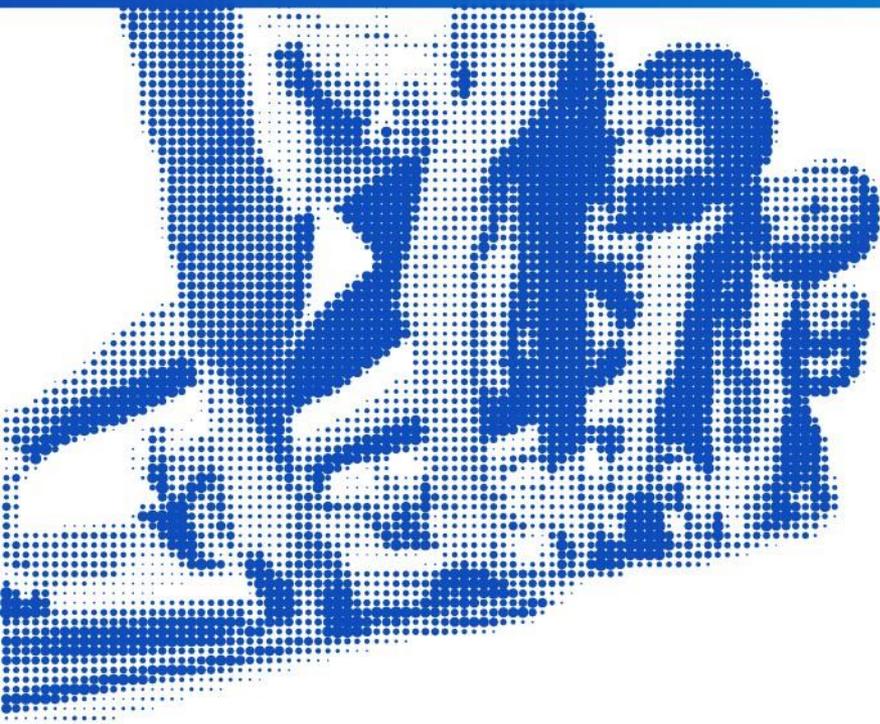


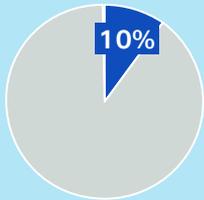
# Life Capital

Thierry Léger  
CEO Life Capital (effective 1 January 2016)



# Life Capital combines primary Life & Health insurance expertise and businesses...

Economic Net Worth<sup>1</sup>



- Swiss Re's Life Capital Business Unit will manage closed and open life and health books
- Composed of Admin Re<sup>®</sup> (plus Guardian<sup>2</sup>) and existing primary life and health activities
- Significant cash generation

## Gross cash generation

in USD bn

Admin Re<sup>®</sup>



## Return on Equity

in %

Admin Re<sup>®</sup>



<sup>1</sup> Share of Swiss Re Group's Economic Net Worth deployed across Business Units (excl. Group Items), 30 June 2015

<sup>2</sup> Transaction completion expected early 2016

# ...with attractive growth opportunities based on a few key trends...

**Regulatory reforms**  
Complex regulatory environment



**Efficient capital allocation**  
Clients not willing to have capital tied-up in legacy operations



**Aging society**  
Increase in longevity, health, and care needs

**Protection gap**  
Mortality and morbidity gap in high growth and mature markets



## Trends in L&H



**Disruption in distribution channels**  
Efficient distribution is key

**Customer engagement**  
Fair treatment of legacy clients requires active management



**Technology**  
System changes lead to costly investments in legacy platforms

## ...and expanded access to Life & Health risk pools

### Ambition:

- Diversify our L&H book to generate stable returns for shareholders
- Provide excellent service and positive experience to our policyholders
- Deliver 6-8% ROE in the mid-term

**Closed book**  
~ 4m policies  
~ USD 40bn assets

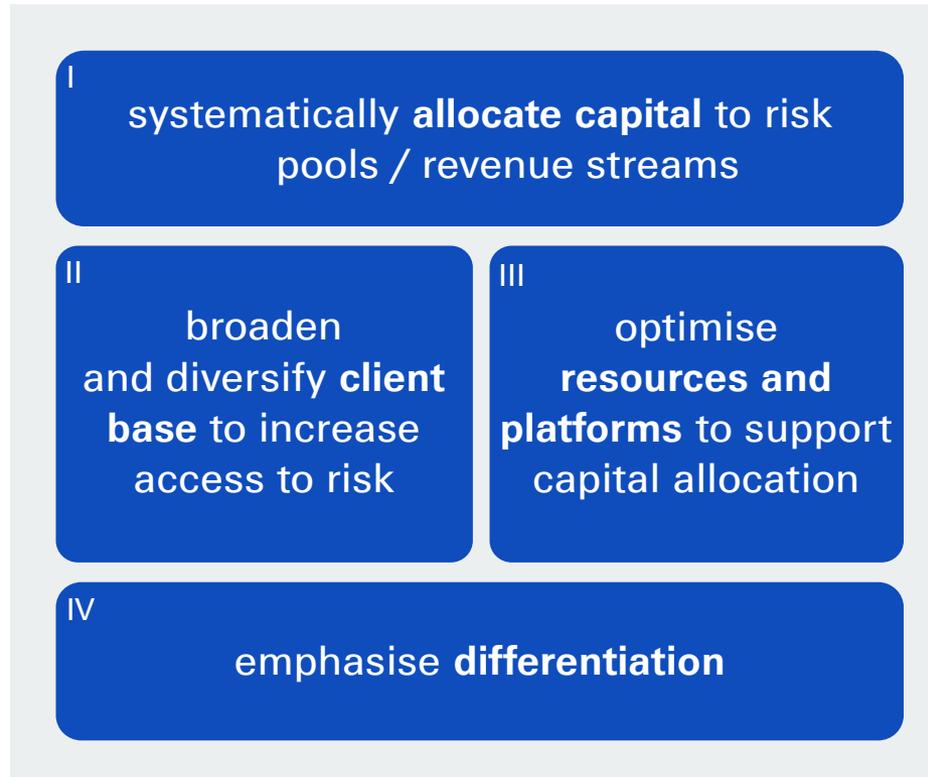
- Leading closed life book consolidator: focus on UK; investigate opportunities outside the UK
- Create value through operational, capital and asset management synergies
- Selective growth in Admin Re<sup>®</sup>

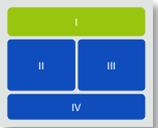
**Open book**  
~ 0.5m policies  
~ USD 0.3bn assets

- Grow new business in individual and group L&H through partnerships
- Further establish elipsLife (group L&H) and iptiQ (white-labelling)

Note: Approximate number of policies and assets (excl. policyholder assets) as at December 2014, including assumption of closing Guardian

# Life Capital – Agenda





# We will systematically allocate capital to attractive and growing Life & Health risk pools...

*Illustrative*

## Example products

Unit-linked policies	Annuities	Biometric protection
<ul style="list-style-type: none"> <li>• Indirect equity risk</li> <li>• Persistency risk</li> </ul>	<ul style="list-style-type: none"> <li>• Longevity risk</li> <li>• Credit/spread risk</li> </ul>	<ul style="list-style-type: none"> <li>• Mortality &amp; morbidity risk</li> <li>• Persistency risk</li> </ul>

## Liability risk pools

	Closed book	Open book
Mortality		
Longevity		
Health		

Aim is to build a balanced portfolio benefiting from diversity of risks

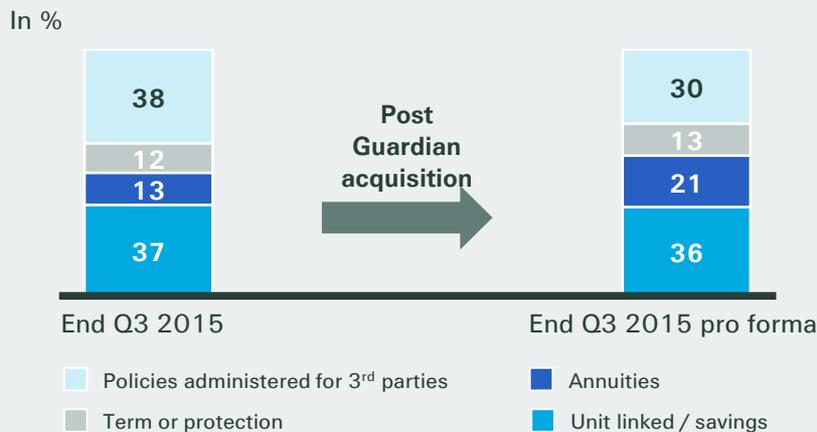
Note: Bars illustrate current exposure to risk pools



# ...and attractive revenue streams – Guardian acquisition as an example

- Demonstrates Admin Re<sup>®</sup>'s position as a leading closed life book consolidator in the UK
- Transaction in excess of Group's 11% ROE hurdle rate

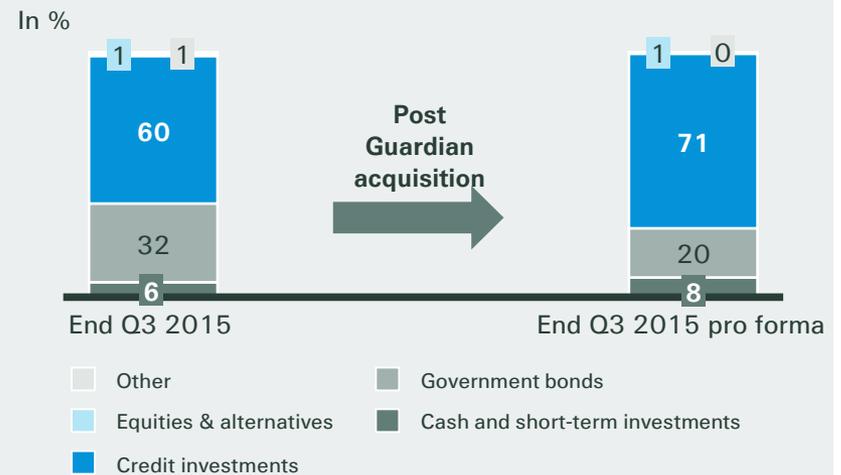
## Diversified product mix



### Acquisition diversifies Admin Re<sup>®</sup>'s portfolio

- Long-term dominance of pensions policies
- The Guardian acquisition is expected to rebalance the product mix, with a majority of annuity policies

## Enhanced investment portfolio



### Continued focus on quality investment portfolio

- Guardian brings approx. GBP 12.5bn of assets to the balance sheet
- Increased allocation to investment grade credit improves asset yields with acceptable risk exposures

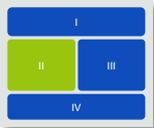


# We actively manage in-force portfolios to enhance cash generation

<b>Operational integration</b>	<ul style="list-style-type: none"><li>• Driving economies of scale with system and operational standardisation</li></ul>
<b>Asset optimisation</b>	<ul style="list-style-type: none"><li>• Managing asset portfolio to optimise expected yield and capital required</li></ul>
<b>Risk diversification</b>	<ul style="list-style-type: none"><li>• Harnessing diversity in risks to deliver balance in capital and surplus</li></ul>
<b>Debt funding</b>	<ul style="list-style-type: none"><li>• Accessing debt funding to provide efficient and appropriate leverage</li></ul>



Proven track record in extracting maximum value from closed books



# In open books, Life Capital provides solutions to a broad client base

## Medical insurer



### Our partner:

- Large medical health provider seeking to cross-sell into life insurance

### Value proposition:

- Collaborating with partner to define products for the online and tele sales market
- Working closely with partner to continuously optimise customer journey to increase sale conversions

## Direct distributor



### Our partner:

- New UK distributor replicating past success with “direct TV + sales call centre” abroad

### Value proposition:

- Fronting and full customer service through its end-to-end service platform
- Supporting entry to the UK and collaborated on developing new tailor-made products

## Group life business



### Our clients:

- Several Fortune 500 and 10k SME clients in portfolio

### Success stories:

- Preferred provider for largest brokers and benefit consultants in NL and CH; 2.5% share of wallet in both countries
- First holistic biometrical total solution with integrated end-to-end IT-platform

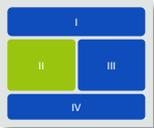


- Established in 2014
- Primary white-labelling carriers that Swiss Re established to support the development of primary L&H opportunities with distribution partners such as primary insurers



- Established in 2008
- Focuses on (B2B) corporate customer business in Europe
- Licensed for direct L&H insurance business

Working with our clients and partners to access and serve policyholders



# Life Capital has the ability to broaden its geographic presence

## Closed book

### UK and Ireland – “strong market presence”

- UK closed book market estimated at over GBP 400bn reserves
- Admin Re<sup>®</sup> has been involved in the processes for all material transactions during 2015
- Presence established in Ireland with acquisition of Guardian

### Continental Europe – “future opportunities”

- Continental Europe with potential to develop functioning closed book markets
- Continental Europe demonstrates business trends similar to those that prompted closed book activity in the UK



## Open book

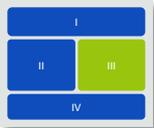
### Selective European presence

- Market presence in several European countries, e.g. UK, Switzerland, Netherlands

### Future opportunities

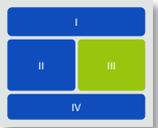
- Opportunities in other key insurance markets





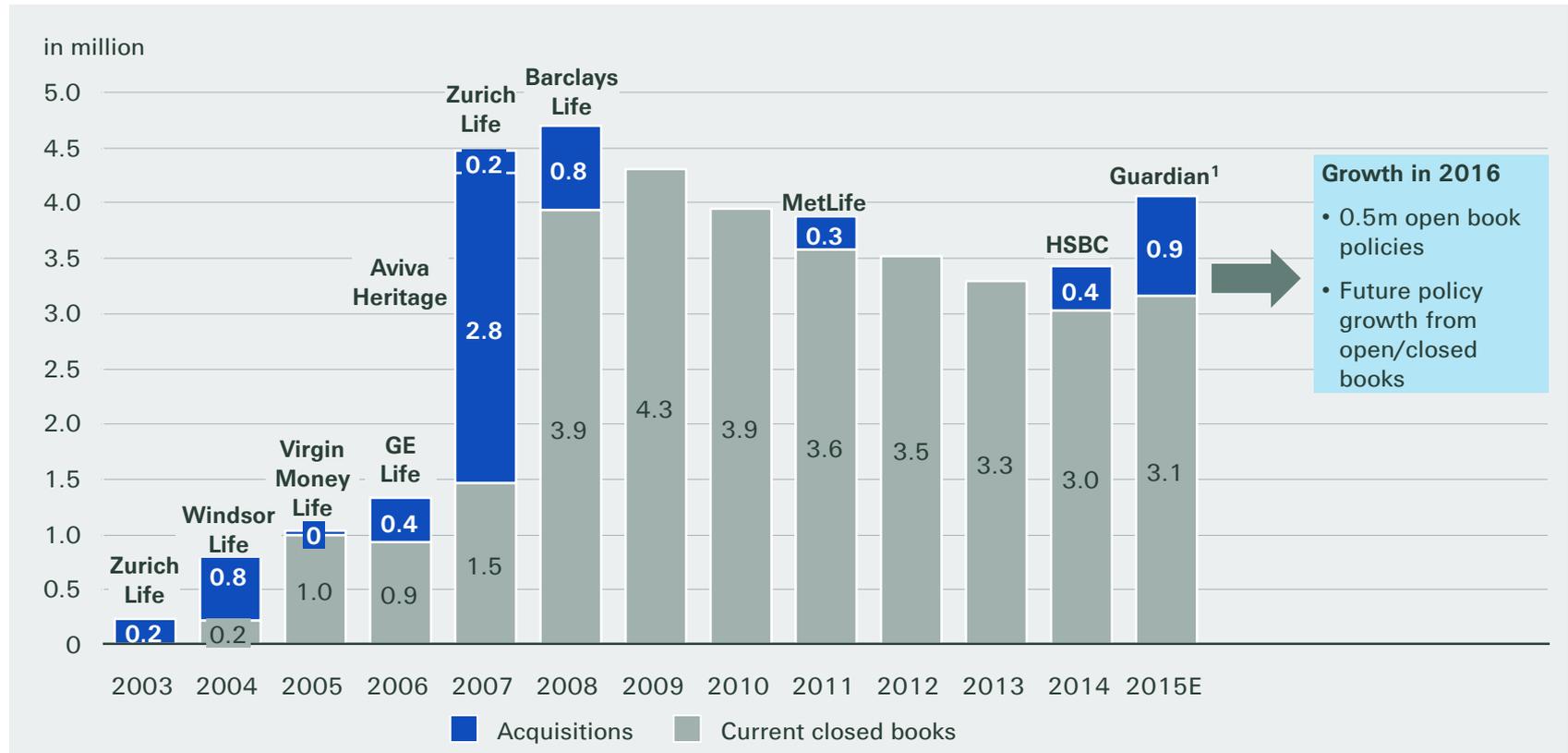
# Life Capital leverages its proven administration platforms...

Closed book – in-house ALPHA platform	Open book – elipsLife and iptiQ
<b>Single platform</b>	<b>elipsLife</b>
<ul style="list-style-type: none"><li>• ALPHA (Administration of Life, Pensions, Health and Annuities) covers all products written in the UK</li><li>• Platform is scalable</li></ul>	<ul style="list-style-type: none"><li>• First multi-client/-language/-currency Enterprise Resource Planning capability</li></ul>
<b>Integrated solution</b>	<b>total solution biometric platform</b>
<ul style="list-style-type: none"><li>• In a single application, provides Admin Re<sup>®</sup> staff with everything needed to provide customers with a complete service</li></ul>	<ul style="list-style-type: none"><li>• Flexible, customised solution for all kind of biometric group business, 2nd and 3rd pillar end-to-end solution</li></ul>
<b>Customer centric</b>	<b>iptiQ</b>
<ul style="list-style-type: none"><li>• Built around the customer view to enable the identification of multiple products and links between customers</li></ul>	<ul style="list-style-type: none"><li>• Full end-to-end service offering; using our third party administrator's (TPA) proven policy admin capabilities</li></ul>
<b>Controlled framework</b>	<b>end-to-end platform</b>
<ul style="list-style-type: none"><li>• Rules based solution with triggered control steps to ensure complete and consistent processing of transactions</li></ul>	<ul style="list-style-type: none"><li>• Flexible, simple consumer facing solution working for multimedia channels with integrated automatic underwriting tool</li></ul>



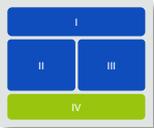
# ...and continues to support Swiss Re clients

## Policy count



Strong track record in successfully executing deals with long-term partners

<sup>1</sup> Presented on a pro forma basis for 2015, transaction completion expected early 2016



# There are 4 key differentiators for Life Capital

## Trusted brand



- Important asset in acquiring closed books
- Key element in developing new partnerships and sourcing distribution partners
- Interaction and reputation with regulators

## Customer service



- Superior client satisfaction and robust client response
- Offering client-centric products
- Exploring new propositions, e.g. Flexible Retirement Accounts; white-labelling life insurance solutions

## Integration & execution capabilities



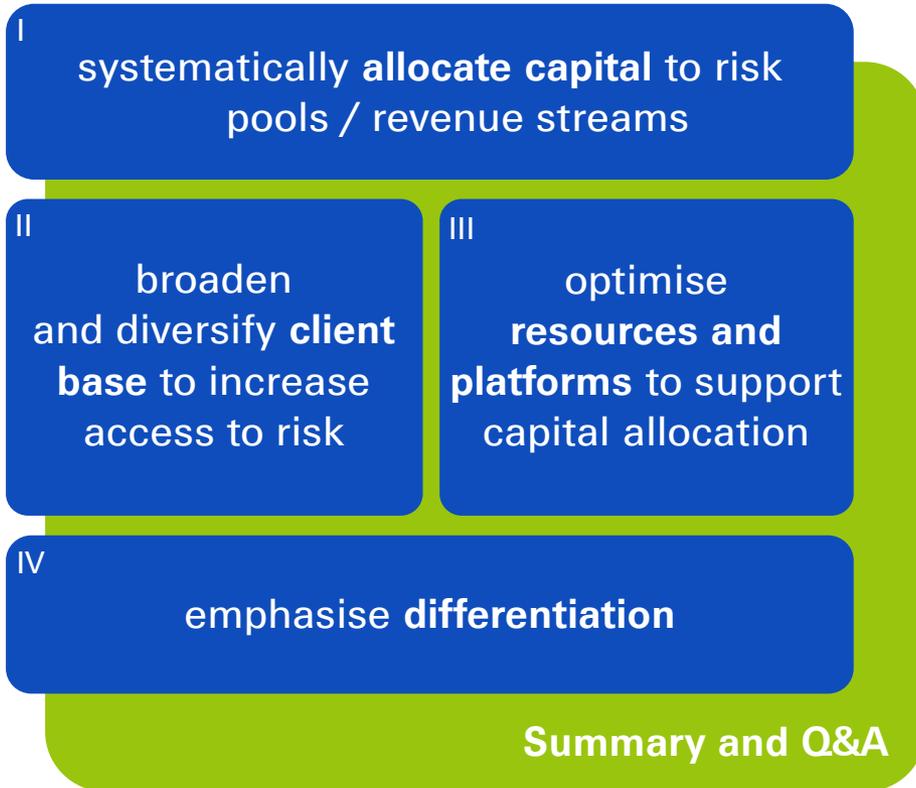
- Track record in acquiring closed books
- Demonstrated value extraction
- Operational excellence
- Integrated IT systems and service model which allow high speed to market

## Biometric data & knowledge



- Extensive granular biometric risk data
- Capability to make more accurate pricing decisions
- Provision of leading-edge automated and flexible underwriting engine
- Ability to design products tailored to clients' needs

# Life Capital – Agenda



# Life Capital expected to be a strong contributor to the Swiss Re Group

## Conclusion

- Life Capital Business Unit builds on the Group's strengths
- Attractive growth opportunities
- Differentiation through proven operating platforms, customer service, knowledge and trusted brand
- Building a balanced book of business
- Strong gross cash generation

## Outlook & priorities

- Focus on successful integration of Guardian
- Continue to seek attractive acquisition targets in the UK closed books market and potentially in Continental Europe
- Accelerate growth in Europe and replicate the model in the US for open books
- Deliver 6-8% ROE in the mid-term



# Corporate calendar & contacts

## Corporate calendar

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### 2016

23 February	<b>Annual Results 2015</b>	Conference call
16 March	<b>Publication of Annual Report 2015 and EVM 2015</b>	
22 April	<b>152<sup>nd</sup> Annual General Meeting</b>	Zurich
29 April	<b>First Quarter 2016 Results</b>	Conference call

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Forward-looking statements typically are identified by words or phrases such as “anticipate”, “assume”, “believe”, “continue”, “estimate”, “expect”, “foresee”, “intend”, “may increase” and “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’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:

- further instability affecting the global financial system and developments related thereto;
- deterioration in global economic conditions;
- Swiss Re’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’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’s investment assets;
- changes in Swiss Re’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’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’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 companies, and developments adversely affecting Swiss Re’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’s clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- current, pending and future legislation and regulation affecting Swiss Re or its ceding companies, and the interpretation of legislation or regulations by regulators;
- 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.

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