

# First quarter 2016 results

Investor and analyst presentation

Zurich, 29 April 2016



# Business performance

# 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
- Group capitalisation remains very strong, with Group SST 2016 ratio at 223%, as filed with Swiss regulator FINMA at the end of April; Solvency II comparable ratio is estimated to be 312%

# Key figures

USD m, unless otherwise stated	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Total Q1 2016	Total Q1 2015
• Gross premiums written	7 008	3 405	804	603	-	11 395	10 076
• Premiums earned and fee income	3 956	2 835	865	284	-	7 940	7 562
• EBIT	809	398	110	406	1	1 709	1 912
• Net income/loss	587	244	80	321	-3	1 229	1 440
• Net operating margin <sup>1</sup>	18.0%	12.1%	12.3%	44.9%	1.1%	17.8%	21.2%
• Return on investments	3.5%	3.6%	2.2%	4.6%	1.2%	3.7%	3.9%
• Return on equity	19.1%	16.1%	13.5%	21.2%	-0.2%	14.6%	16.1%
• Earnings per share	(USD)					3.68	4.21
	(CHF)					3.68	4.00
						<b>Total Q1 2016</b>	<b>Total FY 2015</b>
• Common shareholders' equity <sup>2</sup>	11 686	6 315	2 462	7 174	7 193	34 827	32 415
<i>of which unrealised gains</i>	1 152	1 700	66	1 271	119	4 308	2 737
• Book value per common share	(USD)					105.04	95.98
	(CHF)					100.57	96.04

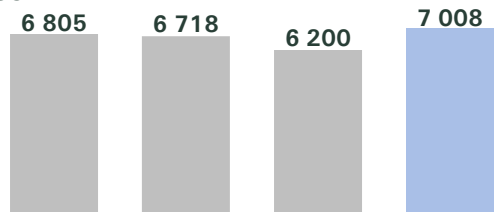
<sup>1</sup> Net operating margin = EBIT / (total revenues - net investment result unit linked & with profit); see details on calculation for Life and Health Reinsurance on slide 22

<sup>2</sup> Excluding contingent capital instruments (USD 1 102m, of which USD 352m in P&C Re, USD 750m in L&H Re); basis for ROE and BVPS calculations

# Strong results in P&C Reinsurance despite market softening, with significant large and tailored transactions growth

## Gross premiums written

USD m



Q1 2013 Q1 2014 Q1 2015 Q1 2016

## Combined ratio

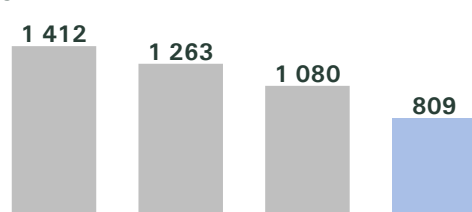
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- Q1 2016 gross premiums written increased by 13.0% (or 16.8% at constant fx rates). Net premiums earned increased by 5.0% to USD 4.0bn
- Increase driven by attractive large and tailored transactions in the US and Europe
- Q1 2016 combined ratio benefited from the absence of large nat cat events (5.9%pts below expected), partly offset by unfavourable prior-year developments (-3.5%pts)

## EBIT

USD m



Q1 2013 Q1 2014 Q1 2015 Q1 2016

## Net operating margin

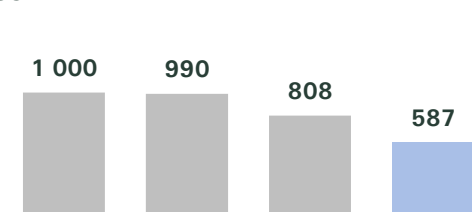
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- EBIT and net operating margin decreased due to lower underwriting result, reflecting pricing pressure and unfavourable prior-year developments
- Investment result increased to USD 533m mainly due to a positive impact from fx re-measurement, partially offset by lower earnings from equity-accounted positions and fewer realised gains on sales of government and corporate bonds

## Net income

USD m



Q1 2013 Q1 2014 Q1 2015 Q1 2016

## Return on equity

%

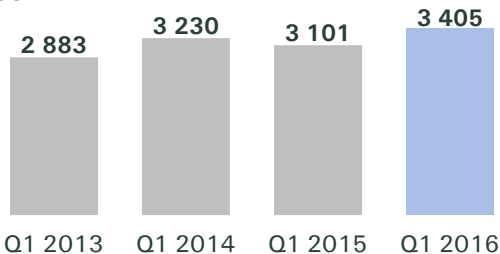


- Net income decreased mainly due to a lower EBIT
- Q1 2016 annualised ROE impacted by decrease in net income, partially offset by lower equity base primarily due to dividend payments to the Group

# Solid L&H Reinsurance results, also driven by large and tailored transactions

## Gross premiums written

USD m



## Running yield

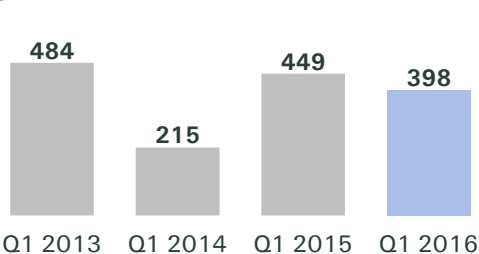
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- Q1 2016 gross premiums written increased by 9.8%, or 14.3% at constant fx rates
- Q1 2016 gross premiums written increased from a large inforce transaction in the US, as well as from large transactions in the UK and Australia
- Q1 2016 running yield is in line with Q1 2015

## EBIT

USD m



## Net operating margin

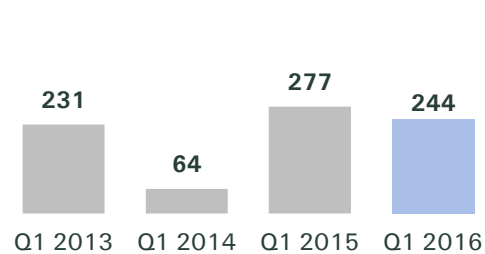
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- EBIT in Q1 2016 impacted by adverse experience in the UK and less favourable fx re-measurements, partly offset by positive developments in Australia
- Solid Q1 2016 net operating margin on a higher revenue base

## Net income

USD m



## Return on equity

%

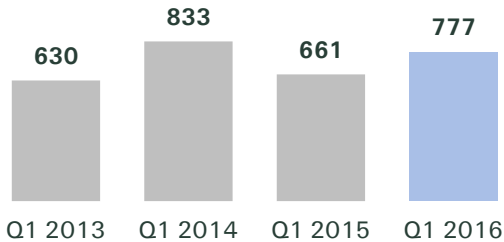


- Q1 2016 net income and ROE benefiting from favourable fx re-measurement and realised gains

# Corporate Solutions achieves attractive growth and good results

## Gross premiums written<sup>1</sup>

USD m



## Combined ratio

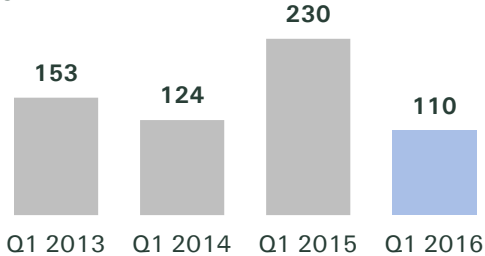
%



- Q1 2016 gross premiums written increased by 17.5%, or 20.8% at constant fx rates, driven by IHC Risk Solutions acquisition
- Q1 2016 combined ratio benefited from the absence of large nat cat events (3.5%pts below expected), partly offset by unfavorable prior-year developments (-1.0%pts)

## EBIT

USD m



## Net operating margin

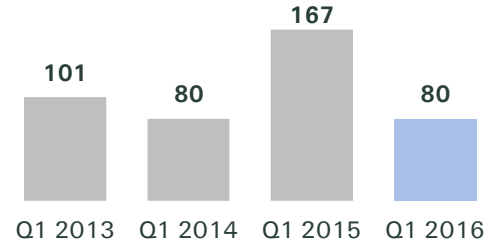
%



- Q1 2016 EBIT and net operating margin decreased primarily due to lower realised gains on equities and realised losses from insurance in derivative form, impacted by the unseasonably mild winter

## Net income

USD m



## Return on equity

%



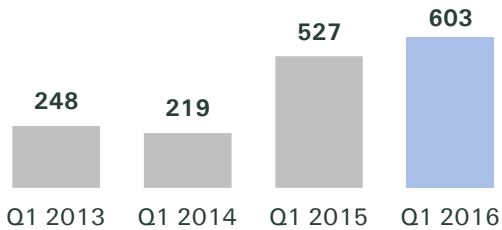
- Q1 2016 net income was driven by profitable business performance, across most lines of business, and moderate income from investment activities, partially offset by realised losses from insurance in derivative form

<sup>1</sup> Gross premiums written including premiums for insurance in derivative form, net of internal fronting for the Reinsurance Business Unit

# Life Capital delivers strong results supported by Guardian acquisition

## Gross premiums written

USD m



## Gross cash generation

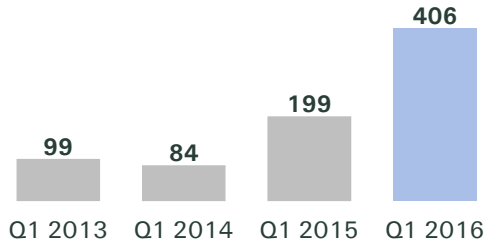
USD m



- Increase in gross premiums written driven by growth in the open life and health insurance business and the inclusion of Guardian
- Q1 2016 GCG driven by the impact of adverse economic conditions in the UK and change in GCG calculation based on Solvency II, which is more sensitive to market movements

## EBIT

USD m



## Net operating margin

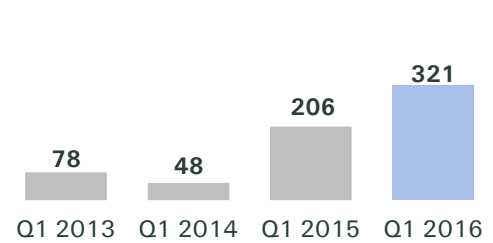
%



- Q1 2016 EBIT and net operating margin driven by the investment result, mainly from the Guardian portfolio

## Net income

USD m



## Return on equity

%



- Guardian acquisition successfully completed on 6 January, following regulatory approval
- Underlying result in line with expectations with outperformance in Q1 2016 net income mainly driven by net realised gains from the Guardian investment portfolio

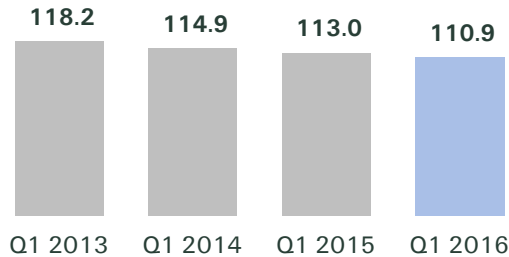
Note: Q1 2015 figures have been restated to reflect impact of open life and health insurance business



# Group investment portfolio continues to demonstrate strong results in a challenging yield environment

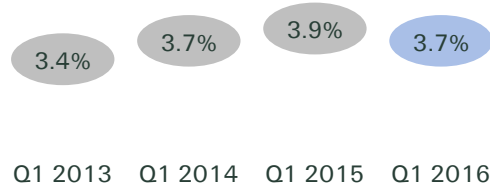
## Average invested assets

USD bn, basis for ROI calculation



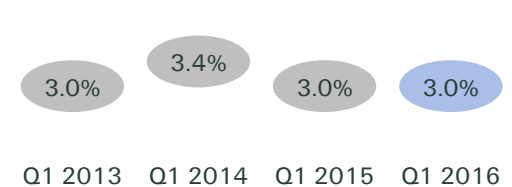
- Q1 2016 overall investment portfolio increased by USD 21.3bn compared to end FY 2015, reflecting the positive impact of the Guardian acquisition and large transactions
- Reduced impact on average invested assets reflects the timing of the transaction closing
- Asset allocation changes in Q1 2016 include a net increase in credit investments driven by transactions

## Return on investments



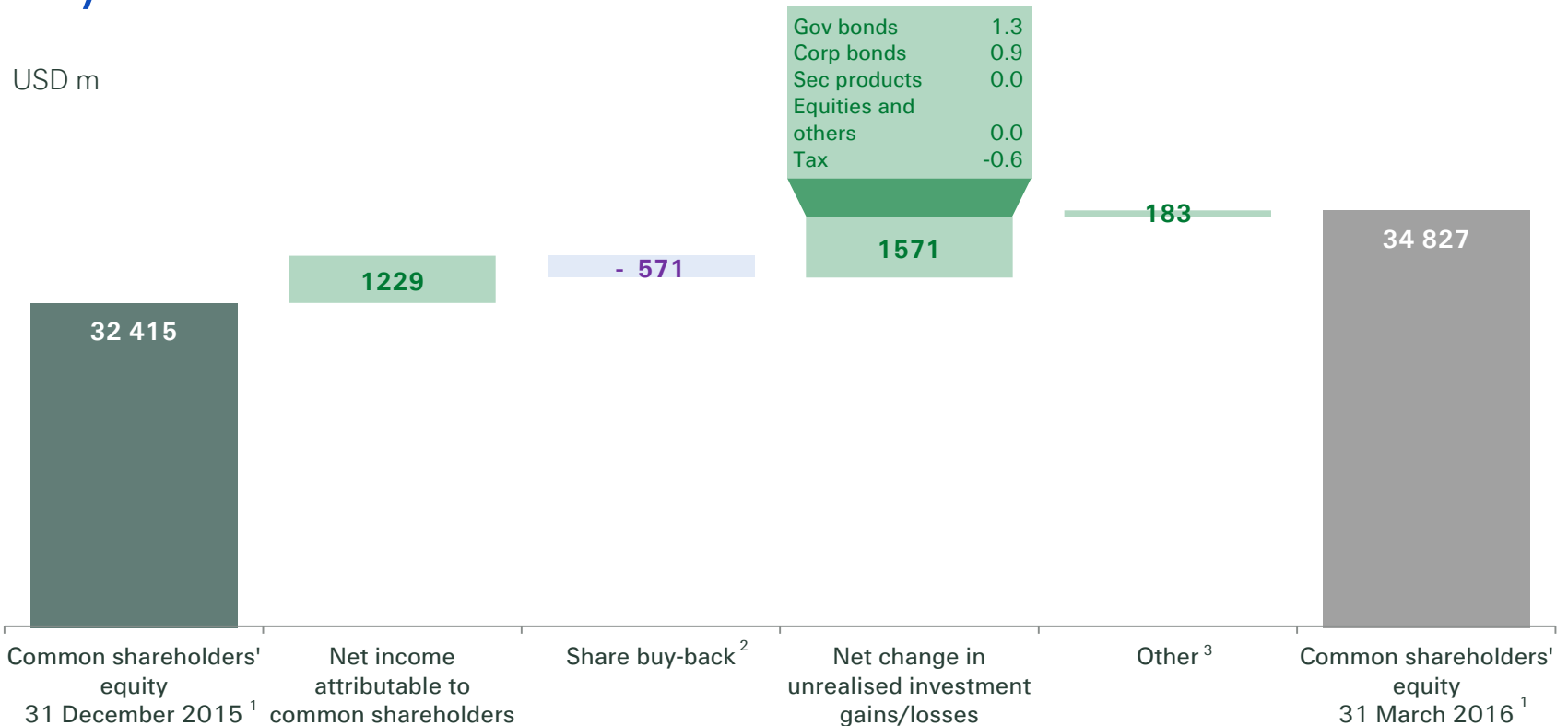
- Q1 2016 ROI of 3.7% mainly driven by net investment income as well as net realised gains from sales of fixed income securities
- Q1 2016 net realised gains of USD 254m; Q1 2015: USD 380m
- Q1 2016 net realised losses from impairments of USD 33m; Q1 2015: USD 5m

## Running yield



- Group fixed income running yield is in line with Q1 2015, as the impact of Guardian was offset by lower re-investment rates
- Total return for Q1 2016: 11.8%, driven by the impact of declining interest rates; Q1 2015: 9.6%

# Common shareholders' equity increased as net income and unrealised gains were only partly offset by the share buy-back

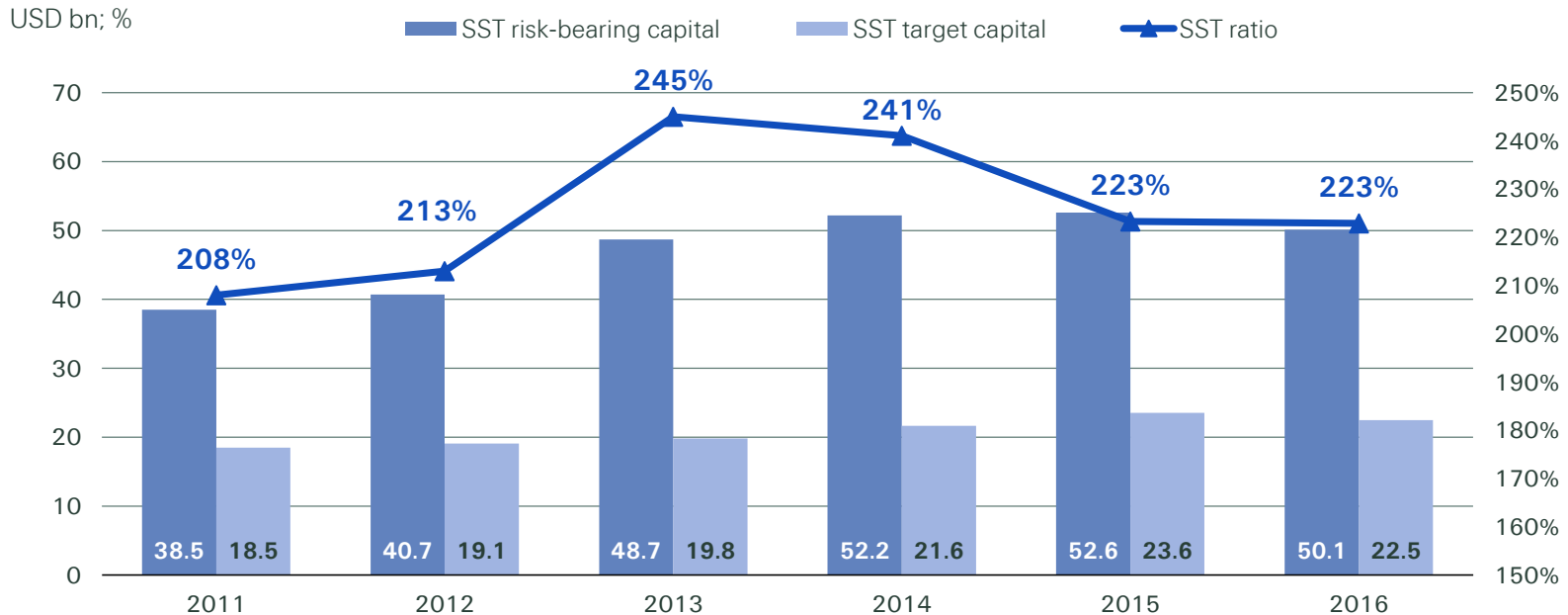


<sup>1</sup> Excluding contingent capital instruments (USD 1 102m, of which USD 352m in P&C Re, USD 750m in L&H Re); basis for ROE and BVPS calculations

<sup>2</sup> USD 571 m reflects the completion of the share buy-back programme which was announced in 2015 and completed as of 2 March 2016

<sup>3</sup> Including foreign exchange translation adjustments of USD 137m

# Swiss Re's Group capitalisation remains very strong



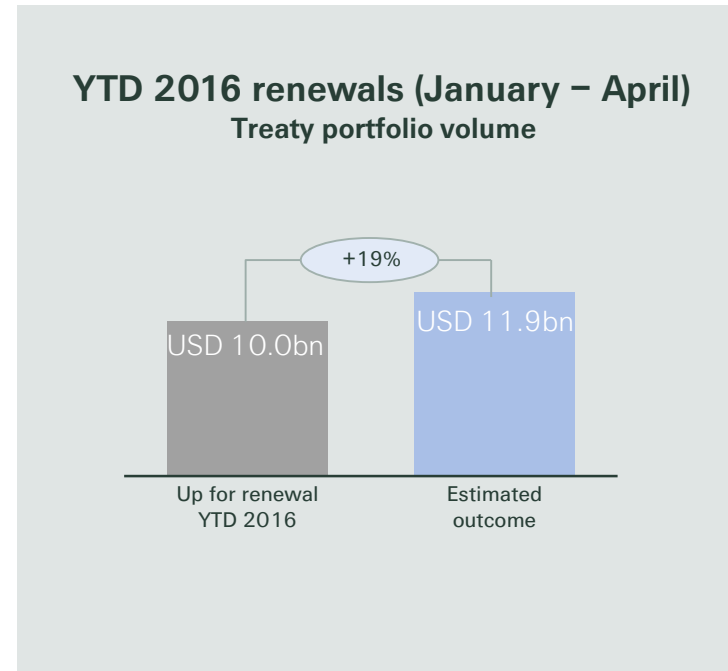
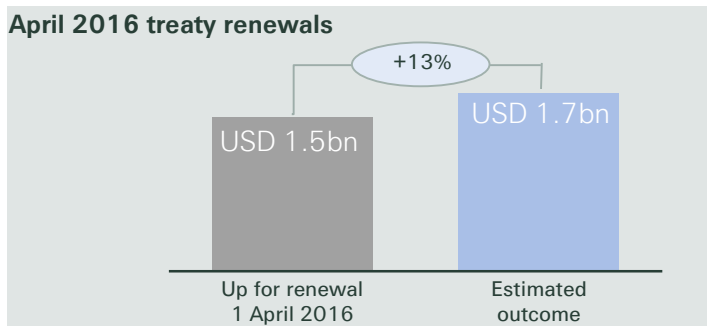
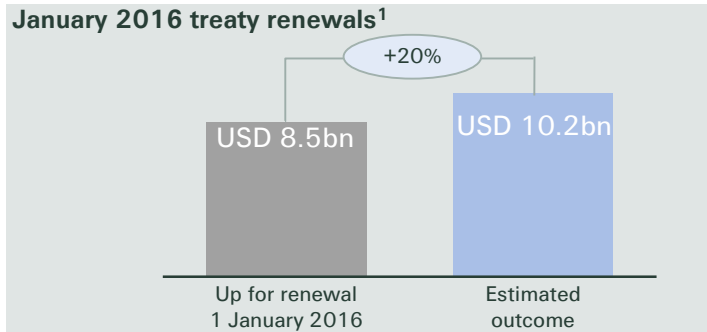
- Group SST<sup>1</sup> 2016 reflects updates in business mix and changes in FINMA adjustments
- Comparable 2016 Group Solvency II ratio is estimated to be 312% (almost 90%pts higher) due to key methodological differences<sup>2</sup>

<sup>1</sup> SST is a legally binding solvency measure. SST risk-bearing capital is based on the preceding year-end capital position (minus projected dividends). SST target capital reflects a 12-month forward looking view; SST 2016 as filed with FINMA at the end of April 2016, consolidated Group view

<sup>2</sup> For further details please refer to the video presentation of the Group CRO available on Swiss Re's website ([http://www.swissre.com/investors/financial\\_information/](http://www.swissre.com/investors/financial_information/))

# Business update

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



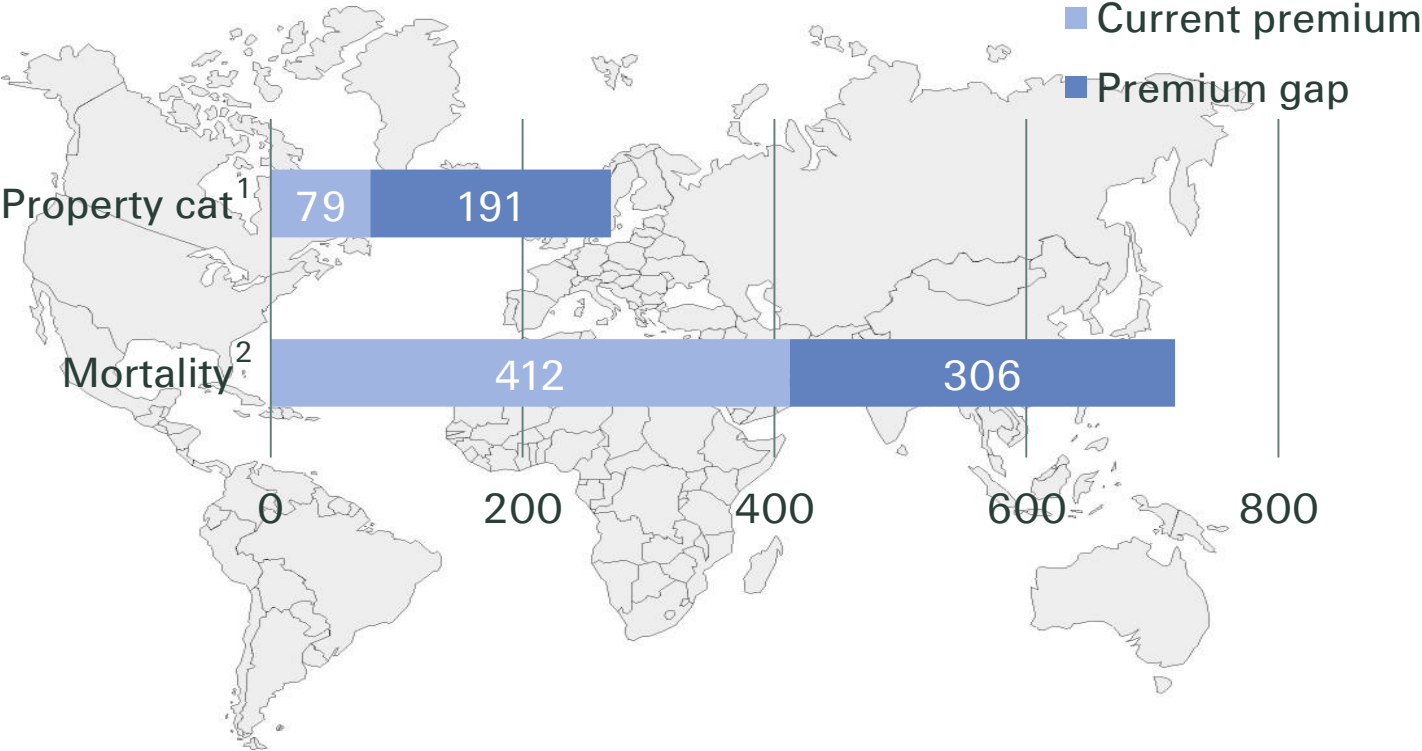
- Premium volume increased by 19% YTD driven by large and tailored transactions, which are up by 68%, while flow business decreased
- YTD risk adjusted price quality<sup>2</sup> remains at 102% exceeding our economic return hurdles
- Price erosion for property business has slowed, casualty markets remained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

<sup>1</sup> January 2016 numbers have been updated to reflect large transactions after FY 2015 reporting and restated with current fx rates

<sup>2</sup> 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

# Significant potential for the insurance industry to narrow the protection gap

USD bn



Globally 71% of property cat and 43% of mortality risks are uninsured, resulting in an estimated annual premium gap of USD 497bn

<sup>1</sup> Total modelled expected loss; assumed market portfolio  
<sup>2</sup> Modelled income replacement factor; premiums are estimates excluding savings  
 Source: Swiss Re Economic Research & Consulting and Cat Perils



# Appendix

- Business segment results Q1 2016 – Income statement
- Business segment results Q1 2016 – Balance sheet
- Total equity and ROE Q1 2016
- P&C Reinsurance – Underwriting performance
- P&C Reinsurance: 2016 renewals - Portfolio weighting by line of business and region
- L&H Reinsurance– Comparison of operating margin and net operating margin calculation
- Corporate Solutions – Underwriting performance
- Life Capital balance sheet breakdown
- Return on investments (ROI)
- Overall investment portfolio
- Fixed income securities
- Equities and alternative investments
- Corporate calendar & contacts
- Cautionary note on forward-looking statements



# Business segment results Q1 2016

## Income statement

USD m	Re- insurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Consoli- dation	Total Q1 2016	Total Q1 2015
<b>Revenues</b>									
Gross premiums written	10 413	7 008	3 405	804	603	-	-425	11 395	10 076
Net premiums written	10 029	6 948	3 081	588	255	-	-	10 872	9 682
Change in unearned premiums	-3 250	-2 992	-258	277	-87	-	-	-3 060	-2 269
Premiums earned	6 779	3 956	2 823	865	168	-	-	7 812	7 413
Fee income from policyholders	12	-	12	-	116	-	-	128	149
Net investment income/loss – non participating business	570	237	333	36	316	20	-8	934	890
Net realised investment gains/losses – non participating business	403	296	107	-11	305	-5	-	692	559
Net investment result – unit-linked and with-profit business	-63	-	-63	-	468	-	-	405	1 441
Other revenues	16	11	5	2	-	78	-84	12	12
<b>Total revenues</b>	<b>7 717</b>	<b>4 500</b>	<b>3 217</b>	<b>892</b>	<b>1 373</b>	<b>93</b>	<b>-92</b>	<b>9 983</b>	<b>10 464</b>
<b>Expenses</b>									
Claims and claim adjustment expenses	-2 374	-2 374	-	-493	-	-	-	-2 867	-2 435
Life and health benefits	-2 074	-	-2 074	-	-465	-	-	-2 539	-2 357
Return credited to policyholders	60	-	60	-	-410	-	-	-350	-1 452
Acquisition costs	-1 677	-1 037	-640	-112	16	-	-	-1 773	-1 538
Operating expenses	-445	-280	-165	-177	-108	-92	77	-745	-770
<b>Total expenses before interest expenses</b>	<b>-6 510</b>	<b>-3 691</b>	<b>-2 819</b>	<b>-782</b>	<b>-967</b>	<b>-92</b>	<b>77</b>	<b>-8 274</b>	<b>-8 552</b>
<b>EBIT</b>	<b>1 207</b>	<b>809</b>	<b>398</b>	<b>110</b>	<b>406</b>	<b>1</b>	<b>-15</b>	<b>1 709</b>	<b>1 912</b>
Interest expenses	-147	-69	-78	-6	-5	-12	15	-155	-161
<b>Income/loss before income tax expense</b>	<b>1 060</b>	<b>740</b>	<b>320</b>	<b>104</b>	<b>401</b>	<b>-11</b>	<b>-</b>	<b>1 554</b>	<b>1 751</b>
Income tax expense/benefit	-212	-148	-64	-27	-80	8	-	-311	-294
<b>Net income/loss before attribution of non- controlling interests</b>	<b>848</b>	<b>592</b>	<b>256</b>	<b>77</b>	<b>321</b>	<b>-3</b>	<b>-</b>	<b>1 243</b>	<b>1 457</b>
Income attributable to non-controlling interests	-	-	-	3	-	-	-	3	-
<b>Net income/loss after attribution of non-controlling interests</b>	<b>848</b>	<b>592</b>	<b>256</b>	<b>80</b>	<b>321</b>	<b>-3</b>	<b>-</b>	<b>1 246</b>	<b>1 457</b>
Interest on contingent capital instruments	-17	-5	-12	-	-	-	-	-17	-17
<b>Net income/loss attributable to common shareholders</b>	<b>831</b>	<b>587</b>	<b>244</b>	<b>80</b>	<b>321</b>	<b>-3</b>	<b>-</b>	<b>1 229</b>	<b>1 440</b>

# Business segment results Q1 2016

## Balance sheet

31 March 2016, USD m	Re- insurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Consoli- dation	End Q1 2016	End FY 2015
<b>Assets</b>									
Fixed income securities	65 525	34 029	31 496	5 590	26 805	16	-	97 936	82 331
Equity securities	2 851	1 914	937	911	1	593	-	4 356	4 787
Other investments	16 108	13 987	2 121	270	3 405	5 296	-6 974	18 105	15 046
Short-term investments	5 062	3 513	1 549	1 322	1 298	508	-	8 190	7 405
Investments for unit-linked and with-profit business	628	-	628	-	34 301	-	-	34 929	28 241
Cash and cash equivalents	5 656	5 159	497	936	4 310	243	-	11 145	8 204
Deferred acquisition costs	5 788	2 569	3 219	379	19	-	-	6 186	5 471
Acquired present value of future profits	1 105	-	1 105	-	1 189	-	-	2 294	2 964
Reinsurance recoverable	4 466	2 829	1 637	6 311	2 679	-	-5 189	8 267	6 578
Other reinsurance assets	19 335	11 606	7 729	2 209	4 160	3	-1 329	24 378	21 579
Goodwill	3 796	1 906	1 890	175	151	-	-	4 122	3 862
Other	14 835	10 167	4 668	1 249	2 057	3 879	-10 442	11 578	9 667
<b>Total assets</b>	<b>145 155</b>	<b>87 679</b>	<b>57 476</b>	<b>19 352</b>	<b>80 375</b>	<b>10 538</b>	<b>-23 934</b>	<b>231 486</b>	<b>196 135</b>
<b>Liabilities</b>									
Unpaid claims and claim adjustments expenses	50 676	40 311	10 365	10 672	1 509	-	-5 173	57 684	55 518
Liabilities for life and health policy benefits	15 901	-	15 901	260	30 137	-	-17	46 281	30 131
Policyholder account balances	1 411	-	1 411	-	35 391	-	-	36 802	31 422
Other reinsurance liabilities	16 431	13 866	2 565	3 984	1 280	3	-1 901	19 797	16 117
Short-term debt	2 570	752	1 818	-	791	505	-1 485	2 381	1 834
Long-term debt	13 712	4 111	9 601	496	788	61	-4 071	10 986	10 978
Other	25 328	16 578	8 750	1 411	3 305	2 776	-11 284	21 536	16 529
<b>Total liabilities</b>	<b>126 029</b>	<b>75 618</b>	<b>50 411</b>	<b>16 823</b>	<b>73 201</b>	<b>3 345</b>	<b>-23 931</b>	<b>195 467</b>	<b>162 529</b>
<b>Equity</b>									
Common shareholders' equity	18 001	11 686	6 315	2 462	7 174	7 193	-3	34 827	32 415
Contingent capital instruments	1 102	352	750	-	-	-	-	1 102	1 102
Non-controlling interests	23	23	-	67	-	-	-	90	89
<b>Total equity</b>	<b>19 126</b>	<b>12 061</b>	<b>7 065</b>	<b>2 529</b>	<b>7 174</b>	<b>7 193</b>	<b>-3</b>	<b>36 019</b>	<b>33 606</b>
<b>Total liabilities and equity</b>	<b>145 155</b>	<b>87 679</b>	<b>57 476</b>	<b>19 352</b>	<b>80 375</b>	<b>10 538</b>	<b>-23 934</b>	<b>231 486</b>	<b>196 135</b>

# Total equity and ROE Q1 2016

USD m	Re-insurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Total <sup>1</sup> Q1 2016
<b>Common shareholders' equity<sup>2</sup> at 31 December 2015</b>	<b>18 762</b>	<b>12 964</b>	<b>5 798</b>	<b>2 262</b>	<b>4 942</b>	<b>6 452</b>	<b>32 415</b>
Net income/loss attributable to common shareholders	831	587	244	80	321	-3	1 229
Dividends	-2 900	-2 500	-400	-	-	2 900	-
Capital Contributions	-	-	-	-	1 562	-1 562	-
Net change in unrealised investment gains/losses	1 138	488	650	94	436	-97	1 571
Other (incl. fx)	170	147	23	26	-87	-497	-388
<b>Common shareholders' equity at 31 March 2016</b>	<b>18 001</b>	<b>11 686</b>	<b>6 315</b>	<b>2 462</b>	<b>7 174</b>	<b>7 193</b>	<b>34 827</b>
Contingent capital instruments	1 102	352	750	-	-	-	1 102
<b>Shareholders' equity at 31 March 2016</b>	<b>19 103</b>	<b>12 038</b>	<b>7 065</b>	<b>2 462</b>	<b>7 174</b>	<b>7 193</b>	<b>35 929</b>
Non-controlling interests	23	23	-	67	-	-	90
<b>Total equity at 31 March 2016</b>	<b>19 126</b>	<b>12 061</b>	<b>7 065</b>	<b>2 529</b>	<b>7 174</b>	<b>7 193</b>	<b>36 019</b>

ROE calculation	Re-insurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Total <sup>1</sup> Q1 2016
USD m							
<b>Net income/loss attributable to common shareholders</b>	<b>831</b>	<b>587</b>	<b>244</b>	<b>80</b>	<b>321</b>	<b>-3</b>	<b>1 229</b>
Opening common shareholders' equity <sup>2</sup>	18 762	12 964	5 798	2 262	4 942	6 452	32 415
Average common shareholders' equity <sup>2</sup>	18 382	12 325	6 057	2 362	6 058	6 823	33 621
<b>ROE, annualised<sup>3</sup></b>	<b>18.1%</b>	<b>19.1%</b>	<b>16.1%</b>	<b>13.5%</b>	<b>21.2%</b>	<b>-0.2%</b>	<b>14.6%</b>

## Shares outstanding<sup>4</sup>

in millions

As at 31 March 2016	<b>331.6</b>	Weighted average	<b>334.0</b>
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<sup>1</sup> Total is after consolidation

<sup>2</sup> Excluding contingent capital instruments (USD 1 102m, of which USD 352m in P&C Re, USD 750m in L&H Re); basis for ROE and BVPS calculations

<sup>3</sup> Based on published net income attributable to common shareholders

<sup>4</sup> Shares outstanding is the number of shares eligible for dividends and is used for the BVPS and EPS calculation

# P&C Reinsurance

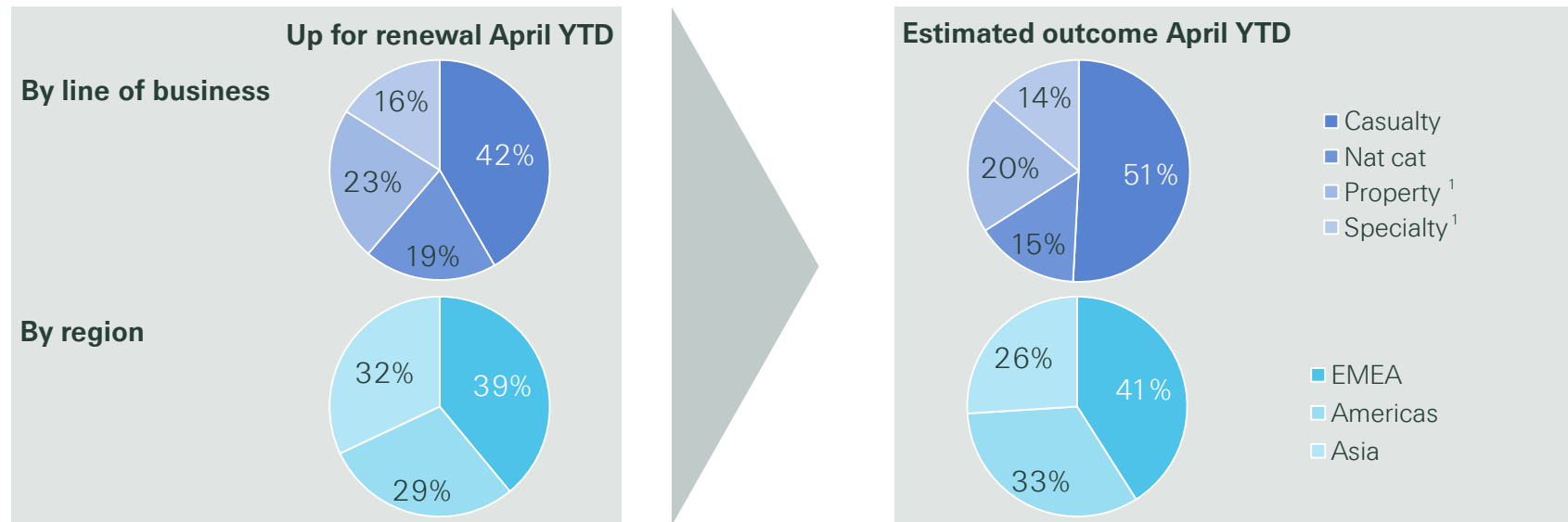
## Underwriting performance

	Combined ratio		Main drivers of change	Net premiums earned	Underwriting result
	Q1 2015	Q1 2016		Q1 2016 USD m	Q1 2016 USD m
<b>Property</b>	<b>73.1%</b>	<b>80.9%</b>	• Both periods benefited from benign nat cat; Q1 2016 increase driven by rate reductions and development of 2010/2011 NZ earthquake losses	<b>1 532</b>	<b>292</b>
<b>Casualty</b>	<b>100.4%</b>	<b>109.2%</b>	• Q1 2016 driven by reserve strengthening for US umbrella treaties and asbestos • Both periods include some unfavourable prior-year reserve developments • Q1 2016 benefited from favourable prior-year developments in the US	<b>1 824</b>	<b>-167</b>
Liability	93.5%	117.0%		690	-117
Motor	105.0%	106.1%		977	-60
Accident (A&H)	103.2%	93.6%		157	10
<b>Specialty</b>	<b>68.4%</b>	<b>76.7%</b>	• Q1 2016 benefited from favourable prior-year developments • Q1 2016 impacted by surety loss in Spain • Both periods benefited from benign loss experience	<b>600</b>	<b>140</b>
Marine	87.4%	71.3%		174	50
Credit	56.9%	100.8%		129	-1
Other Specialty (Engineering, Aviation, etc)	61.5%	69.4%		297	91
<b>Total</b>	<b>84.3%</b>	<b>93.3%</b>		<b>3 956</b>	<b>265</b>

# P&C Reinsurance: 2016 renewals

## Portfolio weighting by line of business and region

### Gross premium volume, treaty portfolio



- Continued allocation of capital to segments with most favourable risk adjusted returns
- Nat cat exposure further reduced
- Reduced flow business and increased large and tailored transaction volume with corresponding impact on portfolio composition

<sup>1</sup> Excluding nat cat

# L&H Reinsurance: comparison of operating margin and net operating margin calculation

## Operating margin

USD m	Q1 2015 <sup>1</sup>	FY 2015 <sup>1</sup>	Q1 2016
Premiums earned	2 592	10 567	2 823
Fee income	15	49	12
NII – non participating	334	1 330	333
NRG (insurance)	9	131	0
Net inv. result UL/WP	75	42	-63
Other revenues	2	4	5
<b>Revenues</b>	<b>3 027</b>	<b>12 123</b>	<b>3 110</b>
L&H benefits	-1 974	-8 012	-2 074
Return credited to policyholders	-83	-60	60
Acquisition costs	-481	-1 965	-640
Other expenses	-201	-852	-176
<b>Operating income</b>	<b>288</b>	<b>1 234</b>	<b>280</b>
<b>Operating margin</b> (Operating income/(revenues - net inv. result UL/WP))	<b>9.8%</b>	<b>10.2%</b>	<b>8.8%</b>

### *Not included in operating margin:*

<i>NRG – non participating</i>	<i>150</i>	<i>180</i>	<i>107</i>
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## Net operating margin

USD m	Q1 2015 <sup>2</sup>	FY 2015 <sup>2</sup>	Q1 2016
Premiums earned	2 592	10 567	2 823
Fee income	15	49	12
NII – non participating	334	1 330	333
NRG (insurance)	9	131	0
NRG – non participating	150	180	107
Net inv. result UL/WP	75	42	-63
Other revenues	2	4	5
<b>Revenues</b>	<b>3 177</b>	<b>12 303</b>	<b>3 217</b>
L&H benefits	-1 974	-8 012	-2 074
Return credited to policyholders	-83	-60	60
Acquisition costs	-481	-1 965	-640
Other expenses	-190	-807	-165
<b>EBIT</b>	<b>449</b>	<b>1 459</b>	<b>398</b>
<b>Net operating margin</b> (EBIT/(revenues - net inv. result UL/WP))	<b>14.5%</b>	<b>11.9%</b>	<b>12.1%</b>

In contrast to operating margin, net operating margin also includes non participating investment related net realised gains, in addition to the previously included insurance related derivatives

<sup>1</sup> Restated for carve out of primary Life and Health portfolios to Life Capital

<sup>2</sup> Restated for carve out of primary Life and Health portfolios to Life Capital and reclassification of LOC fees

# Corporate Solutions

## Underwriting performance

	Combined ratio		Main drivers of change	Net premiums earned	Underwriting result
	Q1 2015	Q1 2016		Q1 2016 USD m	Q1 2016 USD m
Property	80.1%	76.3%	• No major natural catastrophe loss in either period	295	70
Casualty	95.4%	110.4%	• Q1 2016 impacted by two prior-year large loss movements in North America	309	-32
Specialty Credit	89.3% 110.1%	82.8% 98.9%	• Both periods impacted by a large loss; 2016 to a lesser extent	261 95	45 1
Other Specialty	75.4%	73.5%	• Continued profitable business performance	166	44
<b>Total</b>	<b>87.8%</b>	<b>90.4%</b>		<b>865</b>	<b>83</b>

# Life Capital balance sheet breakdown

31 March 2016, USD m	Closed books	Thereof: Guardian	Open books	Life Capital
<b>Assets</b>				
Fixed income securities	26 686	11 608	119	26 805
Equity securities	1	1	-	1
Other investments	3 405	1 502	-	3 405
Short-term investments	1 241	523	57	1 298
Investments for unit-linked and with-profit business	34 301	7 702	-	34 301
Cash and cash equivalents	4 127	2 765	183	4 310
Deferred acquisition costs	1	-	18	19
Acquired present value of future profits	1 189	-627	-	1 189
Reinsurance recoverable	2 465	1 743	214	2 679
Other reinsurance assets	3 539	41	621	4 160
Goodwill	151	151	-	151
Other	1 706	681	351	2 057
<b>Total assets</b>	<b>78 812</b>	<b>26 090</b>	<b>1 563</b>	<b>80 375</b>
<b>Liabilities</b>				
Unpaid claims and claim adjustments expenses	1 111	65	398	1 509
Liabilities for life and health policy benefits	30 136	16 165	1	30 137
Policyholder account balances	35 391	5 988	-	35 391
Other reinsurance liabilities	413	10	867	1 280
Short-term debt	791	1 098	-	791
Long-term debt	788	-	-	788
Other	3 001	1 180	304	3 305
<b>Total liabilities</b>	<b>71 631</b>	<b>24 506</b>	<b>1 570</b>	<b>73 201</b>
<b>Equity</b>				
Common shareholders' equity	7 181	1 584	-7	7 174
<b>Total equity</b>	<b>7 181</b>	<b>1 584</b>	<b>-7</b>	<b>7 174</b>
<b>Total liabilities and equity</b>	<b>78 812</b>	<b>26 090</b>	<b>1 563</b>	<b>80 375</b>



# Return on investments (ROI)

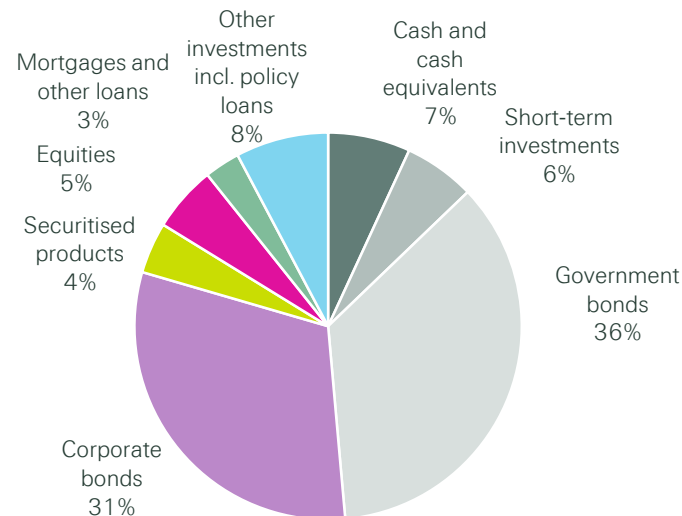
USD m	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Consolidation	Total Q1 2016	Total Q1 2015
<b>Investment related net investment income</b>	<b>230</b>	<b>272</b>	<b>41</b>	<b>240</b>	<b>20</b>	<b>-8</b>	<b>795</b>	<b>728</b>
Fixed income	178	257	34	222	-	-	691	648
Equities and alternative investments -incl RE, PE, HF	79	14	5	-	18	-	116	93
Other	20	19	6	34	12	-17	74	71
Investment expenses	-47	-18	-4	-16	-10	9	-86	-84
<b>Investment related net realised gains/losses</b>	<b>156</b>	<b>38</b>	<b>5</b>	<b>54</b>	<b>1</b>	<b>-</b>	<b>254</b>	<b>380</b>
Fixed income	222	33	-	-10	-	-	245	397
Equities and alternative investments -incl RE, PE, HF	1	8	3	-	-	-	12	94
Other	-67	-3	2	64	1	-	-3	-111
<b>Other revenues</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-6</b>	<b>-</b>	<b>-</b>
<b>Investment related operating income</b>	<b>392</b>	<b>310</b>	<b>46</b>	<b>294</b>	<b>21</b>	<b>-14</b>	<b>1 049</b>	<b>1 108</b>
Less income not related to investment return <sup>1</sup>	-12	-3	-2	-1	-5	4	-19	-18
<b>Basis for ROI</b>	<b>380</b>	<b>307</b>	<b>44</b>	<b>293</b>	<b>16</b>	<b>-10</b>	<b>1 030</b>	<b>1 090</b>
<b>Average invested assets at avg. fx rates</b>	<b>43 886</b>	<b>33 919</b>	<b>8 013</b>	<b>25 439</b>	<b>5 179</b>	<b>-5 562</b>	<b>110 874</b>	<b>112 985</b>
<b>ROI, annualised</b>	<b>3.5%</b>	<b>3.6%</b>	<b>2.2%</b>	<b>4.6%</b>	<b>1.2%</b>	<b>n/a</b>	<b>3.7%</b>	<b>3.9%</b>
Insurance related net investment income	7	61	-5	76	-	-	139	162
Insurance related net realised gains/losses	-	1	-13	258	1	-	247	35
Foreign exchange remeasurement	140	68	-3	-7	-7	-	191	144
<b>Net investment income/loss – non participating</b>	<b>237</b>	<b>333</b>	<b>36</b>	<b>316</b>	<b>20</b>	<b>-8</b>	<b>934</b>	<b>890</b>
<b>Net realised investment gains/losses – non participating</b>	<b>296</b>	<b>107</b>	<b>-11</b>	<b>305</b>	<b>-5</b>	<b>-</b>	<b>692</b>	<b>559</b>

- Increase in net investment income reflects an increase in fixed income arising from the Guardian portfolio acquisition as well as equity-accounted income in Group items
- Decrease in investment related net realised gains driven by fewer realised gains on sales of fixed income and equity securities, partially offset by an improved result from derivatives
- Insurance related net realised gains primarily driven by gains on interest rate derivatives in Life Capital, taken-on as part of the Guardian acquisition and which are expected to be reduced over time

<sup>1</sup> Excluded from basis for ROI: income from minority interests, cash and cash equivalents, securities lending, repurchase agreements and collateral balances

# Overall investment portfolio

USD bn	End Q1 2016
Balance sheet values	174.6
Unit-linked investments	-30.5
With-profit business	-6.0
<b>Assets for own account</b> (on balance sheet only)	<b>138.1</b>

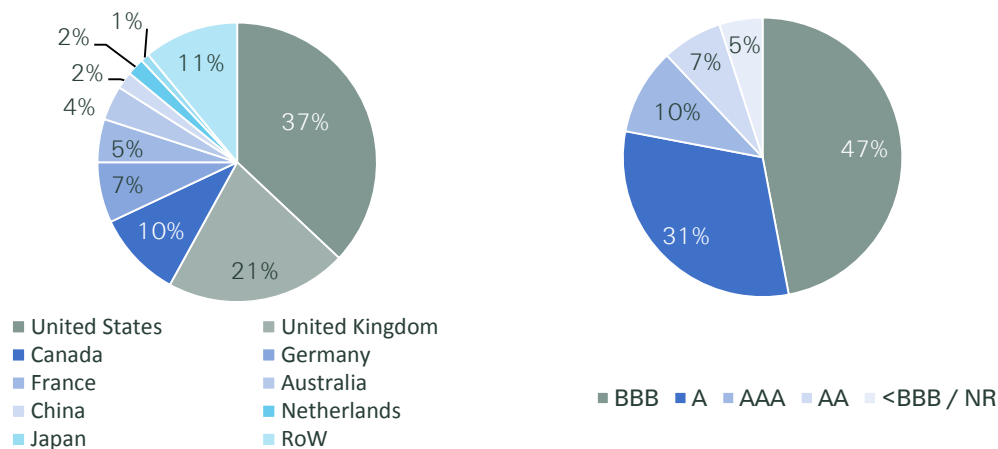


USD bn	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Consolidation	End Q1 2016	End FY 2015
Cash and cash equivalents	5.2	0.5	0.9	2.7	0.2	-	9.5	7.3
Short-term investments	3.5	1.5	1.3	1.3	0.6	-	8.2	7.4
Government bonds	24.7	14.8	3.0	6.9	-	-	49.4	45.7
Corporate bonds	7.0	14.5	2.2	19.0	-	-	42.7	31.5
Securitised products	2.3	2.3	0.4	0.9	-	-	5.9	5.2
Equities <sup>1</sup>	3.2	1.1	1.0	-	2.3	-	7.6	8.1
Mortgages and other loans	4.8	1.3	-	2.1	1.5	(5.6)	4.1	3.0
Policy loans	-	-	-	0.1	-	-	0.1	0.1
Other investments	7.9	0.6	0.2	1.2	2.1	(1.4)	10.6	8.5
<b>Total</b>	<b>58.6</b>	<b>36.6</b>	<b>9.0</b>	<b>34.2</b>	<b>6.7</b>	<b>(7.0)</b>	<b>138.1</b>	<b>116.8</b>

<sup>1</sup> Includes equity securities, private equity and Principal Investments

# Fixed income securities

USD m	Government bonds	Credit bonds
End FY 2015	45 651	36 680
End Q1 2016	49 370	48 566



- Overall increase in fixed income securities (across both government bonds and credit bonds) reflects the impact of the Guardian acquisition as well as mark-to-market gains due to the decline in interest rates during Q1 2016
- Credit bonds include corporate bonds (USD 42.7bn) and securitised products (USD 5.9bn)
- Guardian acquisition had minimal impact on overall credit bond quality (95% rated investment grade); increase in relative weighting towards the UK

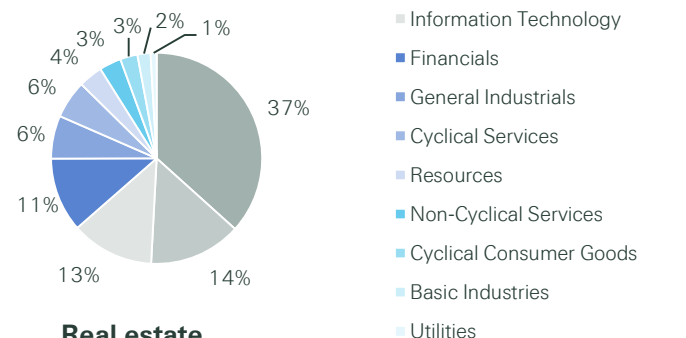
# Equities and alternative investments

USD m	End FY 2015	End Q1 2016
Equity securities	4 087	3 763
Private equity	1 526	1 469
Hedge funds	358	354
Real estate	3 613	3 705
Principal Investments	2 442	2 326
<i>Equity securities</i>	700	593
<i>Private equity</i>	1 742	1 733
<b>Total market value</b>	<b>12 026</b>	<b>11 617</b>

- Decrease in equity securities due to net sales (mainly credit ETFs)
- Increase in real estate largely due to fx movement during the quarter
- Decrease in Principal Investments driven by a reduction in market value on equity securities

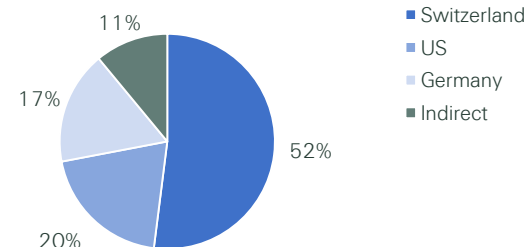
## Equity securities

by sector



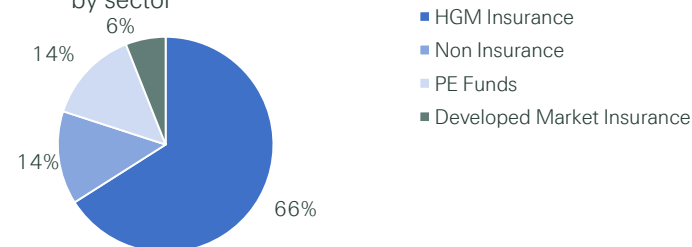
## Real estate

by geography



## Principal Investments

by sector



# Corporate calendar & contacts

## Corporate calendar

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### 2016

29 July	<b>Second Quarter 2016 Results</b>	Conference call
3 November	<b>Third Quarter 2016 Results</b>	Conference call
2 December	<b>Investors' Day</b>	Zurich

### 2017

23 February	<b>Annual Results 2016</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;
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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 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;
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- 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
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks.

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