

# Swiss Re Finance (Luxembourg) S.A. Société Anonyme **2018 Annual Report**

**Audited Annual Accounts  
for the year ended 31 December 2018**



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# Directors' report

The Directors present their annual report together with the audited annual accounts for the year ended 31 December 2018.

## Activities of the Company

The main activity of the Company is to effect borrowings from third parties or affiliated undertakings, to issue debentures, to grant loans advances, and assistance to affiliated undertakings.

## Evolution of the business

The total balance sheet as at 31 December 2018, amounts to EUR 3 001 658 (2017: EUR 3 063 599). During the year the Company did not issue any debt through the USD 10 000 000 000 debt issuance program guaranteed by Swiss Reinsurance Company Limited. No issuance in 2017 either.

The financial year ends with a profit of EUR 816 232 (profit 2017: EUR 101 182). This result is essentially driven by release of provision for currency fluctuations slightly offset by the operating expenses generated during the year.

Subsequent to 31 December 2018, no material matters or events, that may have an impact on the financial position or results of operations of the Company, have occurred.

## Corporate governance declaration

The Company is part of Swiss Re Group and in scope of the Group Corporate Governance, subject to its Code of Conduct and its risk management system. The Company's internal control system is based on a general four eye principle, written procedures for its recurring activities, and management reviews for financial reporting.

It should also be noted that:

- The Company does not hold directly or indirectly listed participations.
- The subscribed capital of the Company is divided into shares that are all vested with the same rights and obligations. All the shares are in registered form and are held by Swiss Re Europe Holdings S.A., a société anonyme, having its registered office at 2A, rue Albert Borschette, L-1246 Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B-72 575.
- The Directors are elected by the general meeting of shareholders at a simple majority of the votes validly cast, which determines their number and term of office. Any single term of office of a Director may not exceed six years. Directors may be re-elected for successive terms. Any Director may be removed at any time with or without cause by the general meeting of shareholders at a simple majority of the votes validly cast.
- The Articles of Association may be amended by a resolution of the extraordinary general meeting of shareholders.
- The issued share capital of the Company may be increased or reduced by a resolution of the extraordinary general meeting of shareholders adopted in the manner required for an amendment of these Articles of Association. The Company may, to the extent and under the terms permitted by the Laws, redeem its own shares. The Directors have not been authorized to issue or buy-back shares of the Company.

### Other items

- The Company did not acquire own shares during the year under review.
- The Company did not carry on any activities in the field of research and development during the year under review.
- The Company has no branches.

### Proposal to the Annual General Meeting

We recommend to approve the annual accounts as at 31 December 2018 and to allocate the result as follows:

	EUR
Profit or loss brought forward	-
Profit or loss for the financial year	816 232
Allocation to the legal reserve	-
Allocation to profit or loss brought forward	-16 232
Dividend distribution	-800 000

The Board of Directors

Luxembourg, 6 March 2019

# Audit report

To the Shareholder of  
**Swiss Re Finance (Luxembourg) S.A.**

## Report on the audit of the annual accounts

### Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of Swiss Re Finance (Luxembourg) S.A. (the "Company") as at 31 December 2018, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

### What we have audited

The Company's annual accounts comprise:

- the balance sheet as at 31 December 2018;
- the profit and loss account for the year then ended; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

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

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

### Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the director's report but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on other legal and regulatory requirements

The director’s report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

PricewaterhouseCoopers, Société coopérative

Luxembourg, 6 March 2019

Represented by

Sylvia Pucar

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RCSL Nr. : B90713

Matricule : 2002 2236 203

eCDF entry date :

**BALANCE SHEET**

**Financial year from** <sup>01</sup> 01/01/2018 **to** <sup>02</sup> 31/12/2018 (in <sup>03</sup> EUR )

Swiss Re Finance (Luxembourg) S.A.  
 2A, Rue Albert Borschette  
 L-1246 Luxembourg

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____	107 _____	108 _____
<b>C. Fixed assets</b>	1109 _____	109 _____	110 _____
I. Intangible assets	1111 _____	111 _____	112 _____
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____



RCSL Nr. : B90713

Matricule : 2002 2236 203

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131 _____	131 _____	132 _____
4. Payments on account and tangible assets in the course of construction	1133 _____	133 _____	134 _____
III. Financial assets	1135 _____	135 _____	136 _____
1. Shares in affiliated undertakings	1137 _____	137 _____	138 _____
2. Loans to affiliated undertakings	1139 _____	139 _____	140 _____
3. Participating interests	1141 _____	141 _____	142 _____
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143 _____	143 _____	144 _____
5. Investments held as fixed assets	1145 _____	145 _____	146 _____
6. Other loans	1147 _____	147 _____	148 _____
<b>D. Current assets</b>	1151 _____ <b>2.4</b>	151 _____ <b>3.001.658,00</b>	152 _____ <b>3.063.599,00</b>
I. Stocks	1153 _____	153 _____	154 _____
1. Raw materials and consumables	1155 _____	155 _____	156 _____
2. Work in progress	1157 _____	157 _____	158 _____
3. Finished goods and goods for resale	1159 _____	159 _____	160 _____
4. Payments on account	1161 _____	161 _____	162 _____
II. Debtors	1163 _____	163 _____ <b>2.041.640,00</b>	164 _____ <b>0,00</b>
1. Trade debtors	1165 _____	165 _____	166 _____
a) becoming due and payable within one year	1167 _____	167 _____	168 _____
b) becoming due and payable after more than one year	1169 _____	169 _____	170 _____
2. Amounts owed by affiliated undertakings	1171 _____ <b>2.4</b>	171 _____ <b>2.041.640,00</b>	172 _____ <b>0,00</b>
a) becoming due and payable within one year	1173 _____ <b>2.4</b>	173 _____ <b>2.041.640,00</b>	174 _____ <b>0,00</b>
b) becoming due and payable after more than one year	1175 _____	175 _____	176 _____
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177 _____	177 _____	178 _____
a) becoming due and payable within one year	1179 _____	179 _____	180 _____
b) becoming due and payable after more than one year	1181 _____	181 _____	182 _____
4. Other debtors	1183 _____	183 _____	184 _____
a) becoming due and payable within one year	1185 _____	185 _____	186 _____
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____

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	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____ <u>2.4</u>	197 _____ <u>960.018,00</u>	198 _____ <u>3.063.599,00</u>
<b>E. Prepayments</b>	1199 _____	199 _____	200 _____
<b>TOTAL (ASSETS)</b>		201 _____ <u>3.001.658,00</u>	202 _____ <u>3.063.599,00</u>

RCSL Nr. : B90713

Matricule : 2002 2236 203

**CAPITAL, RESERVES AND LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>	1301 <u>3</u>	301 <u>2.834.352,00</u>	302 <u>2.119.302,00</u>
I. Subscribed capital	1303 <u>3.1</u>	303 <u>181.200,00</u>	304 <u>181.200,00</u>
II. Share premium account	1305 <u>3.1</u>	305 <u>1.818.800,00</u>	306 <u>1.818.800,00</u>
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 <u>3.1</u>	309 <u>18.120,00</u>	310 <u>18.120,00</u>
1. Legal reserve	1311 <u>3.1, 3.2</u>	311 <u>18.120,00</u>	312 <u>18.120,00</u>
2. Reserve for own shares	1313 _____	313 _____	314 _____
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves, including the fair value reserve	1429 _____	429 _____	430 _____
a) other available reserves	1431 _____	431 _____	432 _____
b) other non available reserves	1433 _____	433 _____	434 _____
V. Profit or loss brought forward	1319 _____	319 _____	320 _____
VI. Profit or loss for the financial year	1321 <u>3.1</u>	321 <u>816.232,00</u>	322 <u>101.182,00</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
<b>B. Provisions</b>	1331 _____	331 _____	332 _____
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 _____	337 _____	338 _____
<b>C. Creditors</b>	1435 _____	435 <u>143.325,00</u>	436 <u>41.716,00</u>
1. Debenture loans	1437 _____	437 _____	438 _____
a) Convertible loans	1439 _____	439 _____	440 _____
i) becoming due and payable within one year	1441 _____	441 _____	442 _____
ii) becoming due and payable after more than one year	1443 _____	443 _____	444 _____
b) Non convertible loans	1445 _____	445 _____	446 _____
i) becoming due and payable within one year	1447 _____	447 _____	448 _____
ii) becoming due and payable after more than one year	1449 _____	449 _____	450 _____
2. Amounts owed to credit institutions	1355 _____	355 _____	356 _____
a) becoming due and payable within one year	1357 _____	357 _____	358 _____
b) becoming due and payable after more than one year	1359 _____	359 _____	360 _____

RCSL Nr. : B90713

Matricule : 2002 2236 203

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	361	362
a) becoming due and payable within one year	1363	363	364
b) becoming due and payable after more than one year	1365	365	366
4. Trade creditors	1367	367	368
a) becoming due and payable within one year	1369	369	370
b) becoming due and payable after more than one year	1371	371	372
5. Bills of exchange payable	1373	373	374
a) becoming due and payable within one year	1375	375	376
b) becoming due and payable after more than one year	1377	377	378
6. Amounts owed to affiliated undertakings	1379	2.7	379
		101.182,00	380
a) becoming due and payable within one year	1381	2.7	381
		101.182,00	382
b) becoming due and payable after more than one year	1383		383
			384
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385		385
			386
a) becoming due and payable within one year	1387		387
			388
b) becoming due and payable after more than one year	1389		389
			390
8. Other creditors	1451	2.8	451
		42.143,00	452
a) Tax authorities	1393	2.8	393
		34.776,00	394
b) Social security authorities	1395		395
			396
c) Other creditors	1397	2.8	397
		7.367,00	398
i) becoming due and payable within one year	1399	2.8	399
		7.367,00	400
ii) becoming due and payable after more than one year	1401		401
			402
<b>D. Deferred income</b>	1403	2.9, 4	403
		23.981,00	404
			902.581,00
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>		405	3.001.658,00
		406	3.063.599,00

**Annual Accounts Helpdesk :**

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**Email :** centralebilans@statec.etat.lu

RCSL Nr. : B90713

Matricule : 2002 2236 203

eCDF entry date :

**PROFIT AND LOSS ACCOUNT**

**Financial year from** <sup>01</sup> 01/01/2018 **to** <sup>02</sup> 31/12/2018 (in <sup>03</sup> EUR )

Swiss Re Finance (Luxembourg) S.A.  
 2A, Rue Albert Borschette  
 L-1246 Luxembourg

**PROFIT AND LOSS ACCOUNT**

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701 _____	701 _____	702 _____
<b>2. Variation in stocks of finished goods and in work in progress</b>	1703 _____	703 _____	704 _____
<b>3. Work performed by the undertaking for its own purposes and capitalised</b>	1705 _____	705 _____	706 _____
<b>4. Other operating income</b>	1713 _____	713 _____	714 _____
<b>5. Raw materials and consumables and other external expenses</b>	1671 _____	671 _____	672 _____
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____	603 _____	604 _____
<b>6. Staff costs</b>	1605 _____	605 _____	606 _____
a) Wages and salaries	1607 _____	607 _____	608 _____
b) Social security costs	1609 _____	609 _____	610 _____
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 _____	656 _____
c) Other staff costs	1613 _____	613 _____	614 _____
<b>7. Value adjustments</b>	1657 _____	657 _____	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____	662 _____
<b>8. Other operating expenses</b>	1621 _____	621 _____ -42.761,00	622 _____ -24.345,00

RCSL Nr. : B90713

Matricule : 2002 2236 203

	Reference(s)	Current year	Previous year
<b>9. Income from participating interests</b>	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
<b>10. Income from other investments and loans forming part of the fixed assets</b>	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726
<b>11. Other interest receivable and similar income</b>	1727	727	728
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731	732
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>	1663	663	664
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	1665	665	666
<b>14. Interest payable and similar expenses</b>	1627	627	628
a) concerning affiliated undertakings	1629	629	630
b) other interest and similar expenses	1631	631	632
<b>15. Tax on profit or loss</b>	1635	635	636
<b>16. Profit or loss after taxation</b>	1667	667	668
<b>17. Other taxes not shown under items 1 to 16</b>	1637	637	638
<b>18. Profit or loss for the financial year</b>	1669	669	670

# Notes to the annual accounts

as at 31 December 2018

## 1. General information

Swiss Re Finance (Luxembourg) S.A. ("the Company") was incorporated on 27 December 2002 and is organised under the laws of Luxembourg as a Société Anonyme for an unlimited period and is subject to the general company law in Luxembourg.

The registered office of the Company is established at 2A, rue Albert Borschette, L-1246 Luxembourg. The Company's financial year starts on 1 January and ends on 31 December of each calendar year.

The main activity of the Company is to effect borrowings from third parties or affiliated undertakings, to issue debentures, to grant undertakings, in which the Company has an interest or with which it is affiliated within a group, any assistance, loans, advances or guarantees, on either a short-term basis, with an expected maturity of at maximum one year, or on a long-term basis. The terms, affiliated undertaking and affiliate, take the meaning of wholly owned indirect subsidiaries of Swiss Re Group.

To manage any associated interest rate, foreign currency and/or credit risks, the Company may enter into derivative transactions with affiliated parties or third parties.

The Company is included in the consolidated financial statements of Swiss Re Ltd ("SRL"), its ultimate parent company. The registered office, where the consolidated financial statements are available, is located at Mythenquai 50/60, 8022 Zurich in Switzerland.

## 2. Summary of significant accounting policies

The principal accounting policies and valuation rules of the Company are as follows:

### 2.1 Presentation of the annual accounts

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention except for the use of the fair value for certain derivative financial instruments. Accounting policies and valuation rules are, besides the ones laid down by the amended Law of 19 December 2002, determined and applied by the Board of Directors of the Company.

The preparation of the annual accounts required the use of certain critical accounting estimates. It also required the Board of Directors to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company maintains its books and records in Euros ("EUR"). All amounts in these annual accounts are presented in EUR, unless otherwise indicated.

### 2.2 Foreign currency translation

Revenues and expenses are translated into EUR at average exchange rates of the year under report.

Assets and liabilities are translated into EUR at year-end exchange rates.

Exchange rate differences arising from the revaluation of the opening balance, the adjustments from applications of year-end or average rates and foreign exchange transactions are presented under the caption "Deferred income". Recognition through the profit and loss account only occurs for the revaluation of the "Cash at bank and in hand" line item and for other balance sheet items in cases when the related existing provision is not sufficient to compensate for negative exchange rate differences. As at 31 December 2018, this amount was nil (2017: EUR 879 195).

### 2.3 Formation expenses

The formation expenses of the Company are directly charged to the profit and loss account of the financial year.

### 2.4 Current assets

The Company classifies any assets as current assets if these assets are expected to be settled within one year, or alternatively, can be settled at anytime. Debtors and cash at bank are valued at their nominal value. They are subject to value adjustments when their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply. Amounts owed by affiliated undertakings consists of intercompany receivables in amount of EUR 103 234 and cash pooling receivable in amount of EUR 1 938 406. Positions totaling EUR 2 041 640 have a maturity of less than one year.

### 2.5 Prepayments

This asset item includes interest income on any loans granted relating to the financial year but not receivable until a subsequent financial year, and any expenditure incurred during the financial year but relating to a subsequent financial year.

### 2.6 Tax provision

This liability item encompasses the estimated income and net wealth taxes liabilities for financial years for which a definitive taxation notice has not been received from the fiscal authorities or which has been received but not yet paid.

### 2.7 Amounts owed to affiliated undertakings

This liability item encompasses any borrowings effected by the Company from affiliated undertakings, whether on a short-term or on a long-term basis, and are reported at their nominal value. Current year balance of EUR 101 182 represents dividend payable to Swiss Re Europe Holdings S.A..

### 2.8 Other creditors

Creditors are valued at their settlement value.

### 2.9 Deferred income

This liability item includes interest charges on any debt issued or borrowings effected relating to the financial year but not payable until a subsequent financial year, any income received during the financial year but relating to a subsequent financial year, exchange rate differences, as presented in the note 2.2.

## 3. Capital and reserves

The movements in capital and reserves for the financial year 2018 are as follows:

### 3.1 Subscribed capital

All amounts in EUR	Balance as at 31 December 2017	Allocation of the 2017 result	Dividends	Profit for the year	Balance as at 31 December 2018
<b>Subscribed capital</b>	181 200	-	-	-	181 200
<b>Share premium and similar premiums</b>	1 818 800	-	-	-	1 818 800
<b>Reserves - Legal reserve</b>	18 120	-	-	-	18 120
<b>Profit or loss brought forward</b>	-	-	-	-	-
<b>Profit or loss for the financial year</b>	101 182	-	-101 182	816 232	816 232
<b>Total</b>	2 119 302	-	-101 182	816 232	2 834 352

The subscribed capital amounts to EUR 181 200 and is divided into 1 812 shares fully paid up with a nominal value of EUR 100 each, all vested with the same rights and obligations. There are no shares carrying specific rights.

### 3.2 Legal reserve

In accordance with Luxembourg company law, the Company is required to allocate a minimum of 5% of its net profit for each financial year to the legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders. No allocation was required during the financial year ending 31 December 2018 in respect of the year ended 31 December 2017.



#### 4. Deferred income

This liability item decreased from EUR 902 581 as of 31 December 2017 to EUR 23 981 as of 31 December 2018 mainly due to release of provision for currency fluctuations (note 2.2).

#### 5. Income from other investments and loans forming part of the fixed assets

Income from financial fixed assets amounted to nil in 2018, compared to EUR 49 187 595 in 2017. Decrease was caused by early repayment of loan by Swiss Re Europe Holding S.A. in 2017.

#### 6. Interest payable and similar expenses

Interest and other financial charges amounted to nil in 2018, compared to EUR 49 046 008 in 2017. The decrease is caused by early repayment of loan received from Swiss Re Europe Holding S.A. in 2017.

#### 7. Other

##### **7.1 Tax status**

The Company is subject in Luxembourg to the general tax regulations applicable to all companies. As from 1 January 2003, the Company has entered into tax consolidation with its sole shareholder, Swiss Re Europe Holdings S.A..

##### **7.2 Personnel employed**

No personnel was employed by the Company during the year ended 31 December 2018 and 31 December 2017.

##### **7.3 Emoluments granted to the members of the management and supervisory bodies**

There are no emoluments granted to the members of the Board of Directors of the Company.

## Cautionary note on forward-looking statements

In line with the Swiss Re Group, certain statements and illustrations, where applicable, 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 Swiss Re Group’s actual results of operations, financial condition, solvency ratios, capital or liquidity position or prospects to be materially different from any future results of operations, financial condition, solvency ratios, capital or liquidity position or prospects expressed or implied by such statements or cause Swiss Re Group to not achieve its published targets. Such factors include, among others:

- instability affecting the global financial system and developments related thereto;
- deterioration in global economic conditions;
- Swiss Re 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 Swiss Re Group’s financial strength or otherwise;
- 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 Swiss Re Group’s investment assets;
- changes in Swiss Re Group’s investment result as a result of changes in its investment policy or the changed composition of its investment assets, and the impact of the timing of any such changes relative to changes in market conditions;
- uncertainties in valuing credit default swaps and other credit-related instruments;
- possible inability to realise amounts on sales of securities on Swiss Re Group’s balance sheet equivalent to their mark-to-market values recorded for accounting purposes;
- the outcome of tax audits, the ability to realise tax loss carryforwards and 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;
- the possibility that Swiss Re Group’s hedging arrangements may not be effective;
- the lowering or loss of one of the financial strength or other ratings of one or more Swiss Re Group companies, and developments adversely affecting Swiss Re Group’s ability to achieve improved ratings;
- the cyclical nature of the reinsurance industry;
- uncertainties in estimating reserves;
- uncertainties in estimating future claims for purposes of financial reporting, particularly with respect to large natural catastrophes, 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;
- the frequency, severity and development of insured claim events;
- acts of terrorism and acts of war;
- mortality, morbidity and longevity experience;

- policy renewal and lapse rates;
- extraordinary events affecting Swiss Re Group's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- current, pending and future legislation and regulation affecting Swiss Re Group or its ceding companies and the interpretation of legislation or regulations;
- 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 or other issues experienced in connection with any such transactions;
- changing levels of competition; and
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks.

These factors are not exhaustive. Swiss Re 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 Group 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.

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