Swiss Re

News release

Swiss Re estimates its fourth quarter 2018 claims burden from large natural catastrophes at USD 1.0 billion; large man-made losses caused additional USD 0.3 billion of claims

- Swiss Re estimates its preliminary combined claims burden from recent natural catastrophes booked in Q4 2018 at approximately USD 1.0 billion, net of retrocession and before tax
- In addition, large man-made events are expected to lead to a pre-tax claims burden of approximately USD 0.3 billion in Q4 2018
- Swiss Re expects a pre-tax combined claims burden from natural catastrophes and large man-made disasters of USD 2.9 billion for the full year 2018

Zurich, 15 January 2019 – Swiss Re estimates its preliminary claims burden from recent natural catastrophes in the fourth quarter of 2018 at approximately USD 1.0 billion, mainly affecting Reinsurance, and net of retrocession and before tax. Swiss Re anticipates claims from the Camp and Woolsey fires in California to be USD 375 million. The claims burden from Hurricane Michael is expected to be USD 150 million. Swiss Re's estimate for Typhoons Jebi and Trami increased by USD 320 million in Q4 2018, net of retrocession and before tax. The total number of claims for natural catastrophes also includes smaller events, such as the Sydney hailstorm on 20 December 2018. In addition, multiple large man-made disasters are expected to generate approximately USD 0.3 billion in claims for the fourth quarter. Swiss Re expects a combined claims burden from natural catastrophes and large man-made disasters of USD 2.9 billion for the full year 2018. For the whole industry in 2018, Swiss Re estimates global insured losses of USD 81 billion.

Both Californian fires, the Camp fire and the Woolsey fire, broke out on 8 November 2018. Due to very dry weather conditions, the fires spread quickly. The Camp fire destroyed the town of Paradise, being one of the deadliest and most destructive fires on record in the US. Over 52 000 people were evacuated from the Camp fire. The Woolsey fire in Los Angeles and Ventura Counties was also very destructive, prompting the evacuation of more than 295 000 people. Both fires raged over a week, claimed over 85 lives and destroyed thousands of acres and over 20 000 buildings. Swiss Re expects an overall industry loss for both fires of USD 16 billion.

Hurricane Michael made landfall just northwest of Mexico Beach, Florida, in the afternoon on 10 October 2018 as a strong category 4 hurricane with maximum sustained winds near 155 mph and even higher gusts. Hurricane Michael is the strongest storm to hit Florida since Hurricane Andrew (1992).

Media Relations,
Zurich
Telephone +41 43 285 7171

New York
Telephone +1 914 828 6511

Singapore
Telephone +65 6232 3302

Investor Relations,
Zurich
Telephone +41 43 285 4444

Swiss Re Ltd
Mythenquai 50/60
CH-8022 Zurich

Telephone +41 43 285 2121
Fax +41 43 285 2999

www.swissre.com
@SwissRe

Swiss Re expects an overall industry loss for Hurricane Michael of USD 8.5 billion.

Swiss Re's estimate for Typhoons Jebi and Trami increased by USD 320 million in Q4 2018, leading to a total loss burden from major Japan events in 2018 of USD 1.2 billion, net of retrocession and before tax. Swiss Re expects an overall industry loss for the Japan events of USD 12 billion.

The last quarter of 2018 was also impacted by several large man-made disasters, including, among others, a major satellite loss, a large industrial fire in Germany and a further increase in the estimated claims of the Ituango dam flooding, causing expected combined claims of USD 0.3 billion. This claims burden is expected to be roughly equally distributed between the Corporate Solutions and Reinsurance Business Units.

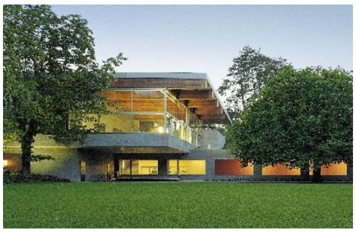
"The last quarter of 2018 was severely impacted by natural catastrophes. In the US, Hurricane Michael was the strongest storm to hit Florida since Hurricane Andrew in 1992 and in California, wildfires caused great damage as they also spread to urban areas", says Edouard Schmid, Swiss Re's Group Chief Underwriting Officer. "We are working closely with our clients to ensure affected people and communities are supported and able to get back on their feet as soon as possible."

According to preliminary *sigma* estimates, global insured losses from catastrophes for the whole industry were USD 81 billion in 2018, the fourth highest on *sigma* records.

The foregoing estimates are subject to a higher than usual degree of uncertainty and may need to be subsequently adjusted as the claims process continues.

For logos and photography of Swiss Re executives, directors or offices, go to www.swissre.com/media

For media 'b-roll' please send an email to media_relations@swissre.com



Cautionary note on forward-looking statements

Certain statements and illustrations contained herein are forward-looking. These statements (including as to plans, objectives, targets and trends) and illustrations provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact.

Forward-looking statements typically are identified by words or phrases such as "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase", "may fluctuate" and similar expressions, or by future or conditional verbs such as "will", "should", "would" and "could". These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Group's actual results of operations, financial condition, solvency ratios, capital or liquidity positions or prospects to be materially different from any future results of operations, financial condition, solvency ratios, capital or liquidity positions or prospects expressed or implied by such statements or cause Swiss Re to not achieve its published targets. Such factors include, among others:

- the frequency, severity and development of insured claim events, particularly natural catastrophes, man-made disasters, pandemics, acts of terrorism and acts of war;
- mortality, morbidity and longevity experience;
- the cyclicality of the insurance and reinsurance sectors;
- instability affecting the global financial system;
- deterioration in global economic conditions;
- the effect of market conditions, including the global equity and credit markets, and the level and volatility of equity prices, interest rates, credit spreads, currency values and other market indices, on the Group's investment assets;
- changes in the Group's investment result as a result of changes in the Group's investment policy or the changed composition of the Group's investment assets, and the impact of the timing of any such changes relative to changes in market conditions;
- the Group's ability to maintain sufficient liquidity and access to capital markets, including sufficient liquidity to cover potential recapture of reinsurance agreements, early calls of debt or debt-like arrangements and collateral calls due to actual or perceived deterioration of the Group's financial strength or otherwise;
- any inability to realise amounts on sales of securities on the Group's balance sheet equivalent to their values recorded for accounting purposes;
- changes in legislation and regulation, and the interpretations thereof by regulators and courts, affecting us or the Group's ceding companies, including as a result of shifts away from multilateral approaches to regulation of global operations;

- the outcome of tax audits, the ability to realise tax loss carry forwards, the ability to realise deferred tax assets (including by reason of the mix of earnings in a jurisdiction or deemed change of control), which could negatively impact future earnings, and the overall impact of changes in tax regimes on business models;
- failure of the Group's hedging arrangements to be effective;
- the lowering or loss of one of the financial strength or other ratings of one or more Swiss Re companies, and developments adversely affecting the Group's ability to achieve improved ratings;
- uncertainties in estimating reserves;
- policy renewal and lapse rates;
- uncertainties in estimating future claims for purposes of financial reporting, particularly with respect to large natural catastrophes and certain large man-made losses, as significant uncertainties may be involved in estimating losses from such events and preliminary estimates may be subject to change as new information becomes available;
- extraordinary events affecting the Group's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- legal actions or regulatory investigations or actions, including those in respect of industry requirements or business conduct rules of general applicability;
- changes in accounting standards;
- significant investments, acquisitions or dispositions, and any delays, unexpected costs, lower-than-expected benefits, or other issues experienced in connection with any such transactions;
- changing levels of competition, including from new entrants into the market; and
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks and the ability to manage cyber security risks.

These factors are not exhaustive. The Group operates in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. Swiss Re undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

This communication is not intended to be a recommendation to buy, sell or hold securities and does not constitute an offer for the sale of, or the solicitation of an offer to buy, securities in any jurisdiction, including the United States. Any such offer will only be made by means of a prospectus or offering memorandum, and in compliance with applicable securities laws.