30.22%	30.82%	Increase of a net liability by -58k EUR

* non-current tax rate is applied on the temporary differences to calculate the deferred tax impacts

Valuation of related undertakings

The Company applies the adjusted equity method to value its subsidiaries.

D2: Technical provisions

Life business

The Company has immaterial life and health exposure from run-off business. Amounts are included in the non-life section "Other".

Non-life business

Material technical provisions by Solvency II classes of business

The following table shows the value of non-life technical provisions, based on QRT S.17.01.02, by material classes of business as at 31 December 2016:

EUR thousands	Gross best estimate	Net best estimate	Risk margin	Total net technical provision
Marine, aviation and transport (direct and proportional)	314386	23175	3709	26884
Fire and other damage to property (direct and proportional)	236102	40872	10348	51220
General liability (direct and proportional)	1160957	139657	19938	159595
Credit and suretyship (direct and proportional)	–437486	–409785	10610	–399175
Other	355626	37906	11070	48976
Total	**1629585**	**–168176**	**55675**	**–112500**

Overview of methodology and assumptions

Best estimate

The estimation of the best estimate technical provisions is based on two steps:

- for all contract years, the nominal values of future payments related to premium, claims and commissions (including other contractual costs) are estimated;
- for all those nominal values, the timing of such future payments is estimated.

The combination of nominal values and timing lead to the expected future cash flow streams. Applicable discount rates are applied to these future cash flow streams for Solvency II reporting. The estimates are elaborated by a dedicated team of reserving actuaries as follows:

- for most contracts, they use classical actuarial methods for analysing triangular information concerning the development of past premiums, claims and commissions. For such analysis, the contracts are grouped into segments (large or structured contracts may be analysed on a standalone basis);
- for new contracts, the estimates cannot be derived with the above-mentioned actuarial techniques. The values for new contracts are generally based on values estimated during the process of determining the price of each contract. Over time, as new experience emerges, these initial estimates are revisited with the classical actuarial techniques;
- specific to credit and suretyship line of business, the negative technical provision is due to the low combined ratio and the long exposure period and the future profits that are recognised in Solvency II but deferred in the Company statutory accounts.

Main assumptions

Estimating technical provisions is not a purely calculative process. Sometimes assumptions must be made in respect of some parameters in the calculations. If the historical development observed in data captured in a triangle does not cover the full possible development, the length and amount of future development beyond the last observed point (the tail) must be quantified based on assumptions. Another area where important assumptions are needed in reserving is the judgement on whether the future will proceed as in the recent past or whether a different future development should be expected compared to the (recent) past observed in historical data.

Risk margin

The risk margin is calculated under a transfer value approach, assuming that the insurance or reinsurance obligations are transferred to a so-called reference undertaking, which is assumed to be empty prior to the transfer and then funded with assets to cover the technical provisions. Since the calculation is based on the cost of holding required capital, assumptions surrounding the risk margin rely on the calculation of the SCR and are explained and justified in the internal model documentation and in the standard formula documentation.

Solvency II additionally requires the allocation of the risk margin to the lines of business or segments as defined by Solvency II regulations. The allocation is required to adequately reflect the contribution of the lines of business to the SCR of the reference undertaking over the lifetime of the insurance or reinsurance obligations. In the internal model for example, the allocation is done to model currencies proportionately to the contribution to the Company shortfall. The further breakdown of the risk margin to Solvency II lines of business is performed proportionately to the contribution of the run-off claims observed in each line of business, branches and currencies.

Uncertainty associated with the technical provisions
Estimating technical provisions involves predicting future loss payments based on historical and current information and knowledge, as well as judgment about future conditions. However, changes to historical patterns and trends, changes due to, among other factors, an evolving legal or social environment, claimants' attitudes regarding insurance claims, changes in the national or regional economic performance, or changes in the Company's operations and its book of business make the incidence of claims more or less likely and claims' settlement values lower or higher.

The technical provisions contain no provision for the extraordinary future emergence of new classes or types of losses not sufficiently represented in the Company's historical database or that are not yet quantifiable. Contrary to the balance sheet used for Luxemburg statutory, the technical provisions used for Solvency II purposes contain best estimates of future losses not yet incurred at the date of valuation. Such losses can result, e.g. from large natural catastrophes. Actual future losses and loss adjustment expenses will not develop exactly as projected and may, in fact, vary significantly from the projections.

Material differences between Solvency II and statutory technical provisions
Material differences by line of business between Solvency II and statutory net non-life technical provisions as at 31 December 2016 were as follows:

EUR thousands	Solvency II	Company statutory	Change
Marine, aviation and transport (direct and proportional)	26 884	86 519	–59 635
Fire and other damage to property (direct and proportional)	51 220	156 462	–105 242
General liability (direct and proportional)	159 595	179 431	–19 836
Credit and suretyship (direct and proportional)	–399 176	572 105	–971 281
Other	48 976	71 907	–22 931
Total	**–112 500**	**1 066 424**	**–1 178 925**

The actuarial methods and assumptions used for the valuation of technical provisions for Solvency II purposes are identical to those used for the preparation of the Company's statutory accounts. Nevertheless, there are significant differences between the two accounting standards applicable to all lines of business:
- in the Company statutory figures, future cash flows are not discounted (time value of money is not recognised), there is no concept of risk margin and the counterparty risk is not included in the valuation;
- for Company statutory, the contracts in scope are the same but in general only a portion of the premium written during the reporting period is recognized as earned while the unearned portion and acquisition cost are deferred (whereby for Solvency II purposes only future cash flows are considered in the valuation) and there is no provision for future losses, i.e. claims resulting from losses not yet incurred but covered within the boundaries of the subject business.

Please refer to page 24 "Overview of methodology and assumptions" under Best estimate section for the relevant explanation on the material difference between Solvency II and statutory valuation in credit and suretyship line of business.

Recoverables due from reinsurance contracts
As part of the best estimate calculation, reinsurance recoverables are also taken into account for the calculation of technical provisions. The reinsurance ceded is predominantly proportional reinsurance. Therefore, the determination of the reinsurance recoverable is a purely calculative process and does not require estimations, actuarial methods, assumptions or any other judgemental element. In the valuation of ceded reinsurance, the counterparty risk is considered.

Material changes in assumptions made
During 2016, no material changes were made in the relevant assumption of the calculation of technical provisions.

D3: Other liabilities

Other material liabilities

Other material liabilities as at 31 December 2016 were as follows: (based on QRT Balance Sheet S.02.01.02 and per Company statutory):

EUR thousands	Solvency II	Company statutory	Change
Payables (trade, not insurance)	133 608	108 317	25 291
Loan from affiliated undertakings	100 000	100 000	-
Deferred tax liabilities	258 287	-	258 287
Reinsurance payables & insurance and intermediaries payables	209 561	851 794	–642 233
Total of all other liabilities not listed above	101 651	264 776	–163 125
Total other liabilities	**803 107**	**1 324 887**	**–521 780**

The following valuation bases were used to value material liabilities for Solvency II purposes:

Discounted cash flow	Other
Reinsurance payables	Payables (trade, not insurance)
	Deferred tax liabilities

Payables (trade not insurance)

Solvency II:

Payables are valued at their settlement value.

Company statutory:

Payables are valued at their settlement value.

Loan from affiliated undertakings

Solvency II:

The loan from affiliated undertakings is valued at nominal value.

Company statutory:

The loan from affiliated undertakings is valued at nominal value.

Deferred tax

Solvency II:

Deferred tax assets and liabilities are considered based on temporary differences between the Solvency II balance sheet and the local statutory balance sheet. The analysis is performed on the basis of the local branches of the Company and the corresponding jurisdictional tax regulations were taken into account. Deferred tax assets are calculated on all balance sheet differences which are recognised as being temporary and which will have a tax reversal impact in the foreseeable future. The valuation of the deferred tax assets can be supported by projections of the future taxable profits. The projections are based on prior-year experiences considering expectations about future business. In addition, tax groups (fiscal unities) in the jurisdictions were taken into account where there was reliable evidence of additional taxable profits within those fiscal unities or tax groups. The Company is presumed not to enter into run-off after a shock loss, and credit is only given for deferred tax assets utilised within a three-year time frame, but net deferred tax assets are currently recognised. Adjustments are made for local restrictions on tax loss.

Company statutory:

Deferred income tax assets and liabilities are calculated based on the difference between financial statement carrying amounts and the corresponding income tax bases of assets and liabilities using enacted income tax rates and laws, which are not recognised in the Company's annual accounts under Luxembourg Generally Accepted Accounting Principles. The amount of deferred tax assets and liabilities are disclosed as part of the notes to the accounts.

Reinsurance payables & insurance and intermediaries payables

Solvency II:

Reinsurance payables & insurance and intermediaries payables are valued using a discounted cash flow method.

Company statutory:

Reinsurance payables & insurance and intermediaries payables are valued at their settlement value.
The difference observed between Solvency II and Company statutory is mainly driven by debtors arising from reinsurance and insurance. Part of these items contains future cash flows recognized under Solvency II as part of technical provisions.

Other classes of liabilities

The Company only applies liability classes as prescribed in the Solvency II balance sheet template.

Financial liabilities

Impact of changes in own credit risk rating

Other financial liabilities consist mainly of contingent liabilities, provision for taxation and unrecognised tax benefits. Contingent liabilities are included in the Solvency II balance sheet but are not reported in the Company balance sheet. The change in the Company's own credit risk has no impact on the above financial liabilities.

Credit spread

The Company uses the Solvency II yield curves published by EIOPA that account for credit spread.

Lease liabilities

The Company had no material financial or lease liabilities as at 31 December 2016.

Deferred tax liabilities

Deferred income tax liabilities of EUR 258 287 thousand have been recognised for all taxable temporary differences, which will result in higher future taxable income positions.

Deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled, based on tax rates and tax laws that have been enacted by the end of the reporting period.

It is assumed that deferred tax liabilities are recoverable after more than 12 months.

Tax rate changes during the year

Please refer to point " Tax rate changes during the year" on page 23.

Closing procedures

During the close process changes, in the applicable tax rates, in expectations on future taxable profits, in tax loss carry forward time limitations and in local tax regulations in the applicable tax regimes are reviewed, documented and considered for the calculation of deferred taxes under Solvency II.

Other provisions

Nature and timing of the obligations

As of 31 December 2016, other provisions mainly represent provision for currency risk. All other provisions are classified as payable in less than five years.

Uncertainties surrounding amount or timing of the outflows of economic benefits

The other obligations comprised provisions of which the amount and timing of the outflows of economic benefits have been taken into account in determining the provision. No other material uncertainties exist.

Cases where market values have not been adjusted

The market values of liabilities have been adjusted and therefore no additional disclosure is required.

Major assumptions concerning future events

No major assumptions were made regarding interest rates, risk adjustment or any other major assumptions concerning future events.

Employee benefits

Nature of the obligations

Employee benefits

The Company has employee benefit programmes for which it has the obligation to set aside reserves to meet future obligations. As at 31 December 2016, the following programmes were in place:

Employee benefit programmes	Short-term obligations	Long-term obligations	Other post-employment
Annual Performance Incentive	X		
Global Share Participation Plan		X	
Vacation accrual	X		
Incentive Share Plan	X		
Italy – healthcare and life insurance for retired employees			X
Leadership Performance Plan		X	
Value Alignment Incentive		X	
Italy – Trattamento di Fine Rapporto*		X	

*Italy – Trattamento di Fine Rapporto -this is a leaving service benefit paid to employees who leave the Company for any reason at any time.

Other benefit programmes

Please refer to paragraph "Remuneration policy and practices" on page 10 for details of other programmes.

Plan assets

Not applicable to the Company.

Deferred recognition of actuarial gains and losses

Actuarial gains and losses are not deferred under Solvency II or for the Company statutory accounts prepared under Luxembourg Generally Accepted Accounting Principles.

Methodologies and inputs used to determine the economic value

Employment benefits are determined according to business principles and are based on estimated needs.

Changes during the reporting period

No changes have made to the recognition and valuation bases used or on estimations during 2016.

Assumptions and judgements

No assumption and judgements contributes materially to the valuation of the other liabilities.

D4: Alternative methods of valuation

Alternative methods of valuation The Company does not value any investment assets using alternative valuation methods.

D5: Any other information

Other material information

All material information regarding the valuation of assets and liabilities for Solvency II purposes has been described in the sections above.

Section E: Capital management

E1: Own funds

Solvency ratio

The solvency ratio expressed as eligible own funds as a percentage of the SCR as at 31 December 2016 was equal to 379%.

Own funds – objectives, policies and processes

The Company's capitalisation policy ensures that it is appropriately capitalised for the risk that it incurs. The capital structure and the level of capitalisation are determined by regulatory capital requirements, management's assessment of the risks and opportunities arising from business operations and by financial management considerations. Throughout 2016, the Company's capital level was maintained in accordance with the capitalisation policy.

The Company monitors compliance with the capitalisation on a regular basis, taking into account relevant developments in the risk landscape and in its business portfolio. Surplus capital, which is not required to support expected new business, is made available to the Business Unit.

Own funds – time horizon used for capital planning

The composition of the Company's own funds is expected to change in line with the growth forecasted over the one-year and three-year business planning time horizon.

Own funds by tier

The value of own funds, classified as tier 1 based on QRT S.23.01.01, as at 31 December was as follows:

EUR thousands	2016
Ordinary share capital (gross of own shares)	182 037
Legal reserve	21 074
Reconciliation reserve	282 309
Total basic own funds after adjustments	**485 420**

The value of own funds, classified as tier 3 based on QRT S.23.01.01, as at 31 December was as follows:

EUR thousands	2016
Net deferred taxation assets	633
Total basic own funds after adjustments	**633**

Eligible amount of own funds to cover the Solvency Capital Requirement

The eligible amount of own funds, classified as tier 1and 3, to cover the SCR for 2016 was EUR 486 053 thousand.

Restrictions to available own funds

The only restriction to available own funds is the legal reserve.

Eligible amount of basic own funds to cover Minimum Capital Requirement

The eligible amount of basic own funds, classified as tier 1, to cover the MCR for 2016 was EUR 485 420 thousand

Differences between equity in Solvency II and Company statutory accounts

The material differences in equity as shown in the Company statutory accounts and Solvency II as at 31 December 2016 were as follows:

EUR thousands	Equity reconciliation
Equity as per Company statutory accounts	203 111
Reconciliation reserve	282 309
Net deferred taxation assets	633
Equity per Solvency II	**486 053**

Reconciliation reserve

Solvency II: The reconciliation reserve represents the movement in the valuation of assets, technical provisions or other liabilities in the adoption of the Solvency II valuation as well as retained earnings, including current year results. The purpose of the reconciliation reserve is to demonstrate that the excess of assets over liabilities is equal to the sum of the value of the basic own fund items as adjusted.

Equity as per Company statutory accounts: equivalent to subscribed capital and reserves.

Basic own funds subjected to transitional arrangements

No own funds items were subject to transitional arrangements.

Ancillary own funds

There are no ancillary own funds in the Company.

Items deducted from own funds

Foreseeable dividends of EUR 45 000 thousand have been deducted from own funds of the Company.

Subordinated capital instruments in issue at year end

The Company does not have subordinated capital instruments.

Capital instruments issued as debts

Not applicable to the Company.

Value of subordinated debt

The Company does not have subordinated debt.

Principal loss absorbency mechanism

The Company does not have a loss absorbency mechanism that qualifies as high quality own funds instruments.

Key elements of the reconciliation reserve

The reconciliation reserve based on QRT S.23.01.01 as at 31 December 2016 was as follows:

EUR thousands	2016
Excess of assets over liabilities	531 053
Equity per Company statutory accounts	–203 111
Foreseeable dividends and distributions	–45 000
Net deferred taxation assets	–633
Reconciliation reserve	**282 309**

The difference between the excess of assets over liabilities under Solvency II and the equity value shown in the Company statutory accounts is mainly due to different valuations applied under Solvency II for assets, technical provisions and other liabilities.

Total excess of assets over liabilities within ring fenced funds

The Company does not have any ring-fenced funds.

E2: Solvency Capital Requirement and Minimum Capital Requirement

Solvency Capital Requirement and Minimum Capital Requirement

As at 31 December 2016, the Company SCR was EUR 128 347 thousand and the MCR was EUR 57 759 thousand.

Solvency Capital Requirement split by risk category

The Company uses an integrated internal model to measure its capital requirement using 99.5% value at risk as described in paragraph "Risk exposure" on page 18. The table below sets out the quantification as at 31 December 2016 for the Company's modelled risk categories over the next twelve months. Risk categories are based gross of outgoing IGTs:

EUR thousands	2016
Property and casualty risk	782 705
Life and health risk	2 869
Financial market risk	77 358
Credit risk	299 509
Operational risk	59 432
Diversification	–380 635
Other impacts	–676 596
Pre-tax Solvency Capital Requirement	**164 642**
Deferred tax impact	–36 295
Solvency Capital Requirement	**128 347**

Other impacts: consist of outgoing IGT, expected change in own funds, intra-group default related effects, and discounting of the 99% VaR.

Simplification calculation

The Company does not apply the standard formula.

Standard formula parameters

The Company does not apply the standard formula.

Non-disclosure of capital add-on during transitional period ending no later than 31 October 2017

This is not applicable to the Company.

Standard formula capital add on applied to Solvency Capital Requirement

The Company does not apply the standard formula.

Information on inputs used to calculate the Minimum Capital Requirement

Inputs used to calculate the MCR for non-life insurance or reinsurance obligations include premiums written during the last 12 months and best estimate technical provisions without a risk margin, both split by lines of business.

E3: Duration-based equity risk

Indication that the Company is using the duration-based equity risk sub-module

Not applicable to the Company.

E4: Differences between the standard formula and the internal model

The structure of the internal model

The internal model consists of the following building blocks:
- risk factors: to model the stochastic change of the state of the world over the one-year time horizon;
- exposure model: to determine the change in basic own funds given a realisation of the risk factors, i.e. the stochastic future states of the world;
- transaction model: to model the intra-Group transactions in place as well as external reinsurance;
- balance sheet model: to evaluate the impact of defaults of Group companies and follow-up effects.

Generally speaking, risk factors are sources of risk external to the Company. Their stochastic evolution is modelled over one year, using approaches such as univariate or multivariate distributions, frequency-severity models, event set-based models and Merton-type threshold models. Dependencies between risk factors are modelled by copulas, causal dependencies and other approaches. In contrast to many models used, dependencies are taken into account at the level of the underlying risk factors and not at the level of major risk categories. This implies that dependencies are independent of Swiss Re's portfolio. The exposure model captures the impact of the risk factors on the economic profit and loss through Swiss Re's portfolio. In the exposure model, Swiss Re's business activities are decomposed into different exposures. The change in basic own funds of the entire portfolio resulted from aggregating the effect on the individual exposures. Each exposure is assigned attributes, such as legal entity, line of business and treaty year, which enable drill-down analyses and an evaluation of the contribution to total risk.

Risk categories concerned and not concerned by the internal model

Refer to section C, paragraph "Risk exposure" for details of the risk covered and not covered in the capital model.

Aggregation methodologies and diversification effects

Aggregation in the standard formula is prescribed in a hierarchical bottom-up scheme, with explicit standardised, industry-wide diversification benefits between its components at each step of the aggregation. In the Swiss Re Group's internal model, the diversification and interdependencies happen in the joint simulation of risk factors. Combining the realised outcomes of all the risk factors to which a specific portfolio selection is exposed (for example, the Company's marine portfolio and its exposure to natural catastrophes, etc.) yields an aggregate loss distribution. Such an aggregation takes place in a single step and contains implicit diversification between its risk module components.

Risk not covered in the standard formula but covered by the internal model

The Company's internal model covers the spread risk of European Union government bonds, while this risk is excluded from the standard formula.

Various purposes for which the internal model is being used

The Company´s internal model purposes are defined by the four major areas for which the model is intended to be used:
- Capital adequacy assessment: is the capital base sufficient to support the risk in the book?
- Risk controlling and limit setting: how much risk capacity should be allocated to each risk category?
- Portfolio management: what measures can be taken to improve capital efficiency?
- Costing: what is the cost of capital to carry a specific risk?

Scope of the internal model in terms of Business Units and risk categories

The scope of the internal model includes all material risks, which influence the Solvency II balance sheet of the Company. Please refer to paragraph "Risk categories" on page 32 for details of the risk categories used.

Partial internal model

The Company does not use a partial internal model.

Methods used in the internal model for the calculation of the probability distribution forecast and the Solvency Capital Requirement

The stochastic economic balance sheet is obtained by modelling the impact of joint scenarios of risk factor realisations on the economic balance sheets. For this purpose, a model design principle is to separate the modelling of joint risk factor realisations from their impact on the balance sheet positions (exposures). In the Swiss Re Group's internal model, the risk, which arises from a balance sheet position, is defined as the unexpected change in the economic value of this balance sheet position over a one-year time horizon. A large number of Monte Carlo simulations yield a sufficiently accurate and stable empirical joint distribution of balance sheet changes; the SCR of a risk is calculated as the 99.5 percentile of the corresponding empirical distribution.

Risk measures and time period used in the internal model

The internal model calculates the probability distribution of the change in basic own funds over one year. In particular, it enables the value at risk of this change to be calculated at the 99.5% quantile level.

Nature and appropriateness of the data used in the internal model
Data used by the Swiss Re Group's Risk Model is provided by different functions of Swiss Re and comes in a variety of different formats. This input data is validated at several stages and transferred via the Risk Management Application Platform into the well-defined format of the Risk Management Data Warehouse. The Data Dictionary defines the precise structure and content of each data item that is submitted to Risk Management Data Warehouse via the Risk Management Application Platform.
Validation of the data is the responsibility of the respective data provider at each stage of the process. The process to ensure data quality is governed by the Group Risk Model Data Quality Standards. Validation of data quality is carried out in five steps:
- within the responsibility of the respective data provider upon collection of data or while downloading it from a source system;
- structural and syntactical validation at the moment a data provider uploads any data delivery to the Risk Management Application Platform;
- asynchronous validation of data consistency between interdependent deliveries, particularly with regard to reference data;
- validation of data completeness at the beginning of each internal model calculation;
- validation of calculation results and changes over time by the data provider supported by Business Unit and Legal Entity Risk Management teams (plausibility checks).

E5: Non-compliance

Any non-compliance with the Company Solvency Capital Requirement and Minimum Capital Requirement requirement
The Company complied with the SCR and MCR during 2016.

E6: Any other material information

Other material information
All material information regarding capital management has been described in the sections above.

Glossary

Board	The Board of Directors of the Company.
CAA	Commissariat aux Assurances, Luxembourg.
Company	Swiss Re International SE
Credit spread	Applies to derivative products. Difference in the value of two options, when the value of the one sold exceeds the value of the one bought.
Economic net worth	Market-consistent value of assets less the market-consistent value of liabilities.
Economic Value Management	Swiss Re's integrated economic valuation framework for planning, pricing, reserving and steering the business. It also provides the basis for determining available capital under the Swiss Solvency Test and for Solvency II.
EMEA	Europe, Middle East and Africa.
GIA	Group Internal Audit.
Group risk model	The internal model developed by Swiss Re and in place since 1994, used for articulating risk tolerance, assessing performance and setting targets. The internal model forms an integral part of the steering reality at Swiss Re. As part of Solvency II, the implementation of "Solvency II specific features" (e.g. illiquidity premium, ultimate forward rate, treatment of deferred taxes, etc.) has been carried out. For the purpose of this report, any reference to the Group Risk Model refers to the model including the Solvency II–specific modifications.
Health insurance	Generic term applying to all types of insurance indemnifying or reimbursing for losses caused by bodily injury or sickness or for expenses of medical treatment necessitated by sickness or accidental bodily injury.
Intra-Group reinsurance	Reinsurance between subsidiaries of the same parent company or between a subsidiary and its parent; intra-Group reinsurance aims to optimise capital allocation and tax efficiency for the Swiss Re Group as well as ensure adherence to regulatory solvency requirements.
Intra-Group transaction	This can be either in the form of a proportional (e.g. quota-share) or non-proportional (e.g. stop-loss or Cat XL) agreement.
Key functions	Risk management, compliance, internal audit and actuarial.
Key function holder	The Board nominates individuals as designated representatives of the respective key functions towards the Company.
Life insurance	Insurance that provides for the payment of a sum of money upon the death of the insured, or upon the insured surviving a given number of years, depending on the terms of the policy. In addition, life insurance can be used as a means of investment or saving.
Luxembourg Companies	The Company, Swiss Re Europe S.A. and Swiss Re Europe Holdings S.A.
MCR	If, despite supervisory intervention, the available resources of the insurer fall below the Minimum Capital Requirement, then "ultimate supervisory action" will be triggered. In other words, the insurer's liabilities will be transferred to another insurer and the license of the insurer will be withdrawn or the insurer will be closed to new business and its in-force business will be liquidated.
Non-proportional reinsurance	Form of reinsurance in which coverage is not in direct proportion to the original insurer's loss; instead the reinsurer is liable for a specified amount which exceeds the insurer's retention; also known as "excess of loss reinsurance".
ORSA	Own Risk and Solvency Assessment.
Own funds	Excess of assets over liabilities including any amount that is deemed suitable to provide support for the SCR.
Property insurance	Collective term for fire and business interruption insurance as well as burglary, fidelity guarantee and allied lines.
QRT	Quantitative Reporting Template.
Reinsurance	Insurance which lowers the risk carried by primary insurance companies. Reinsurance includes various forms such as facultative, financial, non-proportional, proportional, quota share, surplus and treaty reinsurance.
Reserves	Amount required to be carried as a liability in the financial statements of an insurer or reinsurer to provide for future commitments under outstanding policies and contracts.
Return on equity	Net income as a percentage of time-weighted shareholders' equity.
Risk appetite	An expression of how the Company aims to deploy its risk capacity. It specifies the types of risk that SRE wishes to take and for each type the amount to be taken, while remaining within the boundaries imposed by the Company's stated risk.

Risk management	Management tool for the comprehensive identification and assessment of risks based on knowledge and experience in the fields of natural sciences, technology, economics and statistics.
Risk profile	Threats to which an organisation is exposed. The risk profile will outline the type of risks and potential effect of the risks. This outline allows a business to anticipate additional costs or disruptions to operations.
Risk tolerance	An expression of the extent to which the Board has authorised executive management to assume risk. It represents the amount of risk that the Company is willing to accept within the constraints imposed by its capital resources, its strategy, its risk appetite, and the regulatory and rating agency environment within which it operates.
RSR	Regular Supervisory Report.
Securitisation	Financial transactions in which future cash flows from assets (or insurable risks) are pooled, converted into tradable securities and transferred to capital market investors. The assets are commonly sold to a special-purpose entity, which purchases them with cash raised through the issuance of beneficial interests (usually debt instruments) to third-party investors.
SFCR	Solvency and Financial Condition Report.
SCR	Solvency Capital Requirement under Solvency II – calculated using the internal model. The Solvency Capital Requirement is based on a value at risk measure calibrated to a 99.5% confidence level over a one-year time horizon.
Swiss Solvency Test	Switzerland already introduced an economic and risk-based insurance regulation, similar to the objectives of the Solvency II project in the EU. Since 2008, all insurance and reinsurance companies writing business in Switzerland have had to implement the Swiss Solvency Test and, since 1 January 2011, the Swiss Solvency Test-based target capital requirement has been in force and companies must achieve economic solvency.
Target capital	As defined by the Legal Entity Capitalisation Policy, target capital is equal to the Solvency Capital Requirement (see above) plus a volatility buffer (see below) and any local add-ons. The capitalisation policy sets a target capital range of +/-10% of target capital.
Technical result	Underwriting defined as nominal premiums less nominal commissions and claims.
Value at risk	Maximum possible loss in market value of an asset portfolio within a given time span and at a given confidence level. 99% value at risk measures the level of loss likely to be exceeded in only one year out of a hundred, while 99.5% value at risk measures the loss likely to be exceeded in only one year out of two hundred. 99% tail value at risk estimates the average annual loss likely to occur with a frequency of less than once in one hundred years.
Volatility buffer	An amount of capital sufficient to cover a one-in-ten-year event (90% value at risk).

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Appendix
SFCR Public Disclosure Templates

Report:	S.02.01.02
Reporting entity:	Swiss Re International SE
Due date:	31.12.2016
Reporting currency	EUR thousands

Balance sheet

Assets		**Solvency II value**
		C0010
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	0
Deferred tax assets	**R0040**	113 789
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	1 932
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	792 190
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	49 623
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	716 995
Government Bonds	**R0140**	513 157
Corporate Bonds	**R0150**	203 838
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	25 572
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	0
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	
Loans and mortgages	**R0230**	218
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	215
Other loans and mortgages	**R0260**	3
Reinsurance recoverables from:	**R0270**	1 797 761
Non-life and health similar to non-life	**R0280**	1 797 761
Non-life excluding health	**R0290**	1 795 299
Health similar to non-life	**R0300**	2 462
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	
Life index-linked and unit-linked	**R0340**	
Deposits to cedants	**R0350**	9 305
Insurance and intermediaries receivables	**R0360**	49 812
Reinsurance receivables	**R0370**	55 444
Receivables (trade, not insurance)	**R0380**	73 968
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	124 648
Any other assets, not elsewhere shown	**R0420**	354
Total assets	**R0500**	3 019 421

Report:	S.02.01.02
Reporting entity:	Swiss Re International SE
Due date:	31.12.2016
Reporting currency	EUR thousands

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	1 661 814
Technical provisions – non-life (excluding health)	**R0520**	1 658 397
Technical provisions calculated as a whole	**R0530**	
Best Estimate	**R0540**	1 603 075
Risk margin	**R0550**	55 322
Technical provisions - health (similar to non-life)	**R0560**	3 417
Technical provisions calculated as a whole	**R0570**	
Best Estimate	**R0580**	3 085
Risk margin	**R0590**	332
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	23 446
Technical provisions - health (similar to life)	**R0610**	23 446
Technical provisions calculated as a whole	**R0620**	
Best Estimate	**R0630**	23 425
Risk margin	**R0640**	21
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	
Technical provisions calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
Technical provisions – index-linked and unit-linked	**R0690**	
Technical provisions calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Other technical provisions	**R0730**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	9 113
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	75 218
Deferred tax liabilities	**R0780**	258 287
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	17 320
Financial liabilities other than debts owed to credit institutions	**R0810**	100 000
Insurance & intermediaries payables	**R0820**	127 761
Reinsurance payables	**R0830**	81 800
Payables (trade, not insurance)	**R0840**	133 608
Subordinated liabilities	**R0850**	
Subordinated liabilities not in Basic Own Funds	**R0860**	
Subordinated liabilities in Basic Own Funds	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	0
Total liabilities	**R0900**	2 488 367
Excess of assets over liabilities	**R1000**	531 054

Report:	S.05.01.02
Reporting entity:	Swiss Re International SE
Due date:	31.12.2016
Reporting currency	EUR thousands

Premiums, claims and expenses by line of business

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	Total
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**	6 369				272	267 007	271 706	234 867	297 178								1 077 399
Gross - Proportional reinsurance accepted	**R0120**	627					30 309	33 753	5 336	8 093	0		-248					77 870
Gross - Non-proportional reinsurance accepted	**R0130**													0	22 922	33 793	108 945	165 660
Reinsurers' share	**R0140**	5 805				0	257 373	218 121	202 159	32 505	0		0	247	21 215	33 492	119 727	890 644
Net	**R0200**	1 191				272	39 943	87 338	38 044	272 766	0		-248	-247	1 707	301	-10 782	430 285
Premiums earned																		
Gross - Direct Business	**R0210**	5 157				272	291 495	249 030	226 168	229 002								1 001 124
Gross - Proportional reinsurance accepted	**R0220**	618					43 053	44 111	4 878	2 576	0		-63					95 173
Gross - Non-proportional reinsurance accepted	**R0230**													0	27 281	47 399	97 865	172 545
Reinsurers' share	**R0240**	4 707				0	288 468	208 433	197 176	25 957	0		0	247	25 116	45 669	112 730	908 503
Net	**R0300**	1 068				272	46 080	84 708	33 870	205 621	0		-63	-247	2 165	1 730	-14 865	360 339
Claims incurred																		
Gross - Direct Business	**R0310**	4 038			-60	-1 005	152 546	179 139	92 564	136 872	-26							564 068
Gross - Proportional reinsurance accepted	**R0320**	116			0		26 259	8 980	2 936	479	0		-63					38 707
Gross - Non-proportional reinsurance accepted	**R0330**													-13	-26 753	33 904	-10 737	-3 599
Reinsurers' share	**R0340**	3 714			-60	-656	151 793	98 199	73 088	19 128	-26		0	-13	-22 827	30 607	38 503	391 449
Net	**R0400**	440			0	-349	27 012	89 920	22 412	118 223	0		-63	0	-3 926	3 297	-49 241	207 726
Changes in other technical provisions																		
Gross - Direct Business	**R0410**						0	0	0									0
Gross - Proportional reinsurance accepted	**R0420**						23											23
Gross - Non-proportional reinsurance accepted	**R0430**															-11	927	916
Reinsurers' share	**R0440**						-107	56	-1 087							-11	0	-1 149
Net	**R0500**						130	-56	1 087							0	927	2 088
Expenses incurred	**R0550**	142			-155	14	13 731	18 406	-3 881	87 690	0		-63		1 236	3 458	9 127	129 705
Other expenses	**R1200**																	115
Total expenses	**R1300**																	129 820

Report:	S.05.01.02
Reporting entity:	Swiss Re International SE
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Premiums, claims and expenses by line of business

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	69								69
Reinsurers' share	R1420	0								0
Net	R1500	69								69
Premiums earned										
Gross	R1510	69								69
Reinsurers' share	R1520	0								0
Net	R1600	69								69
Claims incurred										
Gross	R1610	1 998								1 998
Reinsurers' share	R1620	0								0
Net	R1700	1 998								1 998
Changes in other technical provisions										
Gross	R1710	-3 410								-3 410
Reinsurers' share	R1720	0								0
Net	R1800	-3 410								-3 410
Expenses incurred	R1900	7								7
Other expenses	R2500									0
Total expenses	R2600									7

Report:	S.05.02.01.non-life
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Premiums, claims and expenses by country

		Home Country	Total Top 5 and home country	Top 5 countries (by amount of gross premiums written) - non-life obligations				
	R0010			(GB) United Kingdom	(DE) Germany	(CH) Switzerland	(AU) Australia	(NL) Netherlands
		C0080	C0140	C0090	C0090	C0090	C0090	C0090
Premiums written								
Gross - Direct Business	R0110	5 773	755 014	323 438	159 761	91 763	90 340	83 939
Gross - Proportional reinsurance accepted	R0120	16	12 743	6 897	2 901	1 351	1 184	394
Gross - Non-proportional reinsurance accepted	R0130	515	39 105	20 024	7 709	6 681	2 433	1 743
Reinsurers' share	R0140	15 320	500 245	246 414	95 538	89 734	5 509	47 730
Net	R0200	-9 017	306 617	103 945	74 833	10 061	88 448	38 346
Premiums earned								
Gross - Direct Business	R0210	10 290	694 542	304 685	148 397	85 432	83 792	61 946
Gross - Proportional reinsurance accepted	R0220	48	12 666	6 857	2 788	2 582	252	139
Gross - Non-proportional reinsurance accepted	R0230	1 143	39 408	23 365	5 375	6 569	1 908	1 048
Reinsurers' share	R0240	20 999	505 335	259 602	91 755	83 514	13 273	36 192
Net	R0300	-9 519	241 280	75 305	64 805	11 069	72 679	26 941
Claims incurred								
Gross - Direct Business	R0310	3 004	321 669	84 351	109 100	33 359	62 333	29 522
Gross - Proportional reinsurance accepted	R0320	-9	-1 618	-2 758	1 699	-352	-199	1
Gross - Non-proportional reinsurance accepted	R0330	-412	8 740	2 305	5 023	897	903	24
Reinsurers' share	R0340	-12 519	-100 472	75 120	73 373	29 956	-5 965	-260 437
Net	R0400	15 101	429 262	8 778	42 449	3 948	69 002	289 984
Changes in other technical provisions								
Gross - Direct Business	R0410		0	0	0	0		
Gross - Proportional reinsurance accepted	R0420		25	25		0		
Gross - Non-proportional reinsurance accepted	R0430		-11		-11	0		
Reinsurers' share	R0440		-1 056	18	6	-1 080		
Net	R0500		1 070	7	-17	1 080		
Expenses incurred	R0550	1 709	93 394	39 998	32 041	-7 843	17 983	9 506
Other expenses	R1200		65					
Total expenses	R1300		93 459					

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Premiums, claims and expenses by country

		Home Country	Total Top 5 and home country	Top 5 countries (by amount of gross premiums written) - life obligations				
	R1400			(NL) Netherlands				
		C0220	C0280	C0230	C0230	C0230	C0230	C0230
Premiums written								
Gross	**R1410**		69	69				
Reinsurers' share	**R1420**		0	0				
Net	**R1500**		69	69				
Premiums earned								
Gross	**R1510**		69	69				
Reinsurers' share	**R1520**		0	0				
Net	**R1600**		69	69				
Claims incurred								
Gross	**R1610**		1 998	1 998				
Reinsurers' share	**R1620**		0	0				
Net	**R1700**		1 998	1 998				
Changes in other technical provisions								
Gross	**R1710**		-3 410	-3 410				
Reinsurers' share	**R1720**		0	0				
Net	**R1800**		-3 410	-3 410				
Expenses incurred	**R1900**		7	7				
Other expenses	**R2500**							
Total expenses	**R2600**		7					

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Life and Health SLT Technical Provisions

			Index-linked and unit-linked insurance			Other life insurance					Health insurance (direct business)				
	Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
	C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0150**	**C0160**	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
Technical provisions calculated as a whole **R0010**																
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole **R0020**																
Technical provisions calculated as a sum of BE and RM																
Best Estimate																
Gross Best Estimate **R0030**												23 425				23 425
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default **R0080**																
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total **R0090**												23 425				23 425
Risk margin **R0100**											21					21
Amount of the transitional on Technical Provisions																
Technical provisions calculated as a whole **R0110**																
Best Estimate **R0120**																
Risk margin **R0130**																
Technical provisions - total **R0200**											23 446					23 446

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Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**																	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0050**																	
Technical provisions calculated as a sum of BE and RM																		
Best Estimate																		
Premium provisions																		
Gross	**R0060**	-760				-50	-27 999	-17 809	18 536	-381 015					2 285	-2 148	-7 066	-416 026
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	-536					-23 550	-11 396	18 263	-36 826					3 575	-1 867	-335	-52 672
Net Best Estimate of Premium Provisions	**R0150**	-224				-50	-4 449	-6 413	273	-344 189					-1 290	-281	-6 731	-363 354
Claims provisions																		
Gross	**R0160**	3 837			61 867	3 254	342 384	253 911	1 142 422	-56 471	10			8	164 211	56 374	50 380	2 022 187
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	2 990			60 844	2 589	314 761	206 626	1 003 037	9 126	-4		0	7	169 717	51 861	28 878	1 850 432
Net Best Estimate of Claims Provisions	**R0250**	847			1 023	665	27 623	47 285	139 385	-65 597	14		0	1	-5 506	4 513	21 502	171 755
Total Best estimate - gross	**R0260**	3 077			61 867	3 204	314 385	236 102	1 160 958	-437 486	10			8	166 496	54 226	43 314	1 606 161
Total Best estimate - net	**R0270**	623			1 023	615	23 174	40 872	139 658	-409 786	14		0	1	-6 796	4 232	14 771	-191 599
Risk margin	**R0280**	332			18	92	3 709	10 348	19 938	10 610	0			1	3 034	448	7 125	55 655
Amount of the transitional on Technical Provisions																		
Technical provisions calculated as a whole	**R0290**																	
Best Estimate	**R0300**																	
Risk margin	**R0310**																	
Technical provisions - total																		
Technical provisions - total	**R0320**	3 409			61 885	3 296	318 094	246 450	1 180 896	-426 876	10			9	169 530	54 674	50 439	1 661 816
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	2 454			60 844	2 589	291 211	195 230	1 021 300	-27 700	-4		0	7	173 292	49 994	28 543	1 797 760
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	955			1 041	707	26 883	51 220	159 596	-399 176	14		0	2	-3 762	4 680	21 896	-135 944

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Reporting currency:	EUR thousands

Non-life insurance claims information

Total Non-Life Business

Accident year / Underwriting year	**Z0010**	(1) Underwriting year

Gross Claims Paid (non-cumulative)

Development year

(absolute amount) Year		0	1	2	3	4	5	6	7	8	9	10 & +			In Current year	Sum of years (cumulative)
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**			**C0170**	**C0180**
Prior	**R0100**											363 782		**R0100**	363 782	363 782
N-9	**R0160**	808	102 340	118 508	42 566	119 033	20 624	34 595	29 017	79 562	7 743			**R0160**	7 743	554 796
N-8	**R0170**	14 070	227 617	161 360	85 276	76 511	78 393	13 911	9 511	6 130				**R0170**	6 130	672 779
N-7	**R0180**	10 896	45 007	101 356	33 707	14 549	9 426	28 498	6 740					**R0180**	6 740	250 179
N-6	**R0190**	8 004	79 922	132 107	55 349	28 103	53 876	49 166						**R0190**	49 166	406 527
N-5	**R0200**	76 614	174 651	449 916	18 730	99 237	40 047							**R0200**	40 047	859 195
N-4	**R0210**	15 231	114 721	164 239	89 142	51 154								**R0210**	51 154	434 487
N-3	**R0220**	23 554	159 907	137 939	77 020									**R0220**	77 020	398 420
N-2	**R0230**	29 427	150 597	162 425										**R0230**	162 425	342 449
N-1	**R0240**	41 302	205 913											**R0240**	205 913	247 215
N	**R0250**	24 565												**R0250**	24 565	24 565
													Total	**R0260**	994 685	4 554 394

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Non-life insurance claims information

Total Non-Life Business

Accident year / Underwriting year	**Z0010**	(1) Underwriting year

Gross undiscounted Best Estimate Claims Provisions

Development year

	Year	0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	**C0210**	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0290**	**C0300**
Prior	**R0100**											1 990 788
N-9	**R0160**						193 081	171 956	199 150	149 887	151 375	
N-8	**R0170**					254 578	149 999	139 120	101 957	68 455		
N-7	**R0180**				129 627	102 602	124 831	87 015	84 806			
N-6	**R0190**			309 161	210 350	146 288	136 583	74 745				
N-5	**R0200**		300 383	196 399	221 218	121 435	85 758					
N-4	**R0210**	218 827	393 169	299 053	198 002	102 666						
N-3	**R0220**	226 940	368 310	265 388	165 888							
N-2	**R0230**	247 461	406 715	268 194								
N-1	**R0240**	215 159	504 349									
N	**R0250**	243 220										

		Year end (discounted data)
		C0360
	R0100	350 444
	R0160	147 546
	R0170	65 919
	R0180	83 171
	R0190	72 862
	R0200	81 124
	R0210	97 985
	R0220	156 693
	R0230	255 001
	R0240	475 334
	R0250	230 464
Total	**R0260**	2 016 543

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Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35		**C0010**	**C0020**	**C0030**	**C0040**	**C0050**
Ordinary share capital (gross of own shares)	**R0010**	182 037	182 037			
Share premium account related to ordinary share capital	**R0030**					
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**					
Subordinated mutual member accounts	**R0050**					
Surplus funds	**R0070**	21 074	21 074			
Preference shares	**R0090**					
Share premium account related to preference shares	**R0110**					
Reconciliation reserve	**R0130**	282 309	282 309			
Subordinated liabilities	**R0140**					
An amount equal to the value of net deferred tax assets	**R0160**	633				633
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**					
Deductions						
Deductions for participations in financial and credit institutions	**R0230**					
Total basic own funds after deductions	**R0290**	486 053	485 420			633
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**					
Unpaid and uncalled preference shares callable on demand	**R0320**					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**					
Other ancillary own funds	**R0390**					
Total ancillary own funds	**R0400**					
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	486 053	485 420			633
Total available own funds to meet the MCR	**R0510**	485 420	485 420			
Total eligible own funds to meet the SCR	**R0540**	486 053	485 420			633
Total eligible own funds to meet the MCR	**R0550**	485 420	485 420			
SCR	**R0580**	128 347				
MCR	**R0600**	57 756				
Ratio of Eligible own funds to SCR	**R0620**	3,787				
Ratio of Eligible own funds to MCR	**R0640**	8,4047				

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Reconciliation reserve

		C0060
Excess of assets over liabilities	**R0700**	531 053
Own shares (held directly and indirectly)	**R0710**	
Foreseeable dividends, distributions and charges	**R0720**	45 000
Other basic own fund items	**R0730**	203 744
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	
Reconciliation reserve	**R0760**	282 309
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	
Expected profits included in future premiums (EPIFP) - Non-life business	**R0780**	363 354
Total Expected profits included in future premiums (EPIFP)	**R0790**	363 354

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Due date:	31.12.2016
Reporting currency:	EUR thousands

Solvency Capital Requirement - for undertakings on Full Internal Models

Unique number of component	Components description	Calculation of the Solvency Capital Requirement
C0010	C0020	C0030
1	Life and Health risk	2 869
2	Property and Casualty risk	782 704
3	Financial Market risk	77 358
4	Credit risk	299 509
5	Operational risk	59 432
6	Other impacts	-676 596

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Reporting currency:	EUR thousands

Solvency Capital Requirement - for undertakings on Full Internal Models

Calculation of Solvency Capital Requirement		**C0100**
Total undiversified components	**R0110**	545 277
Diversification	**R0060**	-380 635
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	0
Solvency capital requirement, excluding capital add-on	**R0200**	128 347
Capital add-ons already set	**R0210**	0
Solvency Capital Requirement	**R0220**	128 347
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	**R0300**	0
Amount/estimate of the overall loss-absorbing capacity ot deferred taxes	**R0310**	-36 295
Total amount of Notional Solvency Capital Requirements for remaining part	**R0410**	
Total amount of Notional Solvency Capital Requirements for ring fenced funds (other than those related to business operated in accordance with Art. 4 of Directive 2003/41/EC (transitional))	**R0420**	0
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	**R0430**	
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	

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Reporting currency:	EUR thousands

Solvency Capital Requirement - for undertakings on Full Internal Models

Unique number of component	Components description	Calculation of the Solvency Capital Requirement
C0010	C0020	C0030
1	Life and Health risk	2 869
2	Property and Casualty risk	782 704
3	Financial Market risk	77 358
4	Credit risk	299 509
5	Operational risk	59 432
6	Other impacts	-676 596

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Reporting currency:	EUR thousands

Solvency Capital Requirement - for undertakings on Full Internal Models

Calculation of Solvency Capital Requirement		**C0100**
Total undiversified components	**R0110**	545 277
Diversification	**R0060**	-380 635
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	0
Solvency capital requirement, excluding capital add-on	**R0200**	128 347
Capital add-ons already set	**R0210**	0
Solvency Capital Requirement	**R0220**	128 347
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	**R0300**	0
Amount/estimate of the overall loss-absorbing capacity ot deferred taxes	**R0310**	-36 295
Total amount of Notional Solvency Capital Requirements for remaining part	**R0410**	
Total amount of Notional Solvency Capital Requirements for ring fenced funds (other than those related to business operated in accordance with Art. 4 of Directive 2003/41/EC (transitional))	**R0420**	0
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	**R0430**	
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	

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Reporting currency:	EUR thousands

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCRNL Result	**R0010**	72 657

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	**C0030**
Medical expense insurance and proportional reinsurance	**R0020**	622	1 191
Income protection insurance and proportional reinsurance	**R0030**		
Workers' compensation insurance and proportional reinsurance	**R0040**		
Motor vehicle liability insurance and proportional reinsurance	**R0050**	1 023	0
Other motor insurance and proportional reinsurance	**R0060**	615	272
Marine, aviation and transport insurance and proportional reinsurance	**R0070**	23 174	39 942
Fire and other damage to property insurance and proportional reinsurance	**R0080**	40 873	87 338
General liability insurance and proportional reinsurance	**R0090**	139 657	38 045
Credit and suretyship insurance and proportional reinsurance	**R0100**	0	272 766
Legal expenses insurance and proportional reinsurance	**R0110**	14	0
Assistance and proportional reinsurance	**R0120**		
Miscellaneous financial loss insurance and proportional reinsurance	**R0130**	0	0
Non-proportional health reinsurance	**R0140**	0	0
Non-proportional casualty reinsurance	**R0150**	0	1 708
Non-proportional marine, aviation and transport reinsurance	**R0160**	4 233	301
Non-proportional property reinsurance	**R0170**	14 771	0

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Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	520

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240	23 425	
Total capital at risk for all life (re)insurance obligations	R0250		40 000

Report:	S.28.01.01
Reporting entity:	Swiss Re International SE
Due date:	31.12.2016
Reporting currency:	EUR thousands

Overall MCR calculation

		C0070
Linear MCR	**R0300**	73 177
SCR	**R0310**	128 347
MCR cap	**R0320**	57 756
MCR floor	**R0330**	32 087
Combined MCR	**R0340**	57 756
Absolute floor of the MCR	**R0350**	3 600
Minimum Capital Requirement	**R0400**	57 756