

Reinsurance

Moses Ojeisekhoba, CEO Reinsurance

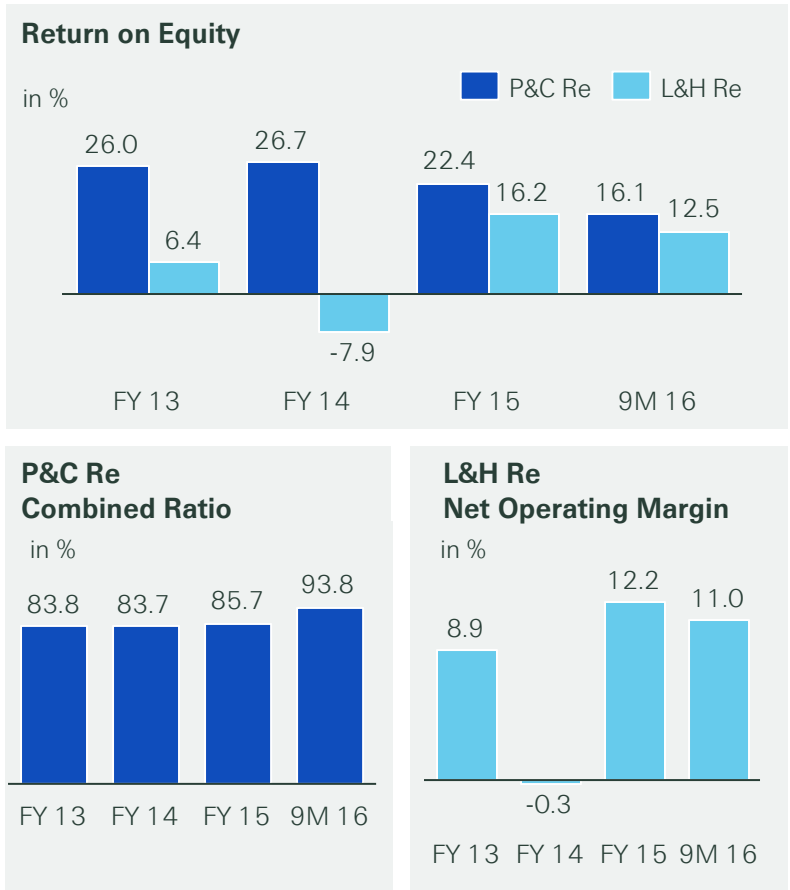
Alison Martin, Head L&H Business Management Reinsurance

Swiss Re's largest Business Unit continues to deliver strong results in a challenging environment

Today's focus

- Differentiation is at the core of our strategy and delivers financial results
- Our differentiation approach continues to show a high level of client satisfaction
- Transactions leverage distinctive capabilities and deliver profitable growth
- Continued focus on High Growth Markets remains key to our strategy
- Technology is an enabler for differentiated solutions and provides tangible benefits
- L&H Reinsurance delivers stable earnings, supporting a balanced book

Selected metrics





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

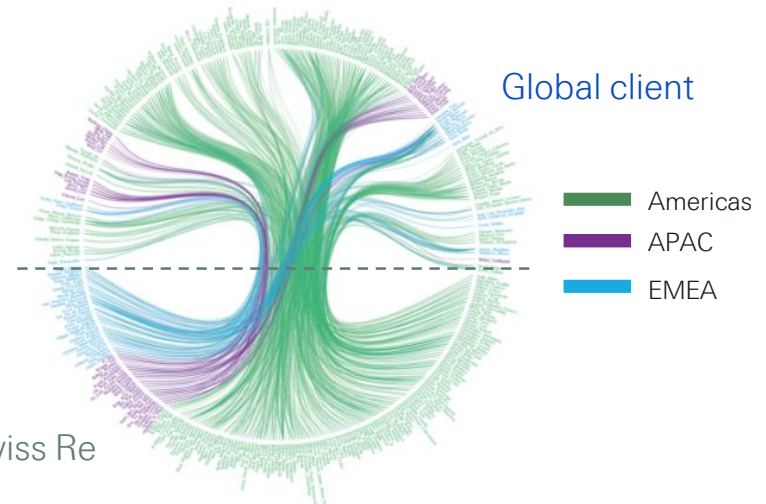
Client segmentation and tailored offering



- 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



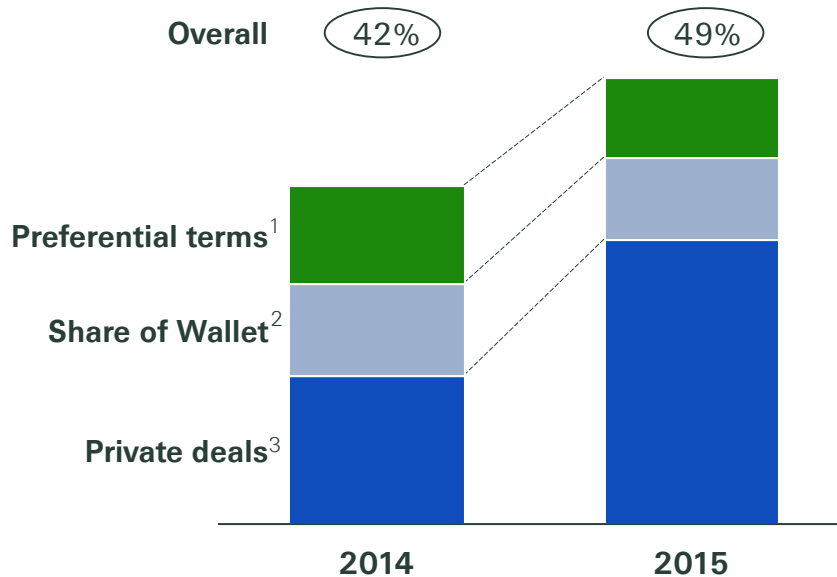
- More than 11 600 distinct interactions between Swiss Re and the client between Q4 2011 and Q3 2016

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

We have increased our share of differentiated profit from 2014 to 2015

Differentiated economic profit margin

% of economic profit margin with Globals and Large client segments



- Our differentiation efforts lead to tangible and measurable results
- Share of differentiated economic profit margin improved in the Globals and Large client segments from 42% to 49%
- Increase in 2015 was mainly driven by private deals

¹ Preferential terms & conditions: Price and/or terms & conditions above market placement

² Share of Wallet: Share of business above a defined threshold

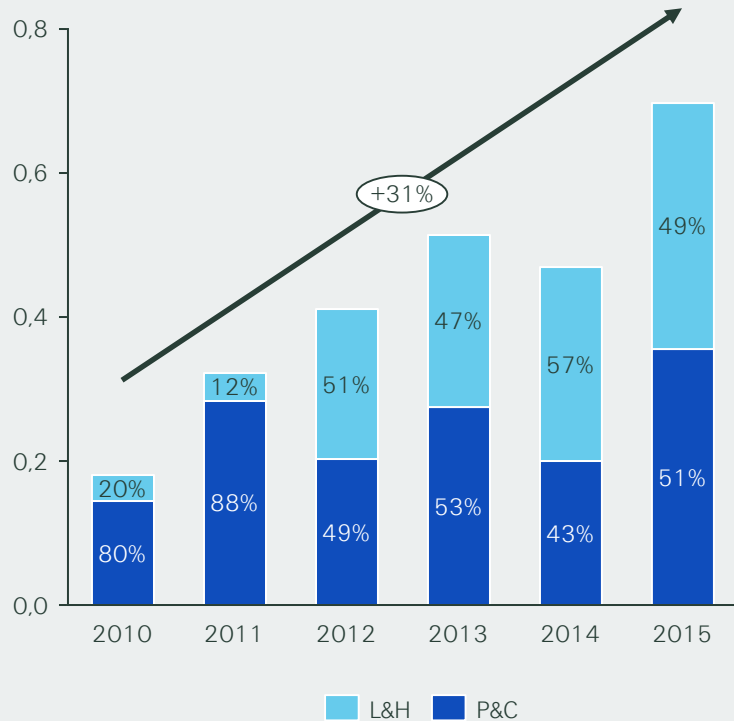
³ Private Deals: Deals with 100% share



Transactions are a strong differentiator, offering a profitable opportunity for growth

Development of transactions¹

EVM underwriting profit in USD bn
All figures as priced



- EVM underwriting profit from transactions substantially increased over the past 6 years
- In 2015, 35% of total EVM new business underwriting profits generated by transactions

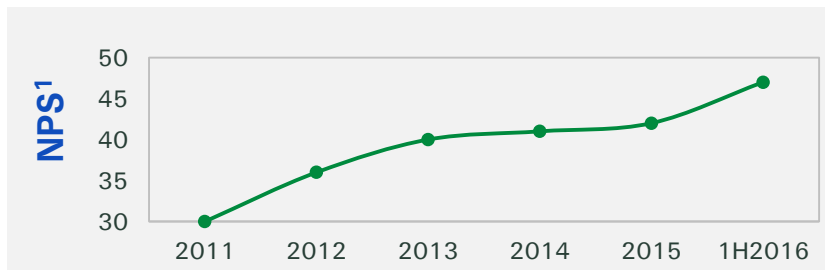
P&C Re treaty renewals (YTD October 2016):

- premiums from transactions increased by 81% (41% of total premiums)
- premiums from conventional business decreased by 4%

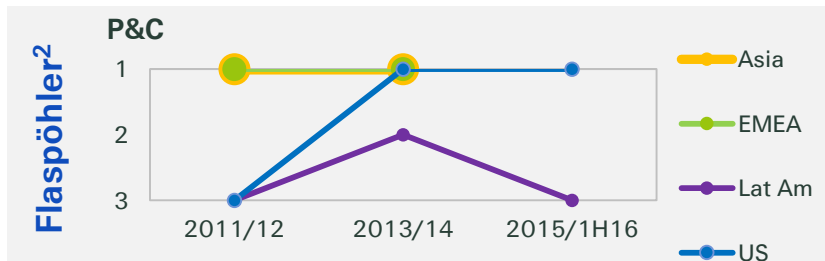
¹ Data before external retro and other items, FX not restated; transactions include structured deals and large transactions

The positive impact of our differentiation strategy is also confirmed by client surveys

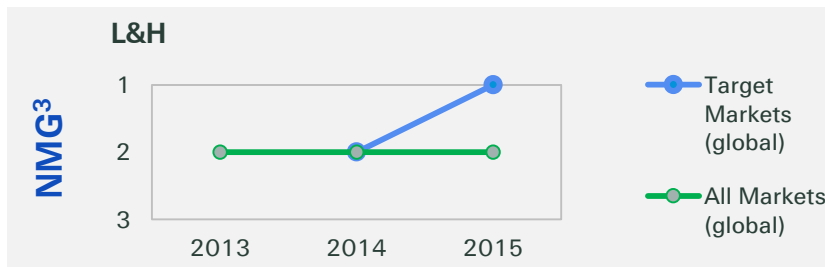
Client loyalty result development



- Net Promoter Score¹**
 From 2011 to 2016, we increased our score from 30 to 47



- Flaspöhler²**
 We are #1 in P&C in all markets, except for Latin America



- NMG³**
 Ranked #1 in our target markets⁴ in 2015

¹ Net promoter score (Swiss Re measurement with own clients)

² "Best Overall" category (no survey for Asia and EMEA in 2015/16)

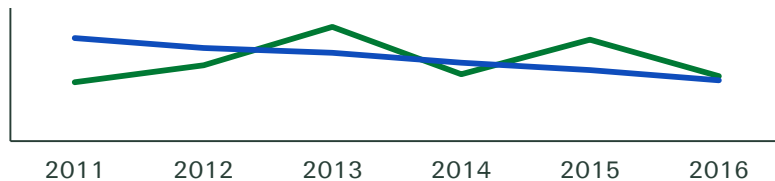
³ Business Capability Index

⁴ Measurement with own clients

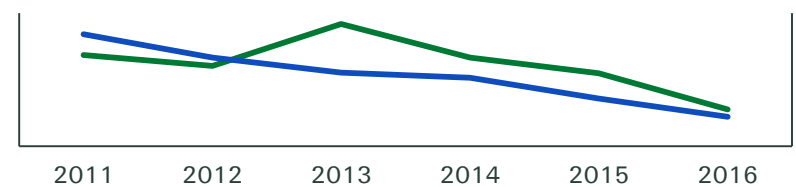
We differentiate through active cycle management and manage capacity according to price adequacy

6-year comparison of Nat Cat Capacity and LTPA

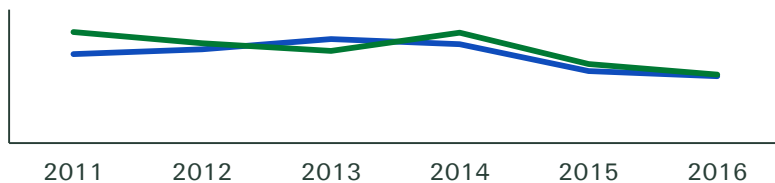
Tropical Cyclone North Atlantic



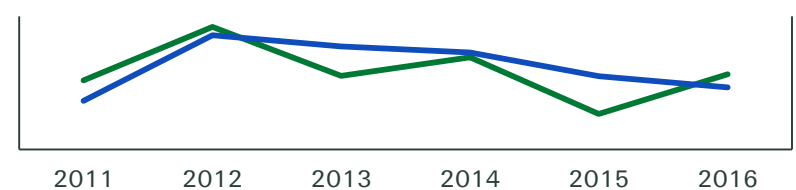
Earthquake California



Windstorm Europe



Earthquake Japan

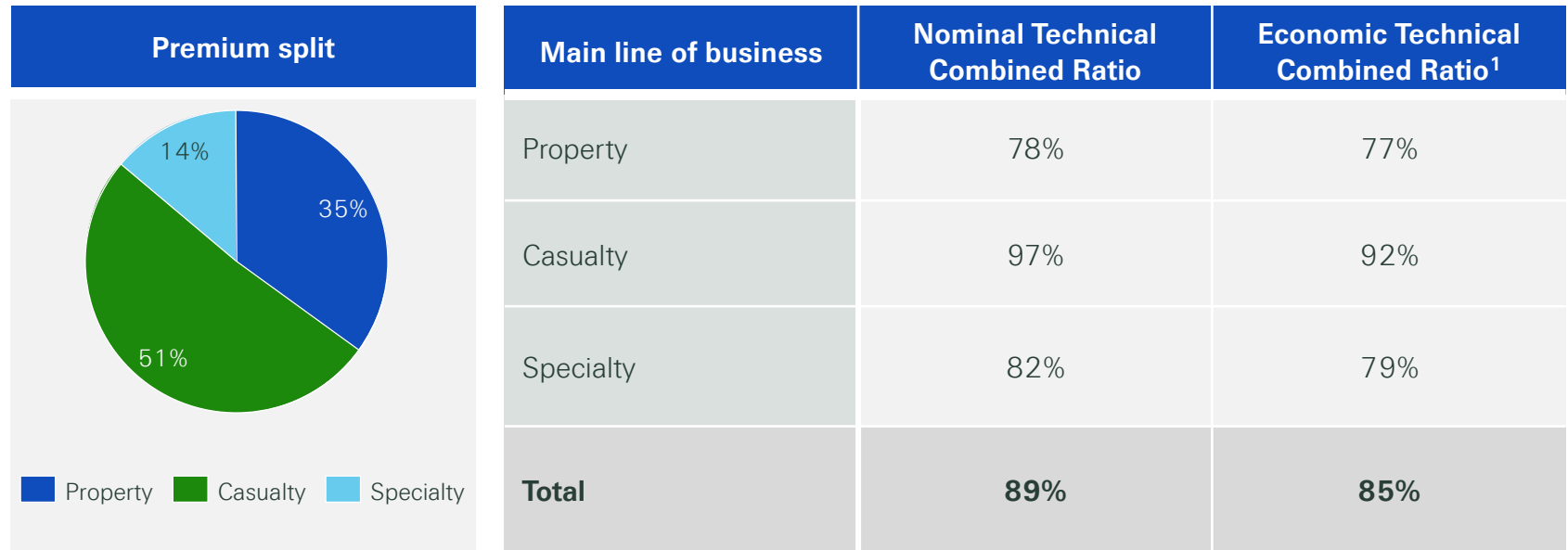


— Capacity
— LTPA (long-term price adequacy)

We maintain underwriting discipline, deploying our capacity where expected profitability meets our targets

Our P&C Reinsurance portfolio is well balanced and generates attractive economic returns, including long tail lines

Treaty year, 9 months 2016



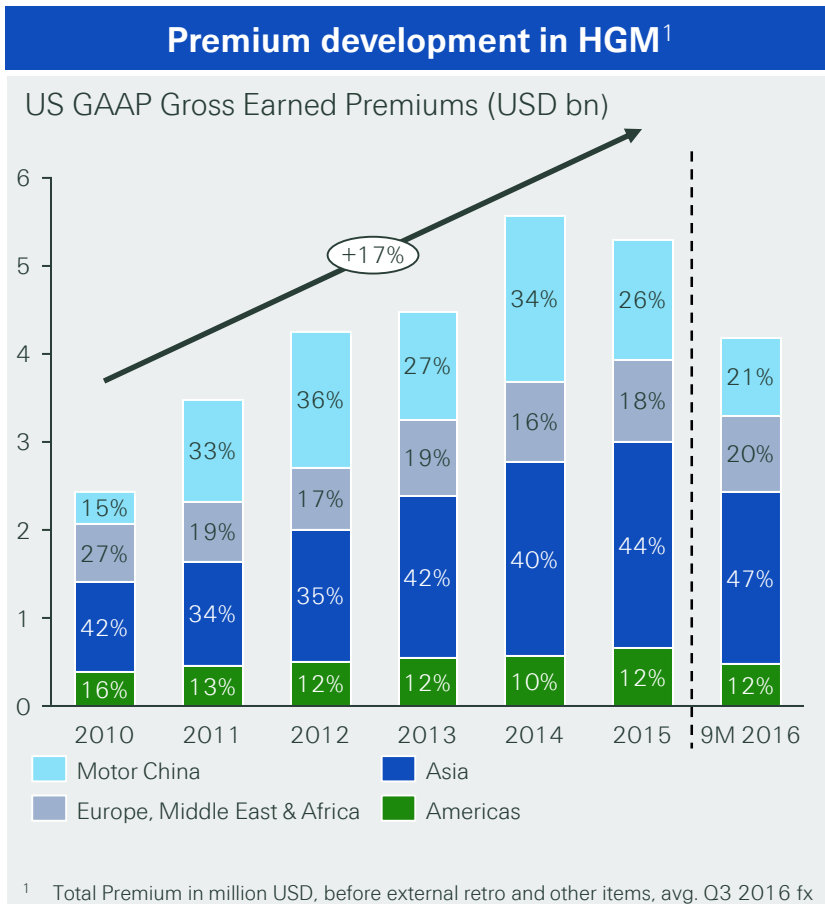
- While nominal combined ratios for Casualty business tend to be higher, the attractiveness of the business is better recognised by economic metrics
- Economic combined ratios calculated based on risk-free discount rates and average duration of the line of business without assuming an outperformance on the investment side

Note: technical combined ratio excludes operating expenses

¹ All premiums, claims and commissions discounted with risk free rates, currency adjusted



Our expansion in High Growth Markets is focused on sustainable growth

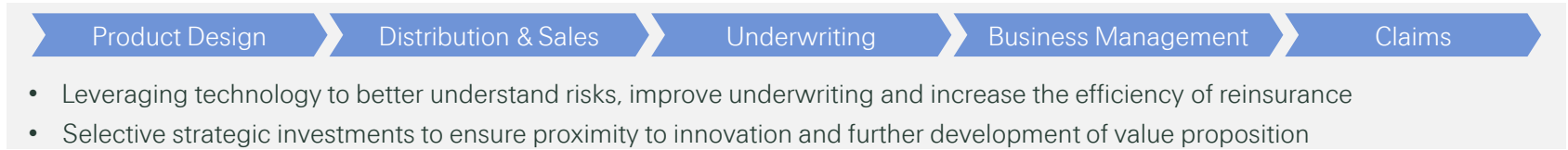


- Growth trend despite adverse fx development while maintaining disciplined underwriting
- Diversified portfolio across focus markets and product themes
- Development of strong local talent base with local knowledge to identify opportunities and drive sustainable growth
- Full engagement with local regulatory regimes



Technology is an enabler for differentiated solutions and provides tangible benefits

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



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		

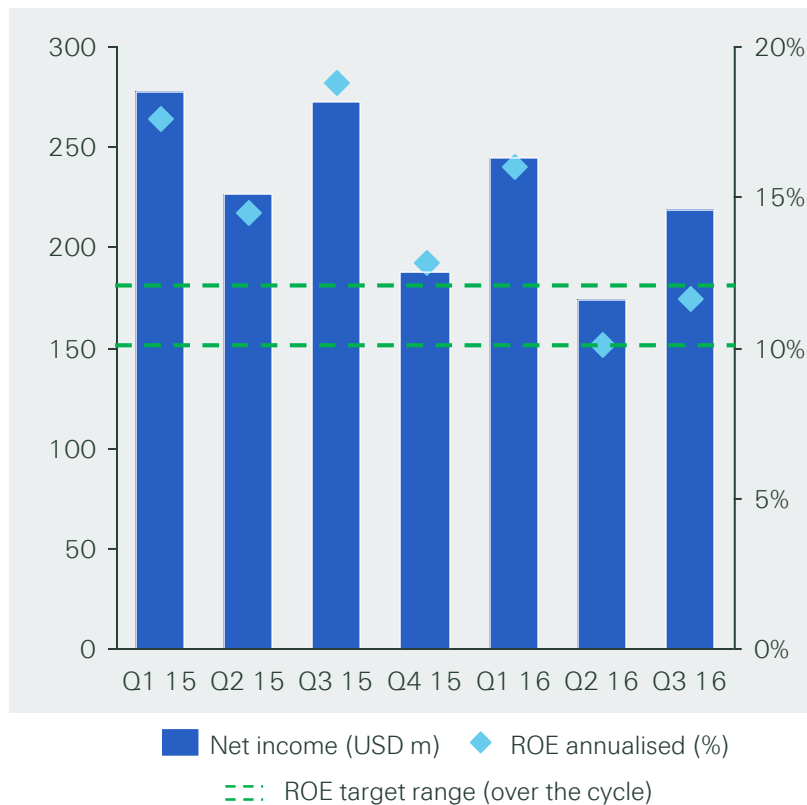
Improved internal efficiency

	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

Life & Health Reinsurance remains strategically attractive for Swiss Re and delivers returns in line with our target

Swiss Re L&H Re net income and ROE



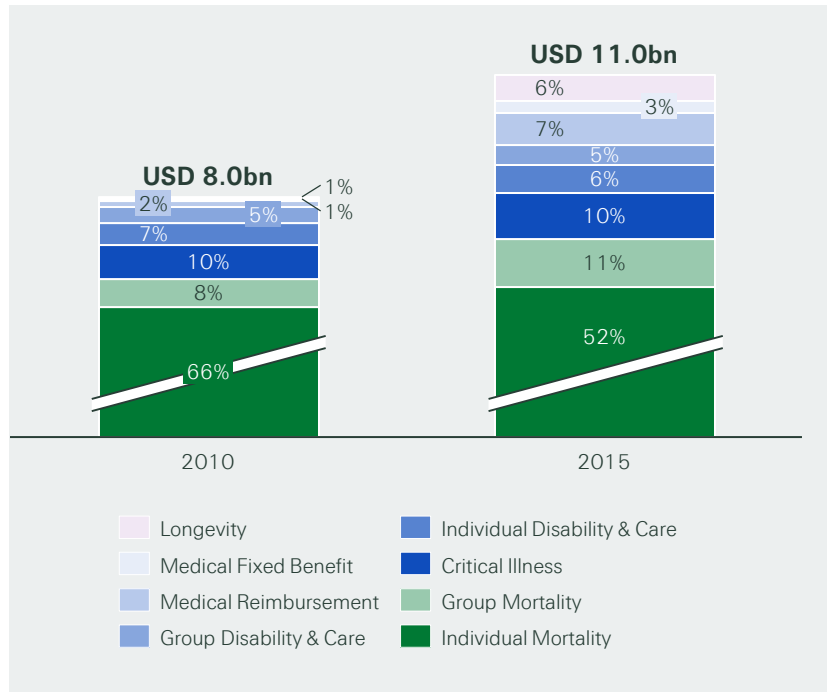
- Significant management actions in 2014 set the foundation for profitable growth
- Since the beginning of 2015 the segment shows strong underlying results
- New business shows attractive EVM profits which translate into US GAAP earnings over time
- Management of in-force business continues to be a key priority

We remain committed to our ROE target of 10-12% over the cycle

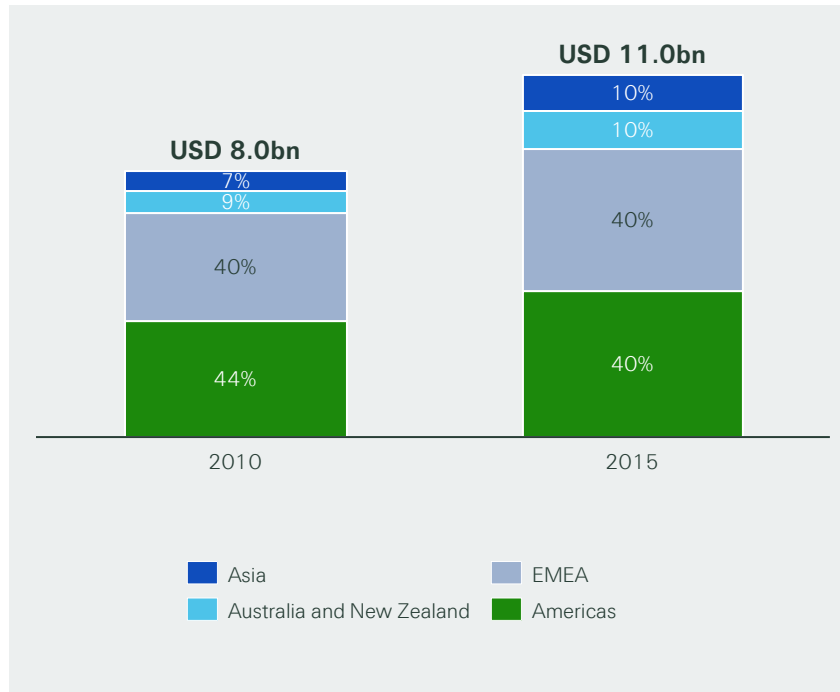


Profitable new business has improved the diversification of our Life & Health Reinsurance portfolio

US GAAP premiums by product line

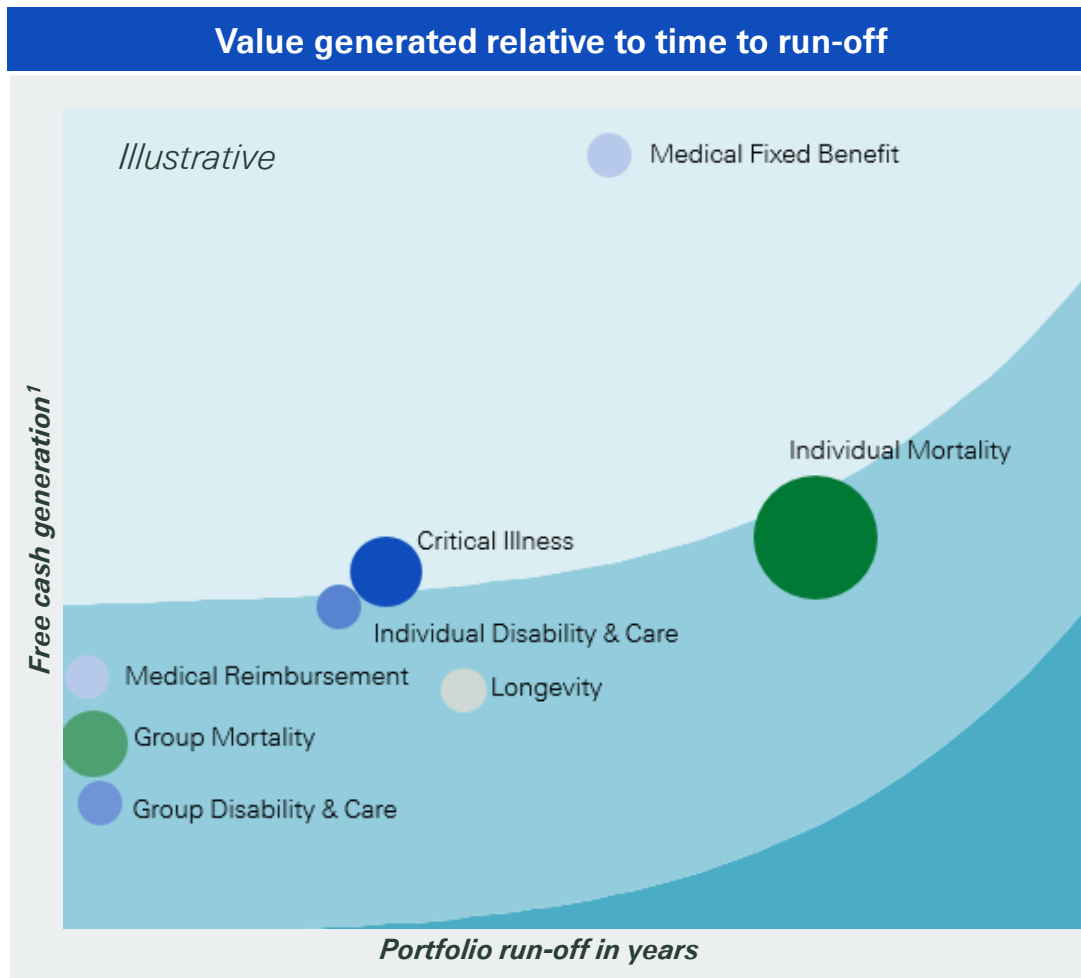


US GAAP premiums by country/region



- Strong growth in Asia (from USD 0.6bn in 2010 to 1.1 bn in 2015) driven by Health and transactions
- Increased product, duration and geographic diversification is key to reducing US GAAP volatility

A more diversified mix of product lines also ensures attractive and sustainable cash generation



- More diversified mix of product lines reduces US GAAP earnings volatility and ensures attractive and sustainable cash generation
- We expect longer lines of business to compensate duration with higher cash generation

¹ Cash generated in excess of the change in statutory reserves and regulatory capital



We are uniquely positioned to capitalise on growth opportunities



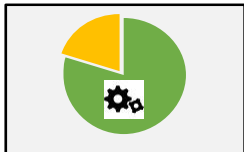
Excellent market position and outlook

- ~17% L&H market share in 2015
- Ranked # 1 in our target markets based on NMG survey
- Significant opportunity to support clients to close mortality and morbidity protection gaps



Industry leading underwriting

- Life Guide is the industry's #1 underwriting manual
 - used by >900 companies in >100 countries
 - website with >20 million annual hits
- Magnum is our automated underwriting solution
 - Processing 30 000 applications daily
 - Used as point-of-sale on 100 000+ tablets in China



Active in force management

- Active value enhancement on US level term:
 - actuarial analysis and behavioural economics
 - persistency improvement from 14% to 49% at the end of the level term period
- Claims rehabilitation to help consumers back to work
- Benchmark retention management tools to improve client's persistency



Innovation leader

- Tangible results from innovative analytics
 - 33% reduction in lapses by changing renewal letter
 - application form change increased smoking disclosure by 14%
- New ways to connect data and create digital opportunities

Key messages & outlook

- Our differentiation strategy proves to be successful
 - Transactions remain a strong differentiator and enable selected growth in a challenging market
 - High Growth Markets remain a key element of our strategy
 - Technology is and will be an enabler for differentiated solutions
 - Life & Health Reinsurance is supporting a balanced reinsurance portfolio
 - We are committed to our disciplined underwriting approach
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Corporate calendar & contacts

Corporate calendar

2017

23 February

Annual Results 2016

Conference call

16 March

Publication of Annual Report 2016

21 April

153rd Annual General Meeting

Zurich

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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” 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;
- further 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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