Swiss Re

Swiss Re´s performance and strategy

Goldman Sachs 2016 European Financials Conference

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ROBECOSAM
Sustainability Award
Industry Leader 2016

Today's agenda

Recent achievements

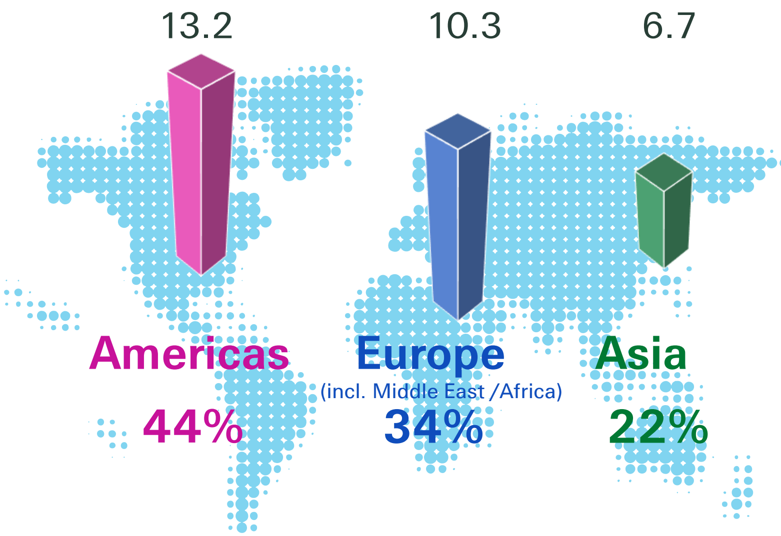
Capital Management

Strategic Framework

Swiss Re is well diversified across geographic regions and business segments

Net premiums earned[1]

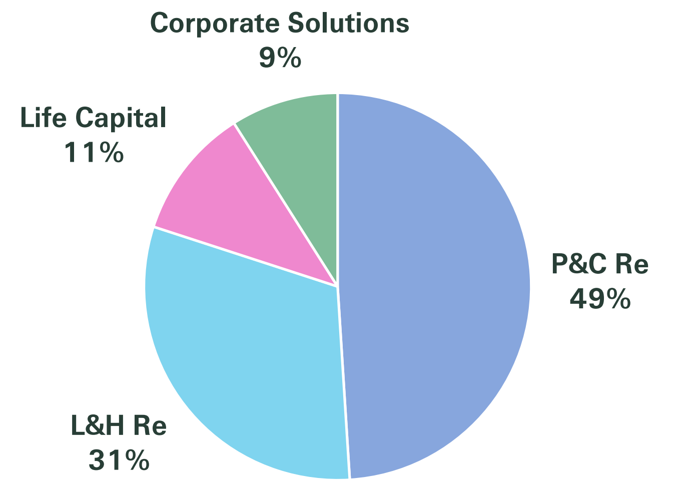
by region (in USD bn, 2015)



of which HGMs incl. PI[2]:	~3%	~ 5%	~ 17%	**≈25%**

Economic Net Worth[3]

by business segment (in %, as at YE 2015)



Swiss Re benefits from geographic as well as business mix diversification and has the ability to reallocate capital to achieve profitable growth

1 USD 30.2bn as at 31 Dec 2015; includes fee income from policyholders; does not reflect the exposure to HGMs through Principal Investments (PI)
2 Based on additional pro rata net premiums from PI including FWD Group (14.9%), New China Life (4.9%) and SulAmérica (14.9%)
3 Share of Swiss Re Group's Economic Net Worth deployed across Business Units (excl. Group Items), 31 December 2015

2015 was a successful year for the Swiss Re Group

Successful delivery on Group financial targets	13.7% ROE, USD13.4 EPS and 9.6% ENWps growth
Underwriting discipline maintained	87.4% combined ratio
Strong investment performance from Asset Management	3.5% ROI
Very strong Group economic capitalisation	SST at 223%[1] (comparable to Solvency II ratio of 312%)
Flexible capital structure achieved	USD 6.0bn deleveraged since 2012
Regular dividend increased and new capital actions	DPS up 8.2%

We introduced our Group strategic framework in December 2015 to build on our successful track record and move to the next stage of our transformation into a superior capital allocator

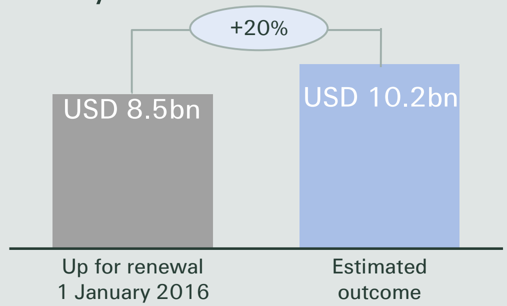
1 As filed with Swiss regulator FINMA at the end of April 2016

All Business Units contributed to Swiss Re's strong Q1 2016 results

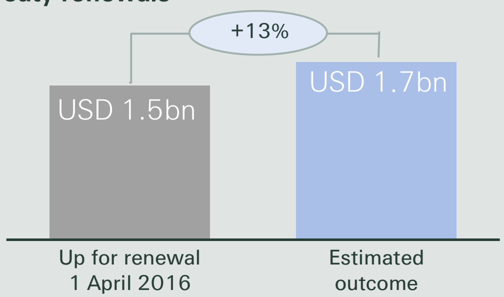
- Swiss Re reports first quarter net income of USD 1.2bn, supported by solid underwriting and strong investment results; ROE of 14.6%
- P&C Reinsurance delivers strong results with net income of USD 587m, reflecting benign nat cat environment; ROE of 19.1%
- L&H Reinsurance reports net income of USD 244m; ROE of 16.1%
- Corporate Solutions achieves attractive growth and good results with net income of USD 80m; ROE of 13.5%
- Life Capital reports net income of USD 321m supported by net realised gains from Guardian investment portfolio; ROE of 21.2%
- Strong return on investments of 3.7% in a challenging yield environment; Group investment portfolio increased by USD 21.3bn reflecting Guardian acquisition and large transactions

P&C Reinsurance maintains attractive portfolio despite continued challenging market environment

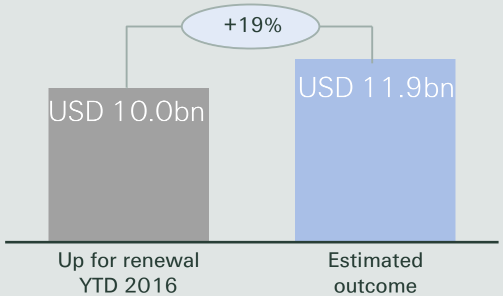
January 2016 treaty renewals[1]



April 2016 treaty renewals



YTD 2016 renewals (January – April)
Treaty portfolio volume



- Premium volume increased by 19% YTD driven by large and tailored transactions, which are up by 68%, while flow business decreased
- YTD risk adjusted price quality[2] remains at 102% exceeding our economic return hurdles
- Price erosion for property business has slowed, casualty markets remained relatively stable with differences among segments

1 January 2016 numbers have been updated to reflect large transactions after FY 2015 reporting and restated with current fx rates
2 Swiss Re's risk adjusted price quality provides an economic view on price quality, ie includes rate and exposure changes, claims inflation and interest rates

L&H Reinsurance continues to deliver strong returns after the successful management actions in 2014

- L&H Reinsurance remains strategically attractive for Swiss Re
- In the past L&H Re ROE was impacted by pre 2004 US business
- Decisive management actions in 2014 set the foundation for profitable growth
- Management of in-force business continues to be a key priority
- ROE target of 10-12% over the cycle

Today’s agenda

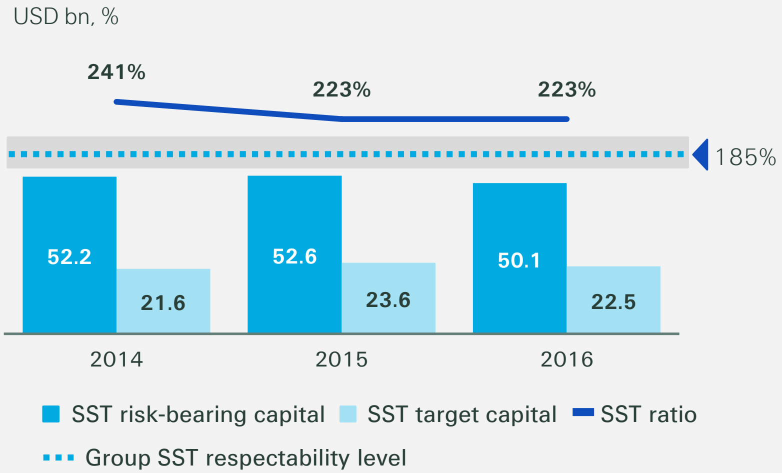
Recent achievements

Capital Management

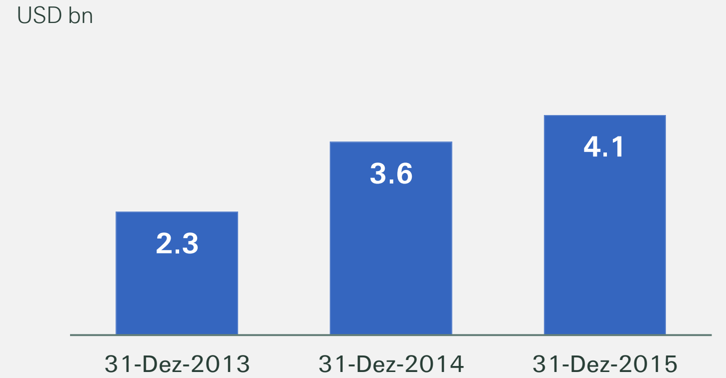
Strategic Framework

Strong capital and liquidity positions enable the Group to execute a systematic capital allocation

Group capital position



Liquid funds at Group

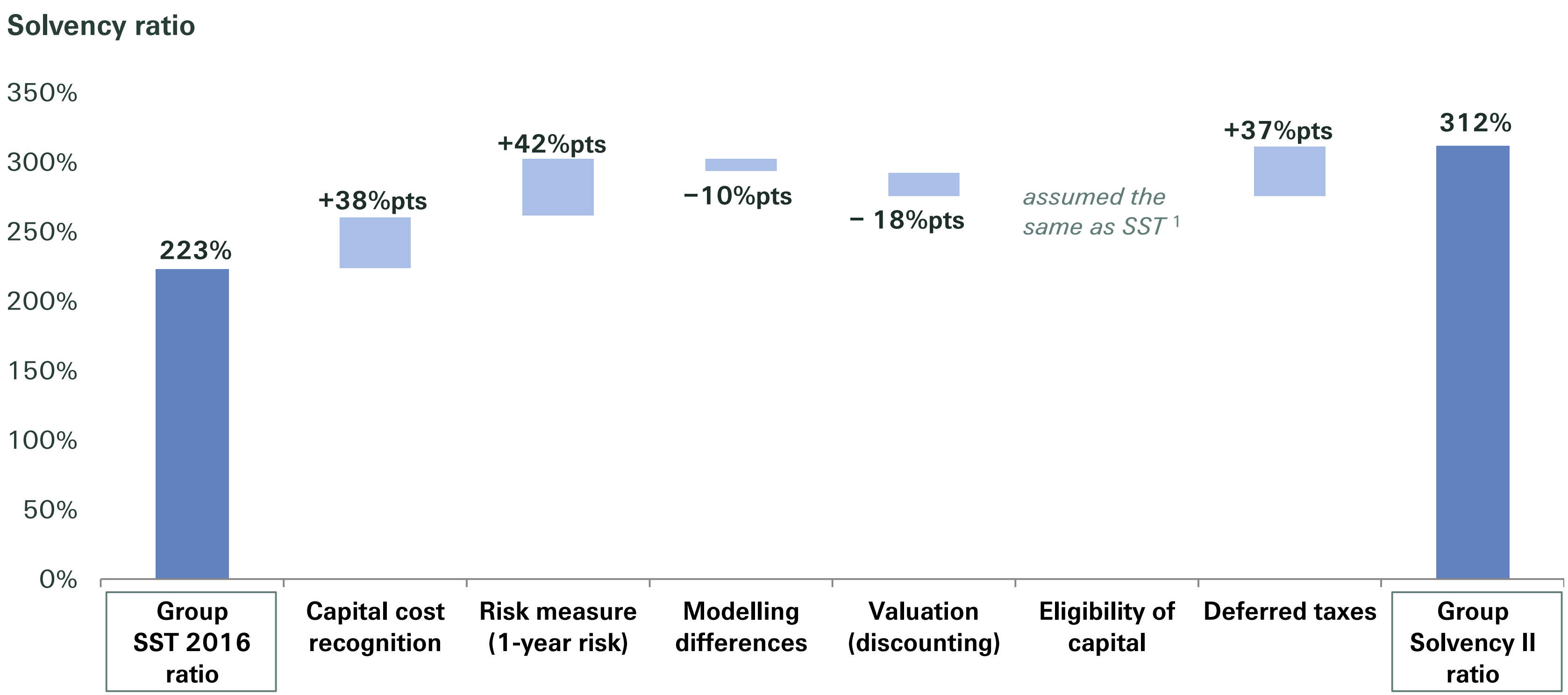


Shareholders' equity in "Group items" less Principal Investments

- Very strong Group capital position across multiple metrics
- Group SST 2016 ratio of 223%, comfortably above the Group's 185% respectability level
- Strong liquidity position well in excess of subsidiary requirements post an extreme loss event[2]
- Maintaining free capital at Group level results in valuable long-term financial flexibility

[2] 99% shortfall event

Swiss Re's Group Solvency II ratio is significantly higher than our SST 2016 ratio

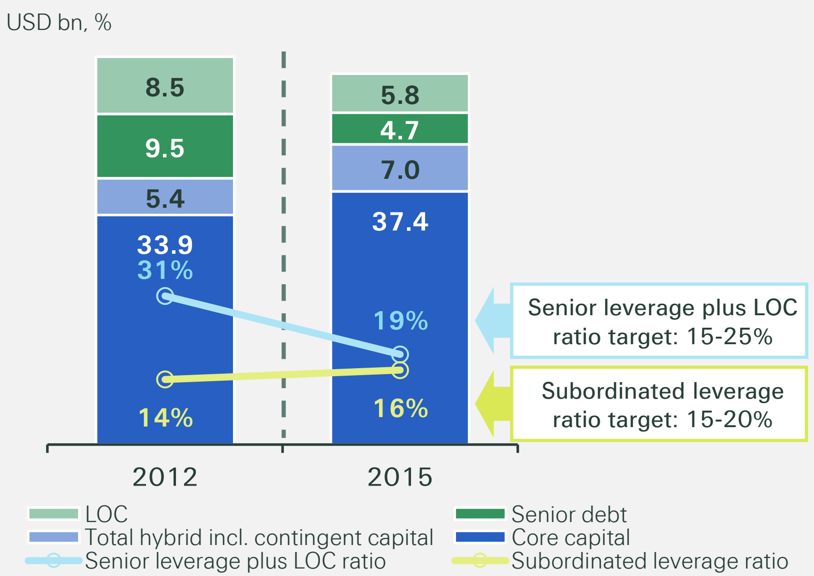


Difference between Swiss Re Group SST and comparable Solvency II ratio is estimated to be around 90%pts

[1] No impact as debt issued under SST either qualifies for available own funds, or would otherwise be structured to qualify under Solvency II

Group capital structure enhances flexibility while our funding platforms allow efficient access to capital markets

Group capital structure



External funding access

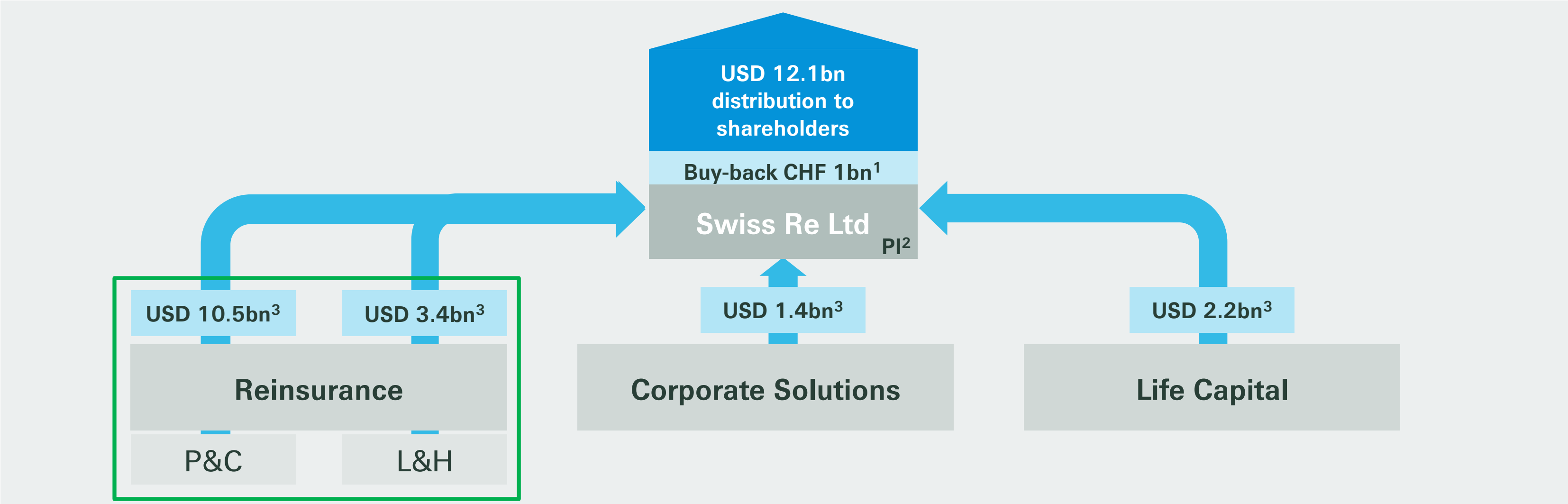
		Change since 2012
Group	• Contingent capital	↑
Reinsurance	• Letters of credit	↓
	• Senior debt	↓
	• Subordinated debt	↓
	• Contingent capital	↑
Corporate Solutions	• Subordinated debt	↑
Life Capital	• Senior debt	↑

- Target capital structure implementation increased financial flexibility and reduced funding costs
- Group leverage within target ranges following USD 6bn deleveraging since YE 2012[1]
- Standalone access to external funding established for each Business Unit and for the Group

[1] As at 31 December 2015

Swiss Re's performance and business model enable significant capital distribution

Dividend flows since new structure in 2012



Capital management priorities

- Ensure superior capitalisation at all times and maximise financial flexibility
- Grow the regular dividend with long-term earnings, and at a minimum maintain it
- Deploy capital for business growth where it meets our strategy and profitability requirements
- Repatriate further excess capital to shareholders

1 Reflects public share buy-back programme up to CHF 1bn approved by the AGM 2016
2 Principal Investments has paid to Group dividends of USD 0.4bn between 2012 and April 2016
3 Internal dividend flows from January 2012 to April 2016

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Our strategic framework will enable us to achieve our new financial targets...

Areas of strategic action

I
systematically **allocate capital** to risk pools / revenue streams

II
broaden and diversify **client base** to increase access to risk

III
optimise **resources and platforms** to support capital allocation

IV
emphasise **differentiation**

Group financial targets

ROE ≥ risk free + 700bps[1]

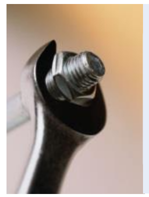
maintain capital management priorities

ENW per share growth 10% p.a.[2]

1 700bps above risk free (10-year US Gov Bonds); Swiss Re management to monitor a basket of rates reflecting Swiss Re's business mix; over the cycle
2 Year-end ENW + dividends from current year divided by previous year end ENW; all per share; over the cycle

...while the market presents us with various challenges and opportunities

Current



Low margins

Industry consolidation

Low yield, low growth environment; regulatory changes

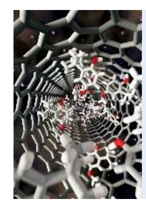
Volatility in High Growth Markets

Future

Evolution of primary players with rich customer insights

Reshuffling of value chain

Impact of technology



New and enlarging risk pools

Closing the protection gap and providing solutions for emerging risks will improve global resilience

Geographies – Dedicated initiatives in place to maintain leading position in HGM

Reinsurance

Expansion in focus countries

- Organic growth
- Partnerships

Corporate Solutions

Further broadening the footprint

- Organic growth
- New offices
- Acquisitions

Principal Investments

Investment in selected HGM countries

- Increase exposure
- Complement HGM focus of Business Units

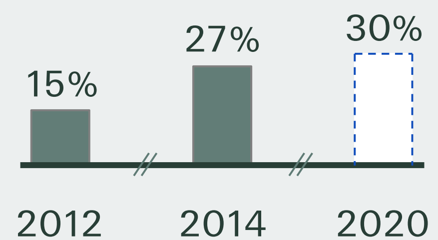
Swiss Re Group

Optimise diversification

- Coordination and advisory for HGM

Aspiration for 2020

30% HGM premium share



Dedicated strategic initiatives across Swiss Re in place to remain the leading wholesale re/insurer in HGM

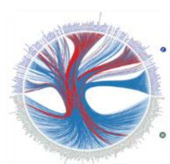
Swiss Re adopts smart analytics and cognitive computing to extend its competitive positioning

Selected examples from over 200 delivered cases

Transparent motor China
Reinsurance

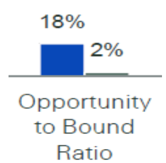
For China, we have built a sophisticated model predicting motor accident frequencies leveraging a wide range of data sources

Client and market intelligence
Reinsurance



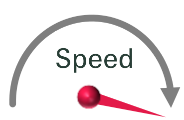
Analysing internal and external communication, we quantify Swiss Re client relationships and identify hot topics and market trends

Rapid sales analytics
Corporate Solutions



Improve sales effectiveness: binding likelihood increases by 20% when sales activities happen after quotes

Screening risk engineering reports
Corporate Solutions



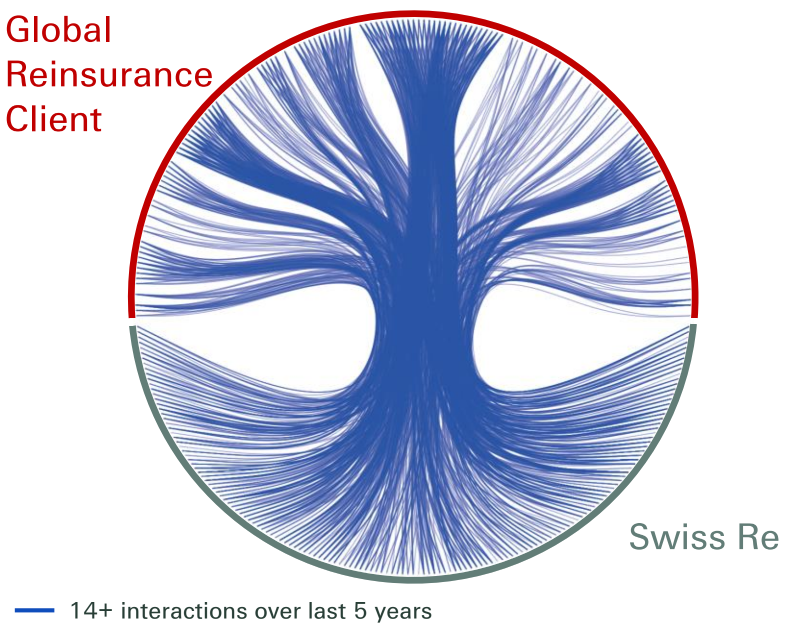
Through text analytics, we structure a large number of property risk reports, reducing the single risk report analysis time down from 4 hours to real time

Contract intelligence hub
Group

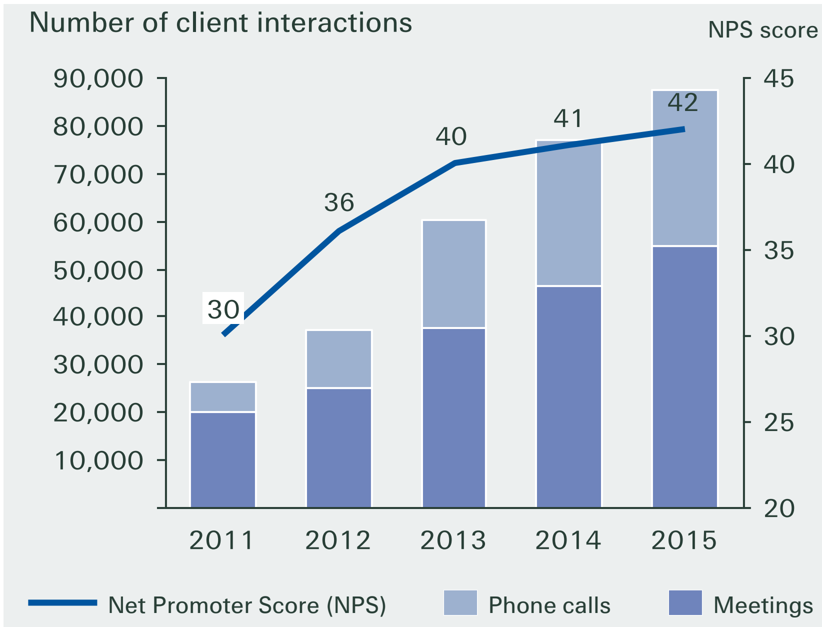
We have developed an advanced contract analytics solution covering all re/insurance contracts from all lines which allows us to analyse clauses

We have a "high touch" client relationship interaction model

Visualisation of an interactive client relationship



NPS in line with client interactions increase



- We have documented more than 3 interactions a day between Swiss Re and a global reinsurance client over the past 5 years

- Strong franchise value confirmed by Flaspöhler ratings: Swiss Re moved up to #1 or #2 in all markets from 2011 to 2015 (except #3 in Latin America P&C Reinsurance)

We are well positioned to continue to deliver on our Group financial targets

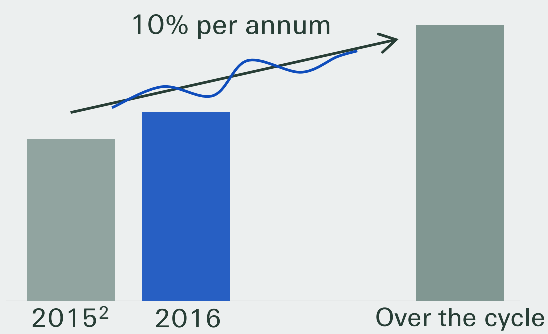
Profitability:
ROE ≥ risk free + 700bps

ROE

700bps above risk free (10-year US Gov Bonds[1])

Growth:
ENW per share 10% p.a.

ENW per share growth



Year-end ENW + dividends from current year divided by previous year end ENW; all per share

- Strategic framework enabling systematic allocation of capital to risk pools
- Very strong capital position across multiple metrics
- Capital structure comfortably within our target ranges, providing flexibility
- Ambitious Group targets focusing on profitability and economic growth

1 Management to monitor a basket of rates reflecting Swiss Re's business mix
2 2015 ENW including 2016 opening balance sheet adjustments due to change in EVM methodology

Q&A

Corporate calendar & contacts

Corporate calendar

2016

29 July	**Second Quarter 2016 Results**	Conference call
3 November	**Third Quarter 2016 Results**	Conference call
2 December	**Investors' Day**	Zurich

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- 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;
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- 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;
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- 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 cyclicality 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;
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- 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
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