

# Annual results 2016

Investor and analyst presentation  
Zurich, 23 February 2017



**We make  
the world  
more  
resilient.**



## Today's agenda

- 2016 financial performance
- Business outlook for 2017

# 2016 financial performance

# 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

# Key figures

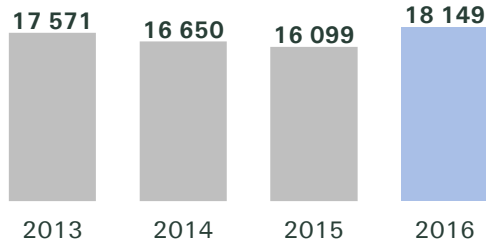
USD m, unless otherwise stated	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group Items	Total FY 2016	Total FY 2015	Total Q4 2016	Total Q4 2015
Gross premiums written	18 149	12 801	4 155	1 489	-	35 622	32 249	7 525	6 988
Premiums earned and fee income	17 008	11 527	3 503	1 193	-	33 231	30 214	8 509	7 659
EBIT	2 890	1 350	157	798	-98	4 978	5 953	761	923
Net income/loss	2 100	807	135	638	-122	3 558	4 597	517	938
Net operating margin	15.4%	10.4%	4.2%	27.0%	-26.1%	13.0%	17.1%	8.1%	11.0%
Return on investments	3.1%	3.6%	2.5%	4.0%	1.2%	3.4%	3.5%	2.8%	2.7%
Return on equity	16.4%	12.8%	6.0%	10.4%	-2.0%	10.6%	13.7%	5.7%	11.5%
Combined ratio	93.5%	-	101.1%	-	-				
Earnings per share	(USD)					10.72	13.44	1.57	2.75
	(CHF)					10.55	12.93	1.54	2.65
						<b>Total</b>	<b>Total</b>		
						<b>FY 2016</b>	<b>FY 2015</b>		
Common shareholders' equity <sup>1</sup>	12 688	6 812	2 218	7 272	5 544	34 532	32 415		
<i>of which unrealised gains</i>	575	1 518	11	2 038	312	4 454	2 737		
Book value per common share	(USD)					105.93	95.98		
	(CHF)					107.64	96.04		

<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

# P&C Reinsurance delivers good results in a challenging environment

## Gross premiums written

USD m



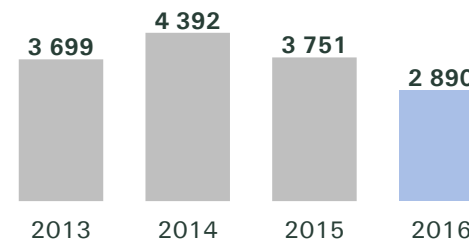
## Combined ratio

%



## EBIT

USD m



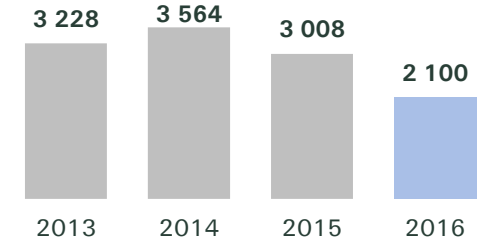
## Net operating margin

%



## Net income

USD m



## Return on equity

%



- 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)

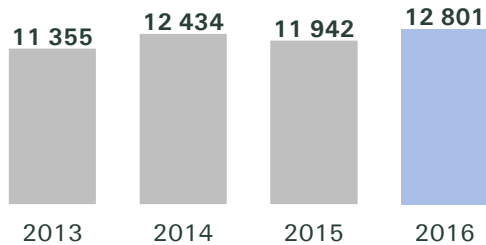
- EBIT and net operating margin impacted by natural catastrophe losses and a series of agro losses in Europe

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

# L&H Reinsurance reports another year of good results

## Gross premiums written

USD m



## Running yield

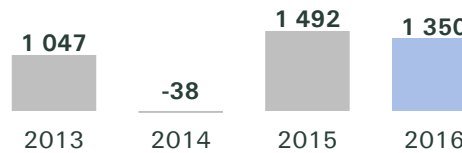
%



- 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

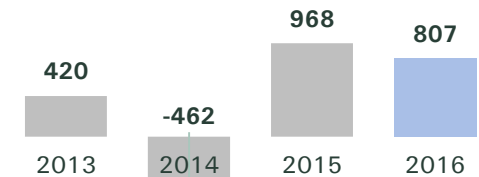
%



- 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

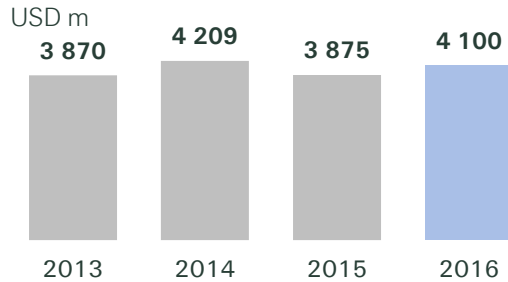
%



- 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

# Corporate Solutions results impacted by continued pricing pressure and large man-made losses

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

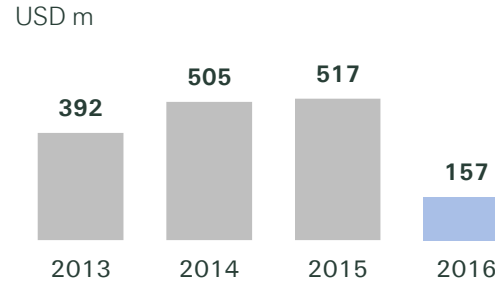


## Combined ratio



- Gross premiums written increased by 5.8%, driven by the acquisition of IHC Risk Solutions
- Combined ratio reflects lower than expected large natural catastrophe events (4.2%pts) and unfavourable prior-year development (-1.0%pts)

## EBIT

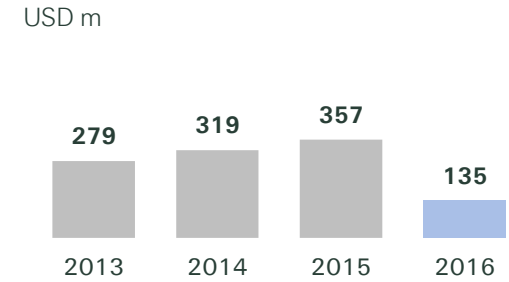


## Net operating margin



- EBIT and net operating margin decreased primarily due to a reduced underwriting result and lower realised gains from sales of equity securities
- Investment in Primary Lead capabilities and broadening of the footprint continued

## Net income



## Return on equity



- Result impacted by a loss from underwriting activities, driven by large man-made losses, offset by income from investment activities and insurance in derivative form
- 2016 ROE below over-the-cycle target range

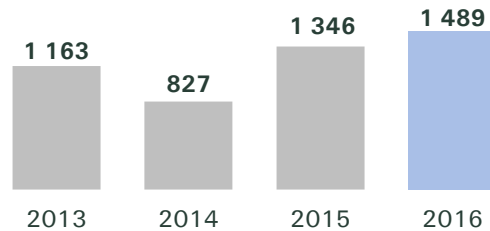
<sup>1</sup> Gross premiums written including premiums for insurance in derivative form, net of internal fronting for the Reinsurance Business Unit



# Life Capital delivers strong performance on all metrics

## Gross premiums written

USD m



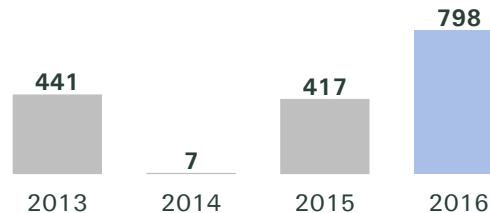
## Gross cash generation

USD m



## EBIT

USD m



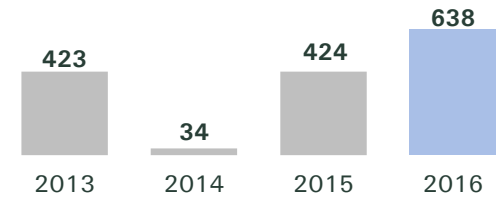
## Net operating margin

%



## Net income

USD m



## Return on equity

%



- Gross premiums written increase driven by growth in the open book businesses and inclusion of Guardian
- Strong gross cash generation driven by management actions despite the unfavourable impact of decreasing interest rates across the year

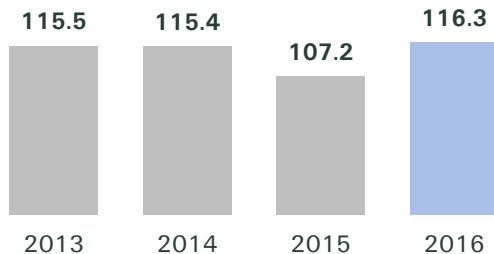
- Strong underlying performance supported by movements in the Guardian investment portfolio and net realised gains on sales

- Net income performance driven by strong EBIT and tax credits in the UK
- 2016 ROE above mid-term target range
- Part VII transfer in respect of Guardian completed at the end of 2016; remaining synergies to be realised going forward

# Group investment portfolio continues to produce strong results

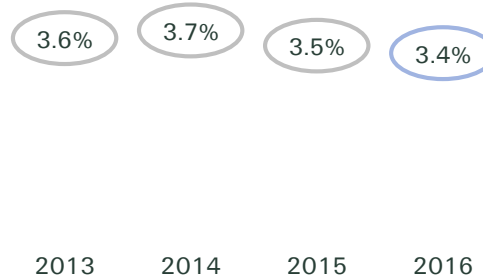
## Average invested assets

USD bn, basis for ROI calculation



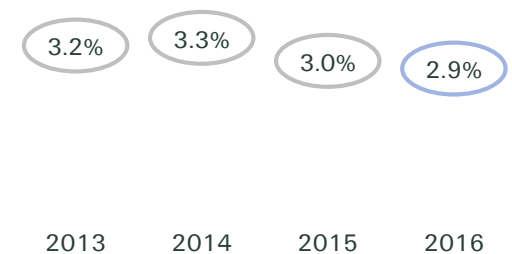
- Increase in average invested assets mainly driven by net inflows related to transactions as well as overall lower interest rates, partially offset by negative impact from fx
- Key asset allocation changes include a net increase in credit investments due to Guardian acquisition and large transactions as well as a reduction in equity securities

## Return on investments



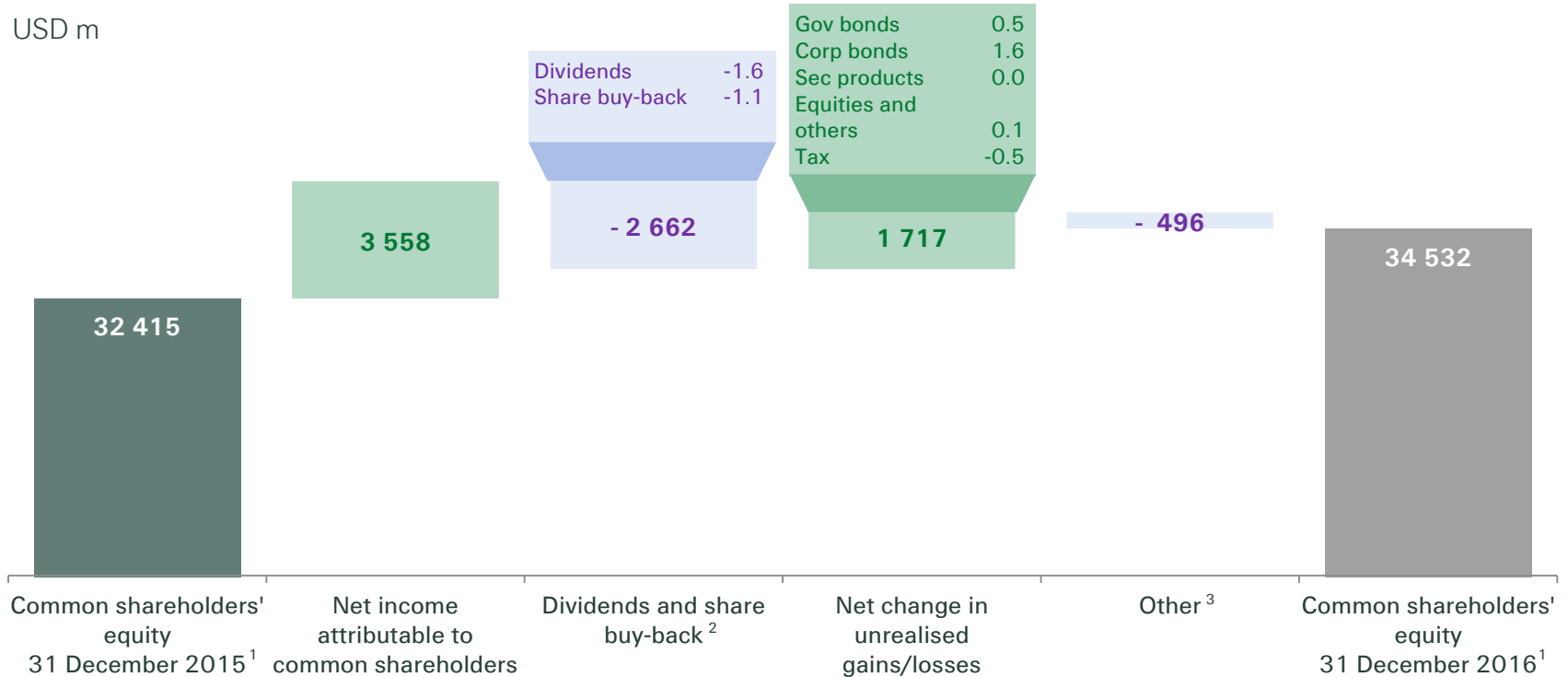
- ROI driven by net investment income as well as net realised gains from sales of fixed income and equity securities
- Stable net realised gains of USD 962m; 2015: USD 971m
- Low net realised losses from impairments of USD 88m relative to size of total investment portfolio; 2015: USD 57m

## Running yield



- Decrease in Group fixed income running yield, driven by the continued impact of lower overall yields

# Increase in common shareholders' equity driven by net income and unrealised gains



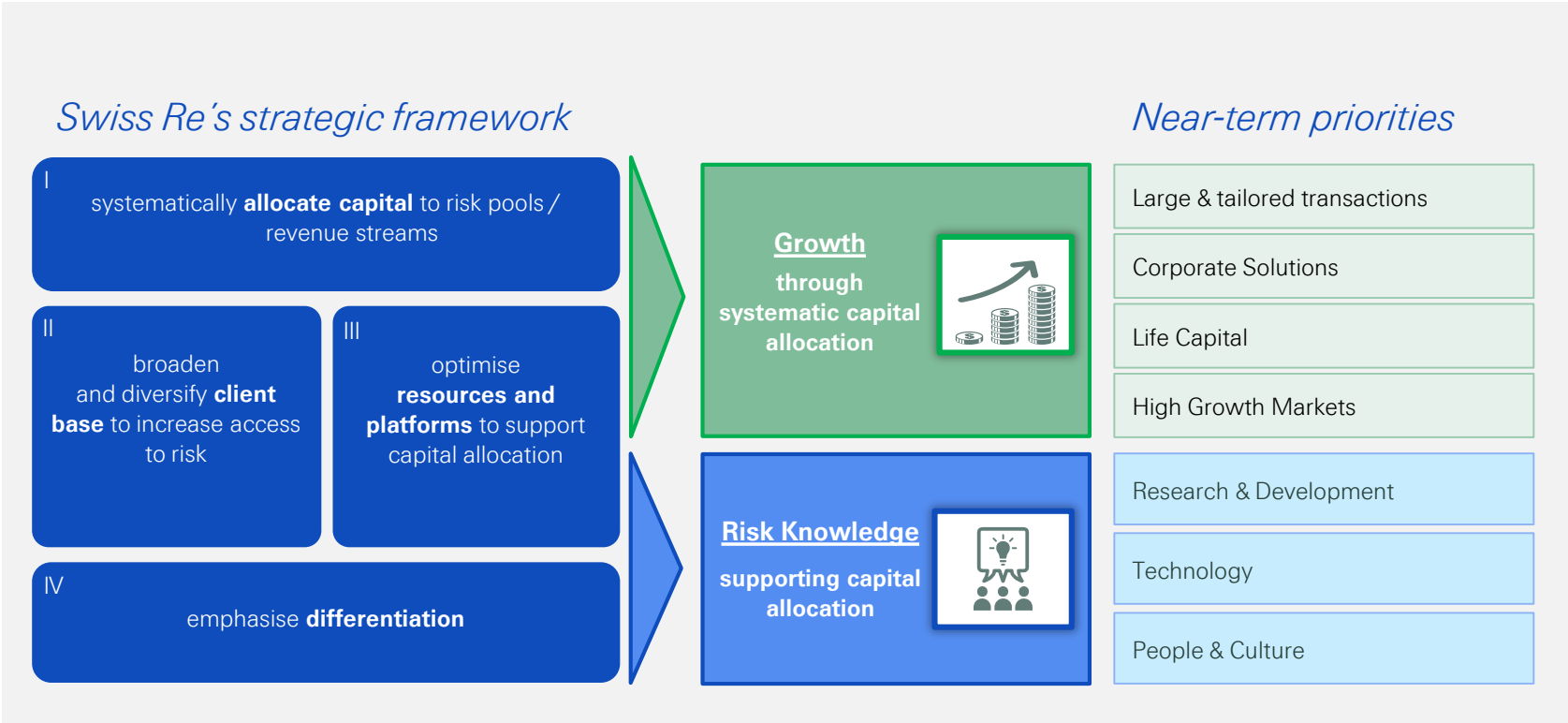
<sup>1</sup> Excluding contingent capital instruments (USD 1 102m, of which USD 352m in P&C Re, USD 750m in L&H Re); basis for ROE and BVPS calculations

<sup>2</sup> Includes USD 571 m of the share buy-back programme which was announced in 2015 and was completed as of 2 March 2016, and USD 530m executed of up to CHF 1 bn share buy-back programme which was launched on 4 November 2016

<sup>3</sup> Including foreign exchange translation adjustments of USD -387m

# Business outlook for 2017

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



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

## Market developments

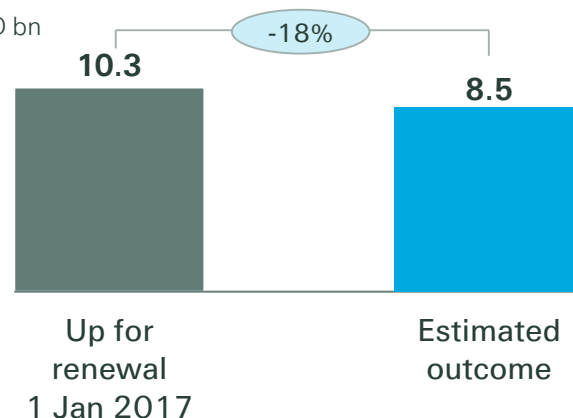
- Rate decreases in property (incl. nat cat) and specialty have started to slow down
- Casualty prices remain generally more stable with significant differences by market and product
- Overall market conditions are challenging

## 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 estimate<sup>1</sup> ~100%

## Premium volume

USD bn



- Premium volume<sup>2</sup> 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 quality<sup>3</sup> to 101%, exceeding the hurdle rate to achieve our Group ROE target

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

<sup>1</sup> Assuming an average large loss burden

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

<sup>3</sup> 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 has a unique selling proposition in an attractive market

## Market outlook

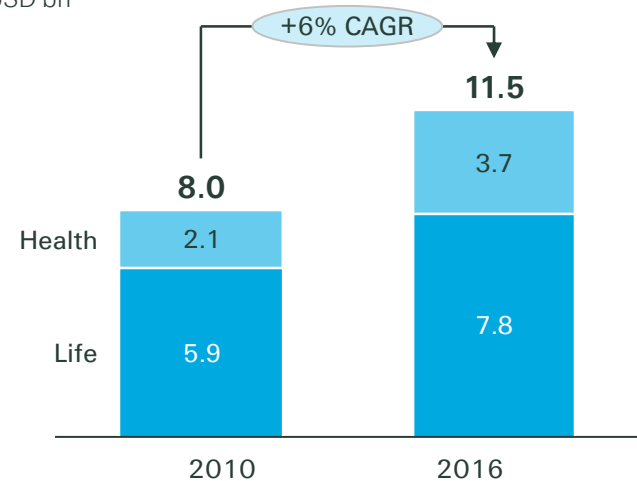
- Expanding need for life and health protection driven by ageing societies and more private sector involvement in welfare
- Opportunities for transactions in mature markets from increased focus on capital, risk and balance sheet optimisation
- Increases in sales of primary life business in High Growth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

# Corporate Solutions focuses on profitability and disciplined growth in a challenging market

## Market outlook

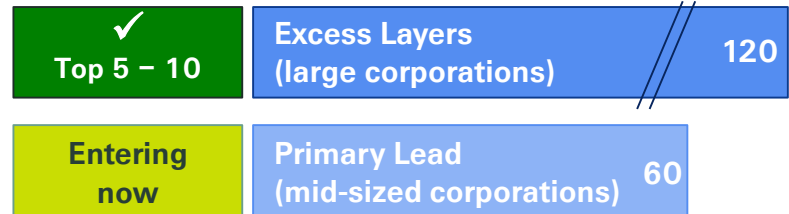
- Prices for commercial insurance are under significant pressure, with many segments operating at unsustainable rate levels
- Long-term prospects remain positive

## Corporate Solutions' position

- Strong focus on portfolio steering; management actions taken to address current market conditions
- Key initiatives for growth
  - expansion into Primary Lead, and
  - further broadening of footprint
- Agreement with Bradesco Seguros S.A., once completed, will make Corporate Solutions a leading commercial large-risk insurer in Brazil
- 2017 combined ratio estimate<sup>1</sup> ~ 103%

## Corporate Solutions is expanding into the next segments

Corporate Solutions' market presence      2015 commercial insurance market premium: USD 700bn<sup>2</sup>



- A top 5-10 player in the Excess Layer Market with USD 4.1bn gross premium written<sup>3</sup> in 2016
- Ambition to generate additional Primary Lead premiums of USD 1.0–1.5bn by 2020 compared to 2015

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

<sup>1</sup> Assuming an average large loss burden

<sup>2</sup> Includes premium for Global Master Policies of USD 70bn, SMEs of USD 250bn and Workers' Compensation and Commercial Auto of USD 200bn

<sup>3</sup> Gross premiums written including premiums for insurance in derivative form, net of internal fronting for the Reinsurance Business Unit



# Life Capital creates alternative access to attractive L&H risk pools

## Market outlook

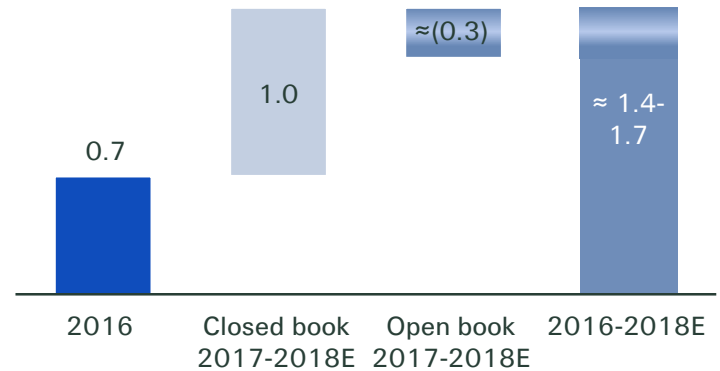
- Strong growth opportunities based on key trends including regulatory reforms, technology, changes in distribution channels, efficient capital allocation and closing of protection gaps

## Life Capital's position

- Attractive pipeline of opportunities across Life Capital
- Closed book
  - ReAssure (formerly Admin Re®) continues to focus on the UK
- Open book
  - Acceleration of Group and Individual L&H growth in existing European markets
  - Establishing the Individual L&H market position through new partnerships and launch in the US
  - Broadening the client base in Group L&H by expanding to new markets in Europe

## Gross cash generation

USD bn



- Strong gross cash generation from the closed books projected over the next two years, including capital synergies from the Guardian acquisition
- Open books expected to consume cash during growth phase, reflecting the pace of growth

ROE target of 6-8% in the mid-term

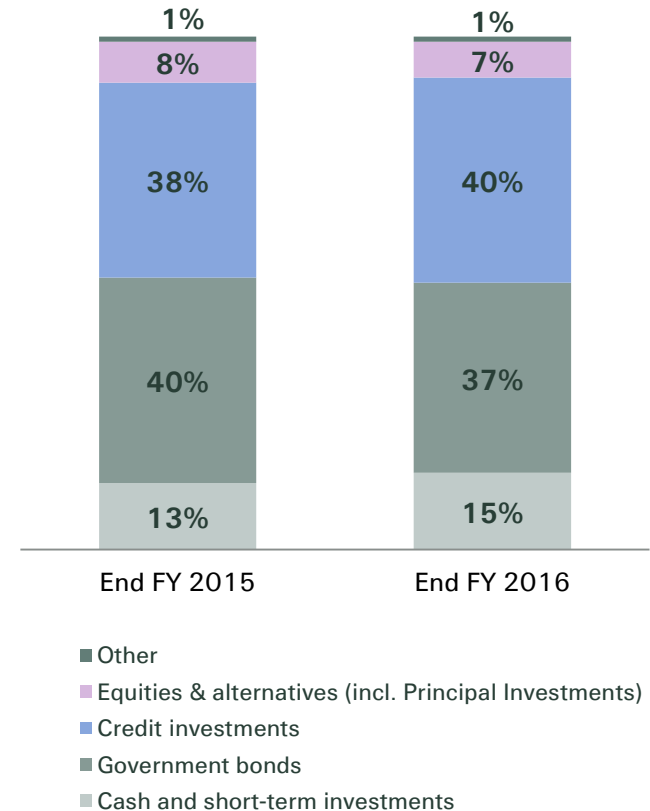
# Strong investment management framework alongside a high quality portfolio

## Market outlook

- Baseline scenario of moderate and uneven global growth with challenging structural factors over the medium term
- Potential for higher inflation and stronger US growth in 2017

## Current portfolio position

- Closely matched in terms of net duration (DV01 of USD 0.4m)
- Successful integration of Guardian; realigned portfolio in accordance with the Group's strategic asset allocation
- High quality and well diversified across asset classes
- Increase in credit allocation in 2016, driven by the Guardian acquisition; positive impact from credit spread tightening



# 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"> <li>• Full execution of the 2016 public share buy-back programme</li> <li>• The Board of Directors will propose to the AGM 2017:               <ul style="list-style-type: none"> <li>– a resolution cancelling the shares repurchased through 2016 programme</li> <li>– an increase of the regular dividend by 5.4% to CHF 4.85 per share</li> <li>– a public share buy-back programme of up to CHF 1bn; decision to launch conditional upon available 2017 excess capital</li> </ul> </li> </ul>	<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 total distribution of USD 14.8bn<sup>1</sup> to shareholders, including a CHF 1bn<sup>2</sup> buy-back. Below this, Swiss Re Ltd (PI<sup>3</sup>) is shown as the central entity. It receives dividends from three main business units: Reinsurance (USD 10.5bn<sup>4</sup>), Corporate Solutions (USD 1.7bn<sup>4</sup>), and Life Capital (USD 2.7bn<sup>4</sup>). The Reinsurance unit is further divided into P&amp;C and L&amp;H, which together contribute USD 3.5bn<sup>4</sup> to the total. Arrows indicate the flow of funds from the business units up to Swiss Re Ltd, and then from Swiss Re Ltd to the shareholders.</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

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

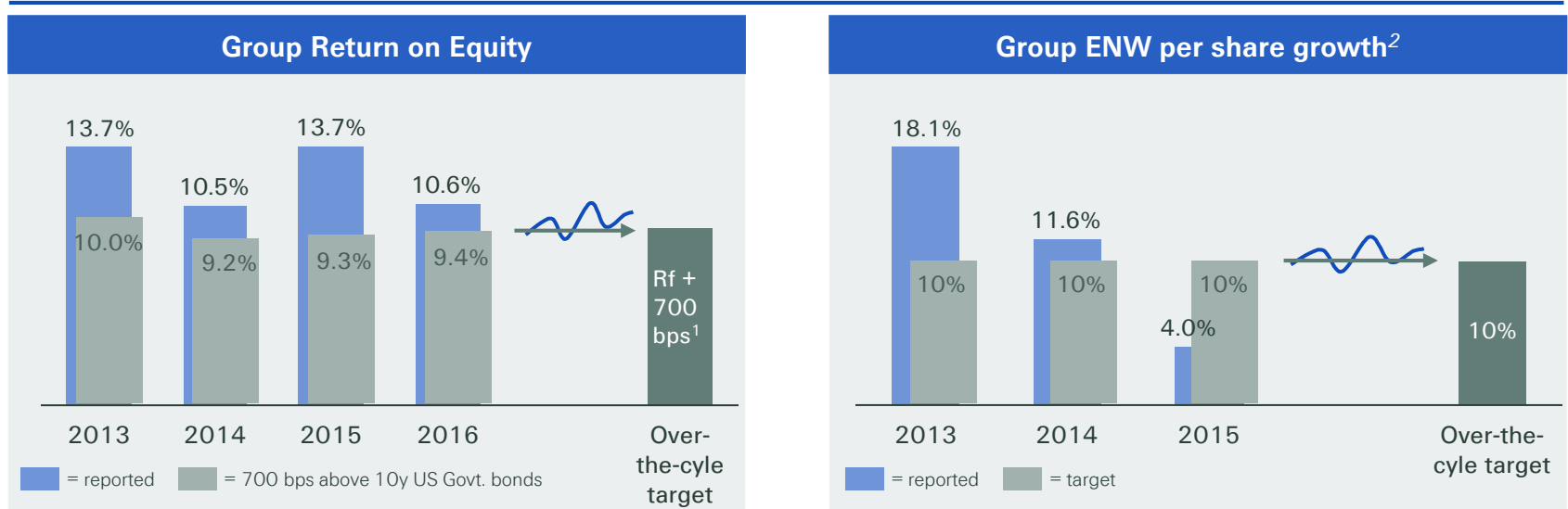
<sup>2</sup> Reflects new public share buy-back programme of up to CHF 1bn to be proposed at AGM 2017

<sup>3</sup> Principal Investments has paid to Group dividends of USD 0.4bn since 2012

<sup>4</sup> Internal dividend flows from January 2012 to December 2016

# Swiss Re continues to focus on over-the-cycle Group and Business Unit targets

## Group targets over-the-cycle



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

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

<sup>1</sup> 700 bps above 10y US Govt. Bonds. Management to monitor a basket of rates reflecting Swiss Re's business mix

<sup>2</sup> Year-end ENW + dividends from current year divided by previous year-end ENW; all per share; 2016 ENW per share growth to be reported on 16 March 2017

<sup>3</sup> Mid-term ROE target

# Appendix

- Business segment results Q4 2016 – Income statement
- Business segment results FY 2016 – Income statement
- Business segment results FY 2016 – Balance sheet
- Total equity and ROE FY 2016
- P&C Reinsurance – Underwriting performance
- P&C Reinsurance – 2017 renewals
- L&H Reinsurance – EBIT movements
- Corporate Solutions – Underwriting performance
- Return on investments (ROI)
- Overall investment portfolio
- Fixed income securities
- Equities and alternative investments
- Sensitivities
- Premiums by country
- Swiss Re is broadly diversified
- Premium development by line of business and geography
- Corporate calendar & contacts
- Cautionary note on forward-looking statements

# Business segment results Q4 2016

## Income statement

USD m	Re- insurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group Items	Consoli- dation	Total Q4 2016	Total Q4 2015
<b>Revenues</b>									
Gross premiums written	6 120	2 863	3 257	1 282	305	-	-182	7 525	6 988
Net premiums written	5 668	2 771	2 897	1 161	165	-	-	6 994	6 528
Change in unearned premiums	1 634	1 522	112	-252	22	-	-	1 404	994
Premiums earned	7 302	4 293	3 009	909	187	-	-	8 398	7 522
Fee income from policyholders	3	-	3	-	108	-	-	111	137
Net investment income/loss – non participating business	565	260	305	32	297	22	-35	881	736
Net realised investment gains/losses – non participating business	105	126	-21	9	-104	-35	-	-25	20
Net investment result – unit-linked and with-profit business	79	-	79	-	797	-	-	876	1 291
Other revenues	8	7	1	2	1	84	-91	4	10
<b>Total revenues</b>	<b>8 062</b>	<b>4 686</b>	<b>3 376</b>	<b>952</b>	<b>1 286</b>	<b>71</b>	<b>-126</b>	<b>10 245</b>	<b>9 716</b>
<b>Expenses</b>									
Claims and claim adjustment expenses	-2 613	-2 613	-	-614	-	-	-	-3 227	-2 538
Life and health benefits	-2 378	-	-2 378	-	-202	-	-	-2 580	-2 367
Return credited to policyholders	-85	-	-85	-	-998	-	-	-1 083	-1 326
Acquisition costs	-1 455	-1 046	-409	-149	-6	-	-	-1 610	-1 639
Operating expenses	-547	-320	-227	-200	-170	-153	86	-984	-923
<b>Total expenses</b>	<b>-7 078</b>	<b>-3 979</b>	<b>-3 099</b>	<b>-963</b>	<b>-1 376</b>	<b>-153</b>	<b>86</b>	<b>-9 484</b>	<b>-8 793</b>
<b>Income/loss before interest and tax</b>	<b>984</b>	<b>707</b>	<b>277</b>	<b>-11</b>	<b>-90</b>	<b>-82</b>	<b>-40</b>	<b>761</b>	<b>923</b>
Interest expenses	-146	-73	-73	-6	-9	-25	40	-146	-154
<b>Income/loss before income tax expense</b>	<b>838</b>	<b>634</b>	<b>204</b>	<b>-17</b>	<b>-99</b>	<b>-107</b>	<b>-</b>	<b>615</b>	<b>769</b>
Income tax expense/benefit	-98	-78	-20	-1	11	3	-	-85	183
<b>Net income/loss before attribution of non- controlling interests</b>	<b>740</b>	<b>556</b>	<b>184</b>	<b>-18</b>	<b>-88</b>	<b>-104</b>	<b>-</b>	<b>530</b>	<b>952</b>
Income attributable to non-controlling interests	1	1	-	3	-	-	-	4	3
<b>Net income/loss after attribution of non-controlling interests</b>	<b>741</b>	<b>557</b>	<b>184</b>	<b>-15</b>	<b>-88</b>	<b>-104</b>	<b>-</b>	<b>534</b>	<b>955</b>
Interest on contingent capital instruments	-17	-5	-12	-	-	-	-	-17	-17
<b>Net income/loss attributable to common shareholders</b>	<b>724</b>	<b>552</b>	<b>172</b>	<b>-15</b>	<b>-88</b>	<b>-104</b>	<b>-</b>	<b>517</b>	<b>938</b>

# Business segment results FY 2016

## Income statement

USD m	Re- insurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group Items	Consoli- dation	Total FY 2016	Total FY 2015
<b>Revenues</b>									
Gross premiums written	30 950	18 149	12 801	4 155	1 489	-	-972	35 622	32 249
Net premiums written	29 227	17 768	11 459	3 662	681	-	-	33 570	30 442
Change in unearned premiums	-733	-760	27	-159	13	-	-	-879	-691
Premiums earned	28 494	17 008	11 486	3 503	694	-	-	32 691	29 751
Fee income from policyholders	41	-	41	-	499	-	-	540	463
Net investment income/loss – non participating business	2 264	985	1 279	138	1 256	101	-98	3 661	3 436
Net realised investment gains/losses – non participating business	1 002	770	232	51	503	-72	-	1 484	1 206
Net investment result – unit-linked and with-profit business	15	-	15	-	5 367	-	-	5 382	814
Other revenues	42	37	5	5	1	346	-366	28	44
<b>Total revenues</b>	<b>31 858</b>	<b>18 800</b>	<b>13 058</b>	<b>3 697</b>	<b>8 320</b>	<b>375</b>	<b>-464</b>	<b>43 786</b>	<b>35 714</b>
<b>Expenses</b>									
Claims and claim adjustment expenses	-10 301	-10 301	-	-2 263	-	-	-	-12 564	-9 848
Life and health benefits	-8 963	-	-8 963	-	-1 896	-	-	-10 859	-9 080
Return credited to policyholders	-39	-	-39	-	-5 060	-	-	-5 099	-1 166
Acquisition costs	-6 348	-4 405	-1 943	-517	-63	-	-	-6 928	-6 419
Operating expenses	-1 967	-1 204	-763	-760	-503	-473	345	-3 358	-3 248
<b>Total expenses</b>	<b>-27 618</b>	<b>-15 910</b>	<b>-11 708</b>	<b>-3 540</b>	<b>-7 522</b>	<b>-473</b>	<b>345</b>	<b>-38 808</b>	<b>-29 761</b>
<b>Income/loss before interest and tax</b>	<b>4 240</b>	<b>2 890</b>	<b>1 350</b>	<b>157</b>	<b>798</b>	<b>-98</b>	<b>-119</b>	<b>4 978</b>	<b>5 953</b>
Interest expenses	-594	-293	-301	-23	-29	-79	119	-606	-634
<b>Income/loss before income tax expense</b>	<b>3 646</b>	<b>2 597</b>	<b>1 049</b>	<b>134</b>	<b>769</b>	<b>-177</b>	<b>-</b>	<b>4 372</b>	<b>5 319</b>
Income tax expense/benefit	-672	-479	-193	-1	-131	55	-	-749	-651
<b>Net income/loss before attribution of non- controlling interests</b>	<b>2 974</b>	<b>2 118</b>	<b>856</b>	<b>133</b>	<b>638</b>	<b>-122</b>	<b>-</b>	<b>3 623</b>	<b>4 668</b>
Income attributable to non-controlling interests	1	1	-	2	-	-	-	3	-3
<b>Net income/loss after attribution of non-controlling interests</b>	<b>2 975</b>	<b>2 119</b>	<b>856</b>	<b>135</b>	<b>638</b>	<b>-122</b>	<b>-</b>	<b>3 626</b>	<b>4 665</b>
Interest on contingent capital instruments	-68	-19	-49	-	-	-	-	-68	-68
<b>Net income/loss attributable to common shareholders</b>	<b>2 907</b>	<b>2 100</b>	<b>807</b>	<b>135</b>	<b>638</b>	<b>-122</b>	<b>-</b>	<b>3 558</b>	<b>4 597</b>

# Business segment results FY 2016

## Balance sheet

31 December 2016, USD m	Re- insurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group Items	Consoli- dation	End FY 2016	End FY 2015
<b>Assets</b>									
Fixed income securities	61 554	31 574	29 980	6 361	25 350	11	-	93 276	82 331
Equity securities	2 159	1 292	867	539	-	737	-	3 435	4 787
Other investments	15 317	11 962	3 355	141	2 421	4 785	-7 446	15 218	15 046
Short-term investments	7 230	4 672	2 558	1 272	1 456	951	-	10 909	7 405
Investments for unit-linked and with-profit business	548	-	548	-	31 630	-	-	32 178	28 241
Cash and cash equivalents	5 332	4 922	410	472	2 636	571	-	9 011	8 204
Deferred acquisition costs	5 745	2 280	3 465	444	11	-	-	6 200	5 471
Acquired present value of future profits	966	-	966	-	1 037	-	-	2 003	2 964
Reinsurance recoverable	4 029	2 449	1 580	5 698	2 210	-	-4 476	7 461	6 578
Other reinsurance assets	15 989	9 620	6 369	2 616	3 949	4	-1 104	21 454	21 579
Goodwill	3 662	1 852	1 810	173	130	-	-	3 965	3 862
Other	12 689	8 640	4 049	1 279	1 470	1 181	-6 664	9 955	9 667
<b>Total assets</b>	<b>135 220</b>	<b>79 263</b>	<b>55 957</b>	<b>18 995</b>	<b>72 300</b>	<b>8 240</b>	<b>-19 690</b>	<b>215 065</b>	<b>196 135</b>
<b>Liabilities</b>									
Unpaid claims and claim adjustments expenses	50 041	39 753	10 288	10 271	1 498	-	-4 455	57 355	55 518
Liabilities for life and health policy benefits	15 431	-	15 431	268	25 499	-	-22	41 176	30 131
Policyholder account balances	1 566	-	1 566	-	32 788	-	-	34 354	31 422
Other reinsurance liabilities	12 525	10 816	1 709	4 310	684	2	-1 435	16 086	16 117
Short-term debt	6 423	1 202	5 221	-	80	431	-5 370	1 564	1 834
Long-term debt	8 381	3 307	5 074	497	1 465	80	-636	9 787	10 978
Other	20 230	11 124	9 106	1 370	3 014	2 183	-7 770	19 027	16 529
<b>Total liabilities</b>	<b>114 597</b>	<b>66 202</b>	<b>48 395</b>	<b>16 716</b>	<b>65 028</b>	<b>2 696</b>	<b>-19 688</b>	<b>179 349</b>	<b>162 529</b>
<b>Equity</b>									
Common shareholders' equity	19 500	12 688	6 812	2 218	7 272	5 544	-2	34 532	32 415
Contingent capital instruments	1 102	352	750	-	-	-	-	1 102	1 102
Non-controlling interests	21	21	-	61	-	-	-	82	89
<b>Total equity</b>	<b>20 623</b>	<b>13 061</b>	<b>7 562</b>	<b>2 279</b>	<b>7 272</b>	<b>5 544</b>	<b>-2</b>	<b>35 716</b>	<b>33 606</b>
<b>Total liabilities and equity</b>	<b>135 220</b>	<b>79 263</b>	<b>55 957</b>	<b>18 995</b>	<b>72 300</b>	<b>8 240</b>	<b>-19 690</b>	<b>215 065</b>	<b>196 135</b>



# Total equity and ROE 2016

USD m	Re- insurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group Items	Total <sup>1</sup> FY 2016	Total <sup>1</sup> Q4 2016
<b>Common shareholders' equity<sup>2</sup> at 30 September 2016</b>	<b>20 406</b>	<b>12 719</b>	<b>7 687</b>	<b>2 351</b>	<b>8 401</b>	<b>6 275</b>		<b>37 430</b>
<b>Common shareholders' equity<sup>2</sup> at 31 December 2015</b>	<b>18 819</b>	<b>12 995</b>	<b>5 824</b>	<b>2 279</b>	<b>4 947</b>	<b>6 373</b>	<b>32 415</b>	
Net income/loss attributable to common shareholders	2 907	2 100	807	135	638	-122	3 558	517
Dividends and share buy-back	-2 900	-2 500	-400	-250	-350	838	-2 662	-530
Capital contributions		-	-	-	1 720	-1 720	-	-
Net change in unrealised investment gains/losses	379	-89	468	39	1 203	96	1 717	-2 968
Other (incl. fx)	295	182	113	15	-886	79	-496	83
<b>Common shareholders' equity<sup>2</sup> at 31 December 2016</b>	<b>19 500</b>	<b>12 688</b>	<b>6 812</b>	<b>2 218</b>	<b>7 272</b>	<b>5 544</b>	<b>34 532</b>	<b>34 532</b>
Contingent capital instruments	1 102	352	750	-	-	-	1 102	1 102
<b>Shareholders' equity at 31 December 2016</b>	<b>20 602</b>	<b>13 040</b>	<b>7 562</b>	<b>2 218</b>	<b>7 272</b>	<b>5 544</b>	<b>35 634</b>	<b>35 634</b>
Non-controlling interests	21	21	-	61	-	-	82	82
<b>Total equity at 31 December 2016</b>	<b>20 623</b>	<b>13 061</b>	<b>7 562</b>	<b>2 279</b>	<b>7 272</b>	<b>5 544</b>	<b>35 716</b>	<b>35 716</b>

USD m	Re- insurance	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Total <sup>1</sup> FY 2016	Total <sup>1</sup> Q4 2016
<b>ROE calculation</b>								
<b>Net income/loss attributable to common shareholders</b>	<b>2 907</b>	<b>2 100</b>	<b>807</b>	<b>135</b>	<b>638</b>	<b>-122</b>	<b>3 558</b>	<b>517</b>
Opening common shareholders' equity <sup>2</sup>	18 819	12 995	5 824	2 279	4 947	6 373	32 415	37 430
Average common shareholders' equity <sup>2</sup>	19 160	12 842	6 318	2 249	6 110	5 959	33 474	35 981
<b>ROE FY 2016, annualised<sup>3</sup></b>	<b>15.2%</b>	<b>16.4%</b>	<b>12.8%</b>	<b>6.0%</b>	<b>10.4%</b>	<b>-2.0%</b>	<b>10.6%</b>	
<b>ROE Q4 2016, annualised<sup>3</sup></b>	<b>14.5%</b>	<b>17.4%</b>	<b>9.5%</b>	<b>-2.6%</b>	<b>-4.5%</b>	<b>-7.0%</b>		<b>5.7%</b>

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

in millions

<b>As at 31 December 2016</b>	<b>326.0</b>	<b>Weighted average</b>	<b>331.8</b>	<b>329.9</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; reflects 16.1 m shares repurchased under share buy-back programmes

# P&C Reinsurance

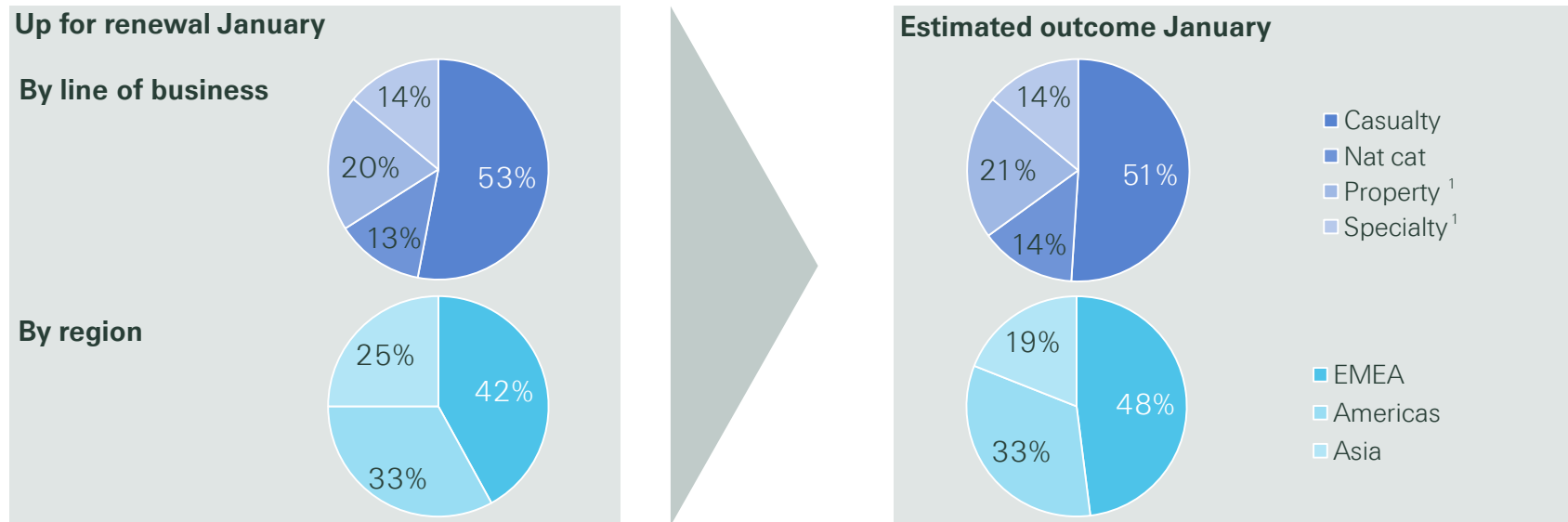
## Underwriting performance

	Combined ratio		Main drivers of change	Net premiums earned	Underwriting result	Combined ratio
	FY 2015	FY 2016		FY 2016 USD m	FY 2016 USD m	Q4 2016 USD m
<b>Property</b>	<b>72.7%</b>	<b>86.6%</b>	• 2016 impacted by several large nat cat losses and a series of agricultural losses	<b>6 652</b>	<b>891</b>	<b>86.1%</b>
<b>Casualty</b>	<b>99.6%</b>	<b>103.9%</b>		<b>8 003</b>	<b>-316</b>	<b>102.1%</b>
Liability	90.8%	103.8%	• 2016 impacted by reserve strengthening for US asbestos	3030	-114	101.0%
Motor	107.5%	107.2%	• 2016 impacted by reserve strengthening in the UK and the US	4 188	-303	108.5%
Accident (A&H)	88.9%	87.1%	• Both years include reserve releases	785	101	67.8%
<b>Specialty</b>	<b>80.1%</b>	<b>77.8%</b>		<b>2 353</b>	<b>523</b>	<b>78.3%</b>
Marine	86.5%	76.2%	• 2016 benefited from the absence of large losses (2015 impacted by Tianjin explosion)	639	152	88.0%
Credit	81.0%	93.3%	• 2016 includes losses in Brazil credit business and a surety loss in Spain	511	34	78.2%
Other Specialty (Engineering, Aviation, etc)	75.8%	72.0%	• Benign loss experience and favourable prior-year development in both periods	1 203	337	73.4%
<b>Total</b>	<b>85.7%</b>	<b>93.5%</b>		<b>17 008</b>	<b>1 098</b>	<b>92.7%</b>

# P&C Reinsurance: 2017 renewals

## Portfolio weighting by line of business and region

### Gross premium volume, treaty portfolio



- Reduced capacity in almost all segments to preserve quality of our book
- Wrote significantly less Chinese quota share treaty business driven by C-ROSS regulation

<sup>1</sup> Excluding nat cat

# L&H Reinsurance

## EBIT movements

### EBIT movements

In USD m

	FY 2015			FY 2016		
	Life	Health	L&H	Life	Health	L&H
<b>EBIT reported</b>	<b>725</b>	<b>587</b>	<b>1 492<sup>3</sup></b>	<b>783</b>	<b>352</b>	<b>1 350<sup>3</sup></b>
<b>Net operating margin, %</b>	<b>9.0</b>	<b>14.7</b>	<b>12.2</b>	<b>9.0</b>	<b>8.5</b>	<b>10.4</b>
Mortality/morbidity experience vs. expected <sup>1</sup>	42	-48	-6	-108	-58	-166
Valuation/assumption changes <sup>2</sup>	7	74	81	150	-81	69
VA/GMDB/B36	-9	2	-7	-38		-38
Other one-offs	31	-32	-1	50	3	53

- Unfavourable mortality and morbidity in 2016 mainly driven by lower performance in the UK
- Favourable impact from valuation updates in 2016 mainly driven by updates in the US

<sup>1</sup> "Expected" reflects latest best estimate of claims expected to be paid out. Improvement in our estimate process reduces the volatility in the experience variance

<sup>2</sup> "Valuation/assumption changes" related to VA/GMDB/B36 also included

<sup>3</sup> The total includes unallocated net realised gains of USD 180m in 2015 and USD 215m in 2016.

# Corporate Solutions

## Underwriting performance

	Combined ratio		Main drivers of change	Net premiums earned	Underwriting result	Combined ratio
	FY 2015	FY 2016		FY 2016 USD m	FY 2016 USD m	Q4 2016
<b>Property</b>	<b>76.3%</b>	<b>84.4%</b>	• Combined ratio increased mainly due to higher natural catastrophe losses	<b>1 191</b>	<b>186</b>	91.5%
<b>Casualty</b>	<b>103.5%</b>	<b>115.9%</b>	• 2016 impacted by large losses in North America	<b>1 261</b>	<b>-200</b>	<b>104.9%</b>
<b>Specialty</b>	<b>102.4%</b>	<b>102.2%</b>	• 2016 driven by higher frequency of small- and medium-sized losses	<b>1 051</b>	<b>-23</b>	<b>122.9%</b>
Credit	90.3%	106.9%		390	-27	112.3%
Other Specialty	109.6%	99.4%		661	4	129.7%
<b>Total</b>	<b>93.2%</b>	<b>101.1%</b>		<b>3 503</b>	<b>-37</b>	<b>105.9%</b>

# Return on investments (ROI)

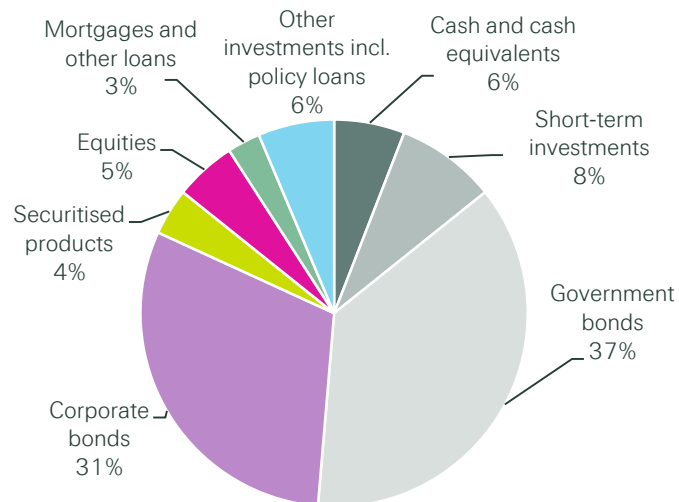
USD m	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Consolidation	Total FY 2016	Total FY 2015	Total Q4 2016
<b>Investment related net investment income</b>	<b>892</b>	<b>1 100</b>	<b>158</b>	<b>942</b>	<b>101</b>	<b>-94</b>	<b>3 099</b>	<b>2 860</b>	<b>747</b>
<i>Fixed income</i>	708	1 053	137	898	1	-	2 797	2 547	680
<i>Equities and alternative investments -incl RE, PE, HF</i>	332	60	20	-	12	-	424	417	89
<i>Other</i>	48	75	20	95	134	-128	244	250	72
<i>Investment expenses</i>	-196	-88	-19	-51	-46	34	-366	-354	-94
<b>Investment related net realised gains/losses</b>	<b>475</b>	<b>184</b>	<b>57</b>	<b>221</b>	<b>25</b>	<b>-</b>	<b>962</b>	<b>971</b>	<b>85</b>
<i>Fixed income</i>	391	118	11	139	-	-	659	600	-108
<i>Equities and alternative investments -incl RE, PE, HF</i>	179	37	45	-	1	-	262	342	42
<i>Other</i>	-95	29	1	82	24	-	41	29	151
<b>Other revenues</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-22</b>	<b>-</b>	<b>1</b>	<b>0</b>
<b>Investment related operating income</b>	<b>1 389</b>	<b>1 284</b>	<b>215</b>	<b>1 163</b>	<b>126</b>	<b>-116</b>	<b>4 061</b>	<b>3 832</b>	<b>832</b>
Less income not related to investment return <sup>1</sup>	-43	-11	-11	-6	-55	54	-72	-72	-20
<b>Basis for ROI</b>	<b>1 346</b>	<b>1 273</b>	<b>204</b>	<b>1 157</b>	<b>71</b>	<b>-62</b>	<b>3 989</b>	<b>3 760</b>	<b>812</b>
<b>Average invested assets at avg. fx rates</b>	<b>43 943</b>	<b>35 828</b>	<b>8 035</b>	<b>28 988</b>	<b>6 147</b>	<b>-6 645</b>	<b>116 296</b>	<b>107 244</b>	<b>115 434</b>
<b>ROI, annualised</b>	<b>3.1%</b>	<b>3.6%</b>	<b>2.5%</b>	<b>4.0%</b>	<b>1.2%</b>	<b>n.a.</b>	<b>3.4%</b>	<b>3.5%</b>	<b>2.8%</b>
Insurance related net investment income	93	179	-20	314	-	-4	562	576	134
Insurance related net realised gains/losses	8	17	16	307	-4	-	344	152	-151
Foreign exchange remeasurement	287	31	-22	-25	-93	-	178	83	41
<b>Net investment income/loss – non participating</b>	<b>985</b>	<b>1 279</b>	<b>138</b>	<b>1 256</b>	<b>101</b>	<b>-98</b>	<b>3 661</b>	<b>3 436</b>	<b>881</b>
<b>Net realised investment gains/losses – non participating</b>	<b>770</b>	<b>232</b>	<b>51</b>	<b>503</b>	<b>-72</b>	<b>-</b>	<b>1 484</b>	<b>1 206</b>	<b>-25</b>

- Increase in net investment income due to additional fixed income driven by large transactions, mainly the Guardian acquisition in Life Capital
- Investment related net realised gains broadly in line with the prior period; reduced realised gains from equities offset by additional realised gains from fixed income
- Increase in insurance related net realised gains driven by a positive impact from interest rate derivatives in Life Capital

<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 FY 2016
Balance sheet values	164.0
Unit-linked investments	-28.2
With-profit business	-5.3
<b>Assets for own account (on balance sheet only)</b>	<b>130.5</b>

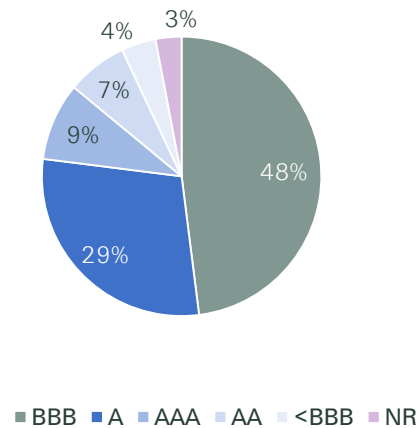
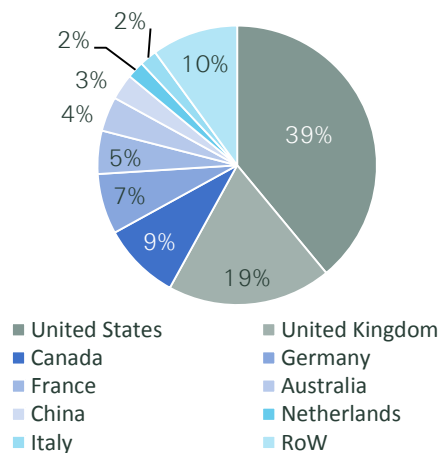


USD bn	P&C Re	L&H Re	Corporate Solutions	Life Capital	Group items	Consolidation	End FY 2016	End FY 2015
Cash and cash equivalents	4.9	0.4	0.5	1.3	0.6	-	7.7	7.3
Short-term investments	4.7	2.6	1.3	1.4	0.9	-	10.9	7.4
Government bonds	23.7	14.1	3.9	6.7	-	-	48.4	45.7
Corporate bonds	5.7	14.2	2.2	17.7	-	-	39.8	31.5
Securitised products	2.2	1.7	0.3	0.9	-	-	5.1	5.2
Equities <sup>1</sup>	2.6	1.0	0.5	-	2.6	-	6.7	8.1
Mortgages and other loans	4.5	1.3	-	1.6	2.2	(6.0)	3.6	3.0
Policy loans	-	-	-	0.1	-	-	0.1	0.1
Other investments	6.1	1.8	0.1	0.8	0.8	(1.4)	8.2	8.5
<b>Total</b>	<b>54.4</b>	<b>37.1</b>	<b>8.8</b>	<b>30.5</b>	<b>7.1</b>	<b>(7.4)</b>	<b>130.5</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 FY 2016	48 374	44 902



- Increase in government bonds mainly due to net purchases, partially offset by fx impacts
- Credit bonds include corporate bonds (USD 39.8bn) and securitised products (USD 5.1bn)
- Increase in credit bonds reflects the Guardian acquisition and mark-to-market gains stemming from tighter credit spreads, partially offset by fx impacts
- Overall credit bond portfolio is high quality; non-rated bonds include private debt of investment grade quality



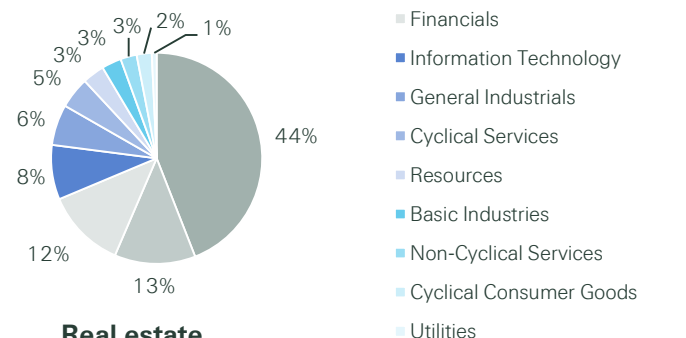
# Equities and alternative investments

USD m	End FY 2015	End FY 2016
Equity securities	4 087	2 698
Private equity	1 526	1 430
Hedge funds	358	317
Real estate	3 613	3 678
Principal Investments	2 442	2 577
<i>Equity securities</i>	700	737
<i>Private equity</i>	1 742	1 840
<b>Total market value</b>	<b>12 026</b>	<b>10 700</b>

- Decrease in equity securities due to net sales, including a reduction in credit ETFs
- Decrease in private equity due to lower market values
- Increase in Principal Investments driven by market value gains and net purchases

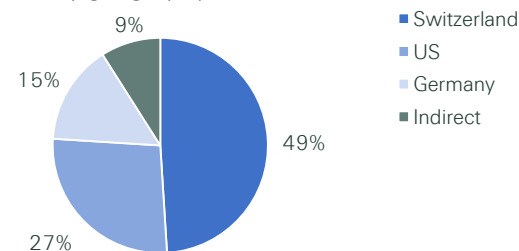
## Equity securities

by sector



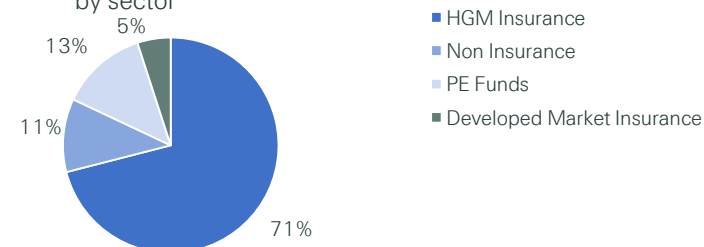
## Real estate

by geography



## Principal Investments

by sector



# Sensitivities

USD bn, pre-tax

## Fall in market values

(Equities and Alternative Investments, excl. Real Estate)	-10%	-25%
Estimated impact on <b>shareholders' equity</b>	- 0.7	-1.8
Estimated impact on <b>economic net worth (EVM)</b>	- 0.8	-2.1

## Change in interest rates

	-50bps	-25bps	+50bps	+100bps
Estimated impact on <b>shareholders' equity</b>	+4.0	+2.0	-3.7	-7.2
Estimated impact on <b>economic net worth (EVM)</b>	0.0	0.0	0.0	-0.1

## Increase in credit spreads

	+50bps	+100bps
Estimated impact on <b>shareholders' equity</b>	-2.2	-4.2
Estimated impact on <b>economic net worth (EVM)</b>	-2.3	-4.4

All sensitivities are assumed to take effect on 31 December 2016 and no management actions are included in this analysis. Figures are estimated as mutually exclusive events and reflect the estimated impact on the Group. All figures are net of hedging impacts

# Premiums by country

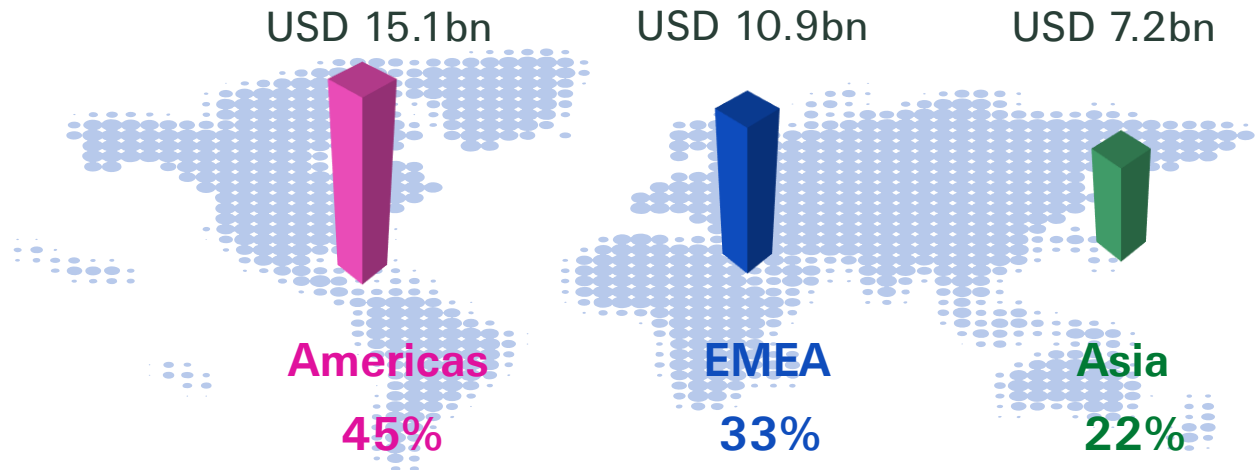
## 2016 Gross premiums written and fees assessed against policyholders by country<sup>1</sup>

USD m	Life & Health	Non-Life	Total FY 2016	Total FY 2015
United States	5 647	8 937	14 584	12 144
United Kingdom	2 455	1 443	3 898	3 489
China	320	2 089	2 409	2 503
Australia	1 337	651	1 988	1 650
Germany	149	1 072	1 221	1 268
Canada	737	423	1 160	1 187
Japan	593	534	1 127	1 157
Switzerland	217	830	1 047	681
Ireland	894	46	940	787
France	132	548	680	759
Republic of Korea	155	330	485	422
Netherlands	194	260	454	437
Spain	17	425	442	411
India	51	340	391	171
Bermuda	14	372	386	486
Italy	75	280	355	397
Israel	149	202	351	300
Barbados	252	23	275	381
South Africa	99	116	215	257
Other	796	2 957	3 753	3 826
<b>Total</b>	<b>14 283</b>	<b>21 878</b>	<b>36 161</b>	<b>32 713</b>

<sup>1</sup> Country split based on the country where the premium was generated or an approximation thereof

# Swiss Re is broadly diversified

Swiss Re Group net premiums earned<sup>1</sup> 2016: USD 33.2bn



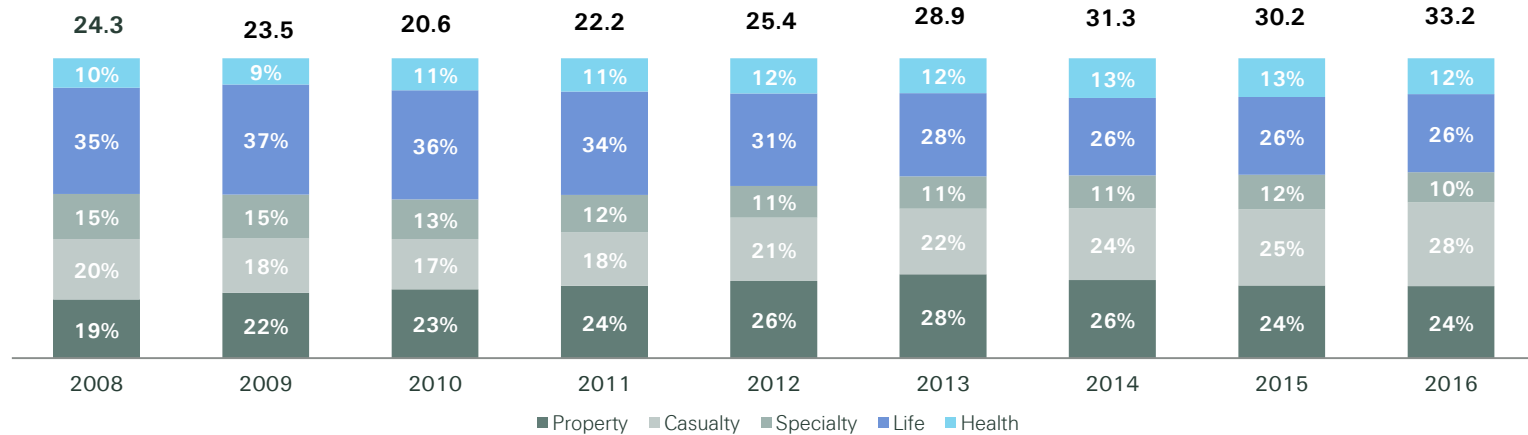
of which				
HGMs:	~3%	~4%	~12%	≈19%
HGMs incl. PI <sup>2</sup> :	~5%	~4%	~16%	≈25%

<sup>1</sup> Includes fee income from policyholders; does not reflect the exposure to HGMs through Principal Investments (PI)

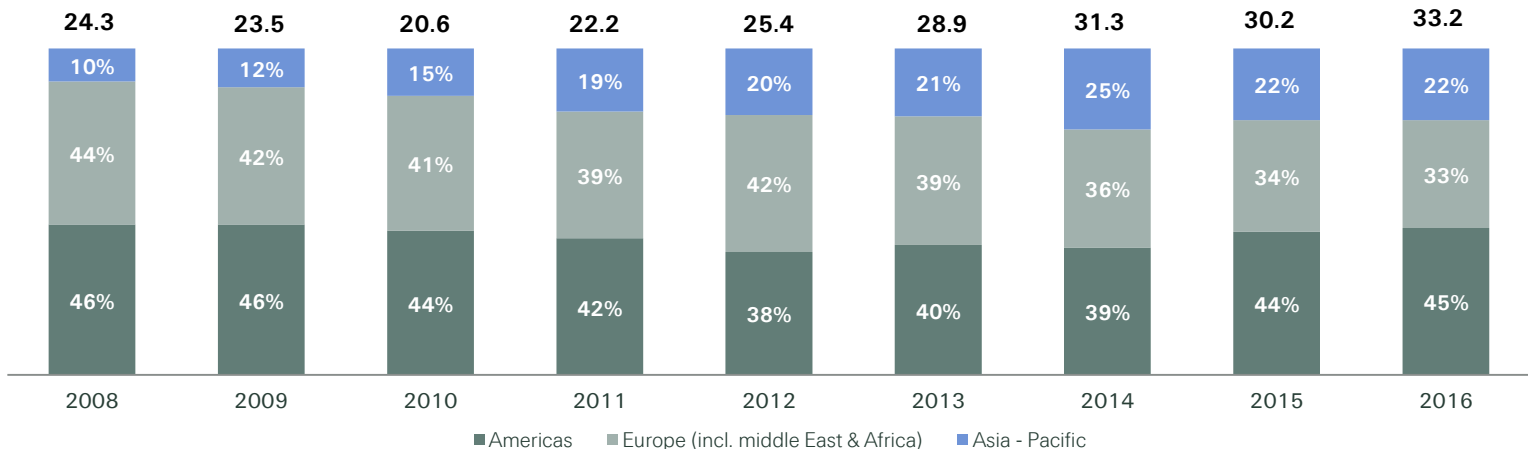
<sup>2</sup> Based on additional pro rata net premiums from PI including FWD Group (14.9%), New China Life (4.9%) and SulAmérica (14.9%)

# Premium development by line of business and geography

Premiums earned and fee income by line of business, USD bn



Premiums earned and fee income by geography, USD bn



# Corporate calendar & contacts

## Corporate calendar

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### 2017

16 March	<b>Publication of Annual Report 2016 and 2016 EVM Results</b>	
21 April	<b>153<sup>rd</sup> Annual General Meeting</b>	Zurich
4 May	<b>First Quarter 2017 Results</b>	Conference call
4 August	<b>Second Quarter 2017 Results</b>	Conference call
2 November	<b>Third Quarter 2017 Results</b>	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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