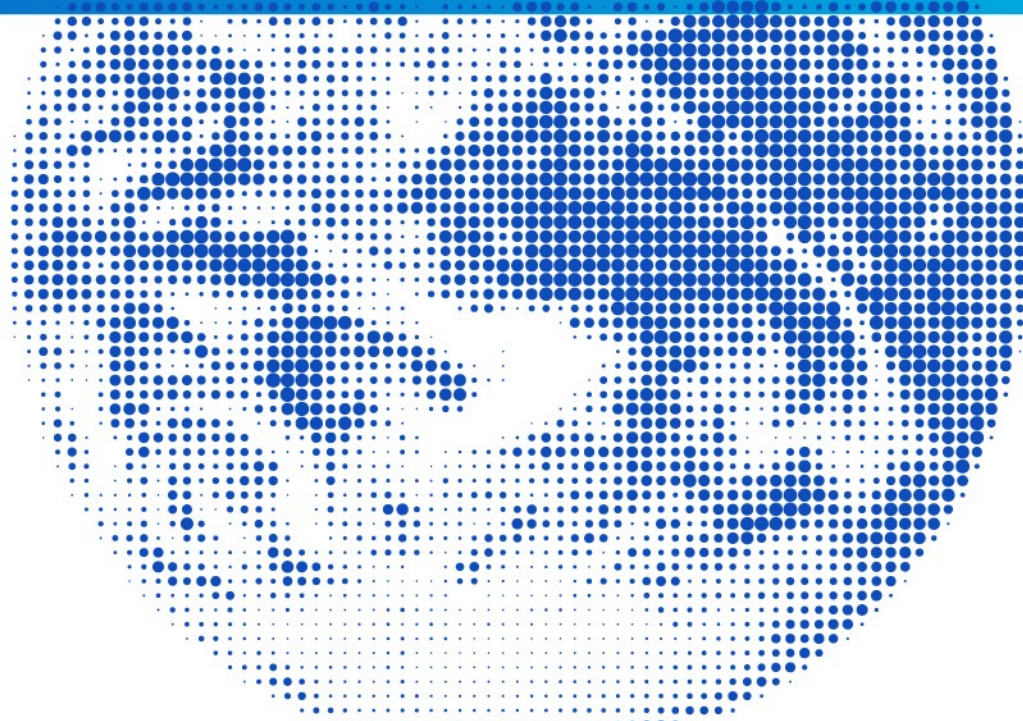


Swiss Re's differentiation drives financial performance

Kepler Cheuvreux Swiss Seminar, 29 March 2017

Gerhard Lohmann, Chief Financial Officer Reinsurance



Today's agenda

Swiss Re Group at a glance

Reinsurance Deep Dive

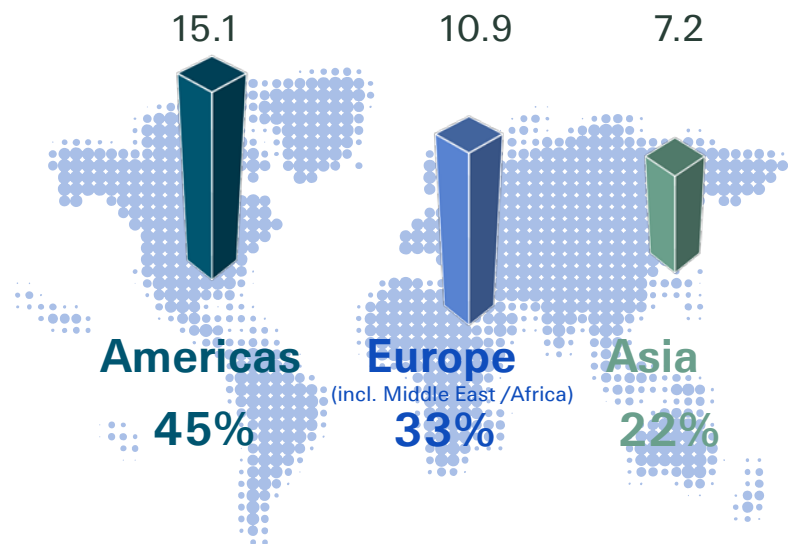
Capital Management

Q&A

Swiss Re is well diversified across geographic regions and business segments

Net premiums earned¹

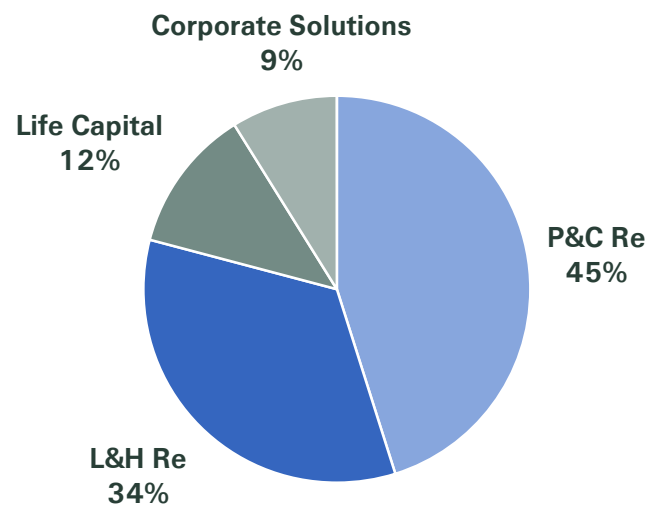
by region (in USD bn, 2016)



of which
HGMs incl. PI²: ~5% ~ 4% ~ 16% ≈25%

Economic Net Worth³

by business segment (in %, 2016)



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

¹ USD 33.2bn as at 31 Dec 2016; 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 Principal Investments (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 2016

In the currently challenging environment we see attractive long-term opportunities



Key challenges

- Soft market in the P&C world – rates close to economic hurdles
- Low interest rates; divergence of Central Bank policies
- Re-nationalisation and regulatory fragmentation



Long-term opportunities

- Growing risk pools (GDP growth and demographic trends)
- High Growth Markets
- Closing the protection gap through better and lower cost offerings

Ensuring access to risk pools is a top priority for Swiss Re

Swiss Re delivers good performance in 2016

- Swiss Re reports Group net income of USD 3.6bn, supported by continuing solid underwriting performance and strong investment result; ROE 10.6%
- P&C Reinsurance delivers good results through differentiation of services; ROE 16.4%
- L&H Reinsurance continues to report stable and good results; ROE 12.8%
- Corporate Solutions results impacted by continued pricing pressure and large man-made losses; ROE 6.0%
- Life Capital achieves strong performance across all metrics; ROE 10.4%
- Strong investment performance in challenging yield environment; ROI 3.4%
- Group economic solvency remains very strong, comfortably above respectability level of 220%, as adjusted to reflect FINMA changes
- Board of Directors will propose a CHF 4.85 regular dividend to the AGM 2017; the Board will also seek authorisation for a public share buy-back programme of up to CHF 1.0bn purchase value, conditional upon available 2017 excess capital, to be executed before the AGM 2018

As a risk knowledge company, Swiss Re is well placed to invest in risk pools

Swiss Re's strategic framework



Near-term priorities



Today's agenda

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Reinsurance Deep Dive

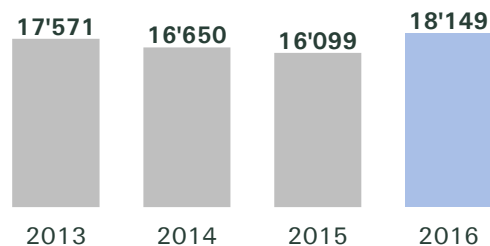
Capital Management

Q&A

P&C Reinsurance delivers good results in a challenging environment

Gross premiums written

USD m



Combined ratio

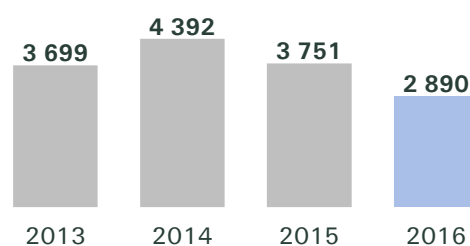
%



- Gross premiums written increased by 12.7%, mainly driven by large and tailored transactions in the US and Europe
- Combined ratio benefited from lower than expected large natural catastrophe events (3.3%pts) and favourable prior-year development (3.0%pts)

EBIT

USD m



Net operating margin

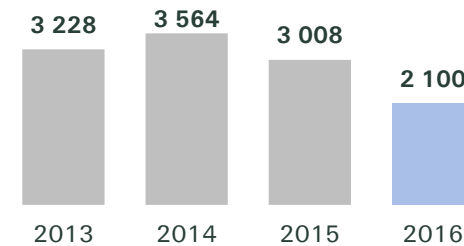
%



- EBIT and net operating margin impacted by natural catastrophe losses and a series of agro losses in Europe

Net income

USD m



Return on equity

%



- Solid net income despite challenging market environment supported by both underwriting and investment performance
- 2016 ROE above over-the cycle target range

P&C Reinsurance maintains disciplined underwriting through January 2017 treaty renewals

Market developments

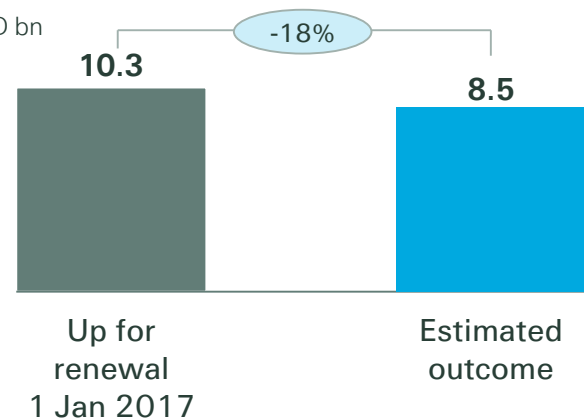
- Rate decreases in property (incl. nat cat) and specialty have started to slow down
- Casualty prices remain generally more stable with significant differences by market and product
- Overall market conditions are challenging

P&C Reinsurance's position

- Stable price levels maintained for large and tailored transactions and High Growth Markets
- Quality of the book preserved through disciplined underwriting
- Differentiation remains at the core of our strategy
- 2017 combined ratio estimate¹ ~100%

Premium volume

USD bn



- Premium volume² decreased by 18% to USD 8.5bn, driven by reducing capacity in almost all segments, including Chinese quota share business
- Decrease in risk adjusted price quality³ to 101%, exceeding the hurdle rate to achieve our Group ROE target

ROE target of 10-15% over-the-cycle

¹ Assuming an average large loss burden

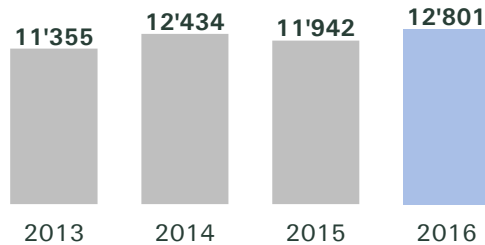
² Gross premium volume, treaty portfolio; estimated outcome vs up for renewal 1 January 2017

³ Swiss Re's risk adjusted price quality provides an economic view on price quality, i.e. includes rate and exposure changes, claims inflation and interest rates

L&H Reinsurance reports another year of good results

Gross premiums written

USD m



Running yield

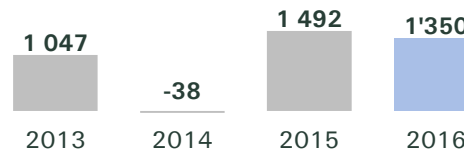
%



- Gross premiums written increased by 7.2% mainly from large transactions in the Americas, successful renewals and new business deals in Asia
- Running yield slightly lower than in 2015, driven by lower reinvestment yields

EBIT

USD m



Net operating margin

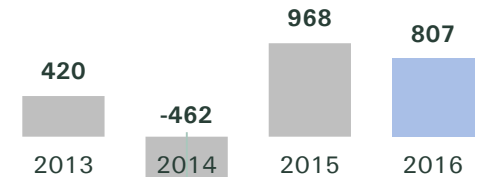
%



- EBIT lower than in 2015 mainly due to lower performance in the UK life and health portfolio
- Other products across regions contributed to the overall solid profitability

Net income

USD m



Return on equity

%



- Sustainability of net income driven by quality of the in-force book and profitability of new business
- 2016 ROE above over-the-cycle target range

L&H Reinsurance has a unique selling proposition in an attractive market

Market outlook

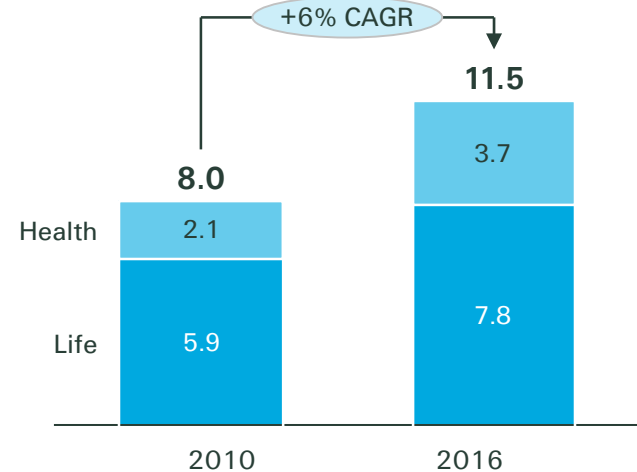
- Expanding need for life and health protection driven by ageing societies and more private sector involvement in welfare
- Opportunities for transactions in mature markets from increased focus on capital, risk and balance sheet optimisation
- Increases in sales of primary life business in High Growth Markets, while cession rates are expected to be stable

L&H Reinsurance's position

- Global presence and full client service offering
- Ability to develop large and tailored transactions
- Industry leading underwriting and active in-force management capabilities
- Superior client service offering through innovation and technology

Premiums and fees

USD bn



- Growth driven by expansion in High Growth Markets, especially for Health, and transaction activity in mature markets

ROE target of 10-12% over-the-cycle

Differentiation is at the core of our strategy, combining tailored offering with unique interaction

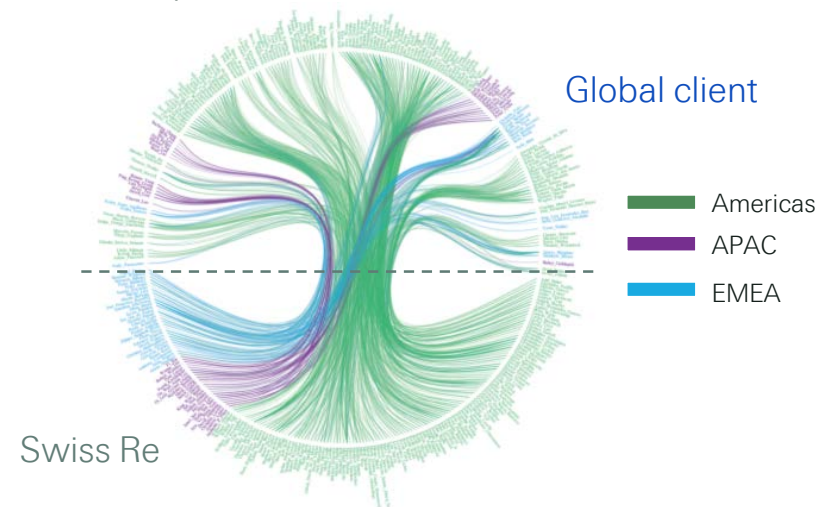
Client segmentation and tailored offering



- Segmentation based on buying preferences addresses requirements of all client sizes
- Our dedicated model to serve Globals, Large and Regional & National clients continues to be effective

Unique client interaction

Client example



- More than 11 600 distinct interactions between Swiss Re and the client between Q4 2011 and Q3 2016

Differentiation through understanding of client needs and tailored offering for optimised delivery

Technology is an enabler for differentiated solutions and provides tangible benefits

Technology solutions are being developed across lines of business and the value chain

Product Design

Distribution & Sales














Underwriting

Business Management






Claims

- Leveraging technology to better understand risks, improve underwriting and increase the efficiency of reinsurance
- Selective strategic investments to ensure proximity to innovation and further development of value proposition

Additional client services

	Benefit for client	Benefit for Swiss Re
 Motor Telematics End-to-end telematics platform	 	 
 Smoker Propensity Predictive analytics to streamline UW process	 	
 Nat Cat Exposure Intelligence Linking identical risks to generate new insights		 

Improved internal efficiency

	Benefit for Swiss Re
 L&H Underwriting Analytics Document screening; prioritisation through advanced text mining	
 Watson P&C Business Management Intelligence tool Big data techniques for claims management	
 Blockchain Founding member of B3i initiative to explore use of Blockchain in insurance	Research stage

 Increase in premiums
  Decrease in claims
  Reduce expenses

We invest in our financial steering and reporting capabilities to become true leaders in financial management



- Optimising processes and increasing standardisation to maximise efficiencies



- Improving operational risk management through a single source of real time financial data



- Innovative multi-valuation capabilities enable powerful analytics and steering



- Timely delivery of relevant financial information



- Trusted advisors to the business with an increased capacity for analysis and business partnering

In cooperation with SAP, this multi-year effort will provide us with an industry-leading steering and reporting platform

Today's agenda

Swiss Re Group at a glance

Reinsurance Deep Dive

Capital Management

Q&A

Swiss Re proposes another set of attractive capital management actions

Capital management actions	Dividend flows since new structure created in 2012
<ul style="list-style-type: none"> • Full execution of the 2016 public share buy-back programme • The Board of Directors proposes to the AGM 2017: <ul style="list-style-type: none"> – a resolution cancelling the shares repurchased through 2016 programme – an increase of the regular dividend by 5.4% to CHF 4.85 per share – a public share buy-back programme of up to CHF 1bn; decision to launch conditional upon available 2017 excess capital 	<p>The diagram illustrates the flow of dividends from business units to Swiss Re Ltd and then to shareholders. At the top, a blue box indicates a 'USD 14.8bn¹ distribution to shareholders' and a 'Buy-back CHF 1bn²'. Below this, a central box represents 'Swiss Re Ltd PI³'. Three business units are shown at the bottom: 'Reinsurance' (which includes 'P&C' and 'L&H'), 'Corporate Solutions', and 'Life Capital'. Arrows show the flow of dividends: 'Reinsurance' sends 'USD 10.5bn⁴' and 'USD 3.5bn⁴' to Swiss Re Ltd; 'Corporate Solutions' sends 'USD 1.7bn⁴'; and 'Life Capital' sends 'USD 2.7bn⁴'. A large blue arrow points from the business units to the shareholder distribution box at the top.</p>

Swiss Re's 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

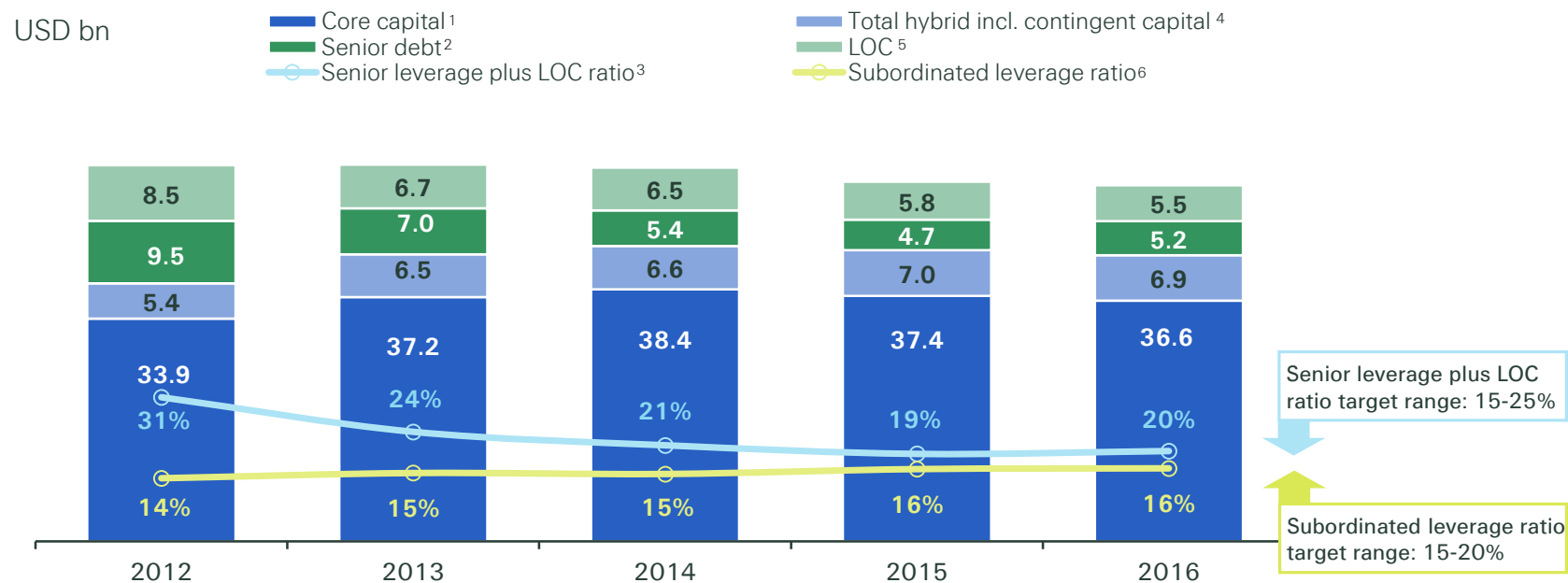
¹ Includes full execution of AGM 2016 capital actions and AGM 2017 proposal of approx. USD 1.5bn regular dividend

² Reflects new public share buy-back programme of up to CHF 1bn to be proposed at AGM 2017

³ Principal Investments has paid to Group dividends of USD 0.4bn since 2012

⁴ Internal dividend flows from January 2012 to December 2016

Strong and flexible capital base in line with target capital structure



¹ Core capital of Swiss Re Group is defined as economic net worth (ENW)

² Senior debt excluding non-recourse positions

³ Senior debt plus LOCs divided by total capital

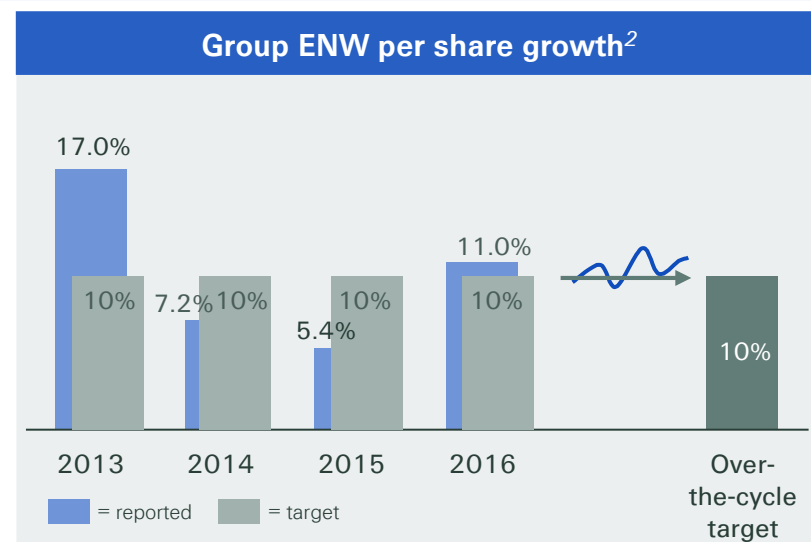
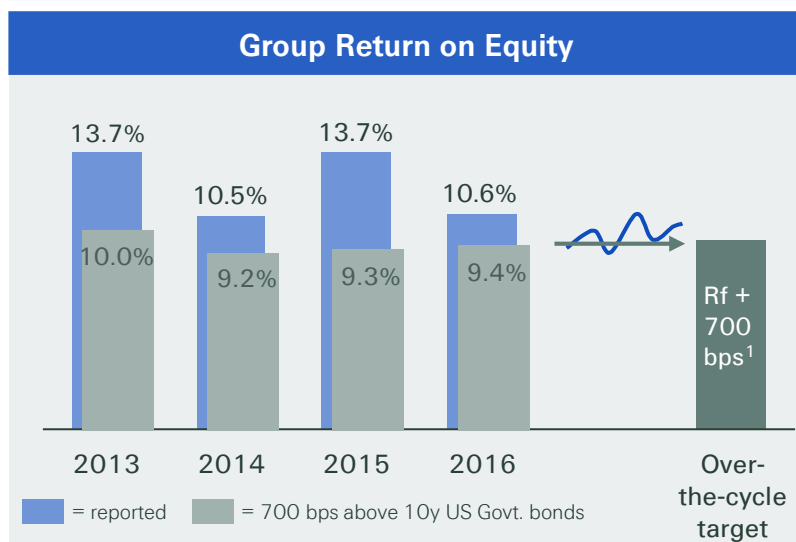
⁴ Includes SRL's pre-funded dated subordinated debt facilities

⁵ Unsecured LOC capacity and related instruments (usage is lower)

⁶ Subordinated debt divided by sum of subordinated debt and ENW

Both over-the-cycle Group financial targets have been exceeded in 2016

Group targets over-the-cycle



Business Units' return on equity targets over-the-cycle

	P&C Reinsurance	L&H Reinsurance	Corporate Solutions	Life Capital ³
2016	16.4%	12.8%	6.0%	10.4%
Target	10-15%	10-12%	10-15%	6-8%

¹ 700 bps above 10y US Govt. bonds. Management to monitor a basket of rates reflecting Swiss Re's business mix

² The 10% ENW per share growth target is calculated as follows: (current-year closing ENW per share + current-year dividends per share) / (prior-year closing ENW per share + current-year opening balance sheet adjustments per share). This new target applies from 1 January 2016. The reported figures for 2013, 2014 and 2015 have been adjusted for consistency with the new target definition and are provided for reference purposes only

Questions & Answers

Corporate calendar & contacts

Corporate calendar

2017

21 April	153rd Annual General Meeting	Zurich
4 May	First Quarter 2017 Results	Conference call
4 August	Second Quarter 2017 Results	Conference call
2 November	Third Quarter 2017 Results	Conference call

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Cautionary note on forward-looking statements

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

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

- further instability affecting the global financial system and developments related thereto;
- further deterioration in global economic conditions;
- the Group’s ability to maintain sufficient liquidity and access to capital markets, including sufficient liquidity to cover potential recapture of reinsurance agreements, early calls of debt or debt-like arrangements and collateral calls due to actual or perceived deterioration of the Group’s financial strength or otherwise;
- the effect of market conditions, including the global equity and credit markets, and the level and volatility of equity prices, interest rates, credit spreads, currency values and other market indices, on the Group’s investment assets;
- changes in the Group’s investment result as a result of changes in 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 the 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 carry forwards 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 the 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 companies, and developments adversely affecting the Group’s ability to achieve improved ratings;
- the cyclicity 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 the Group’s clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- current, pending and future legislation and regulation affecting the 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 operates in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. Swiss Re undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

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