

Update on Group strategy

Christian Mumenthaler, Group Chief Executive Officer

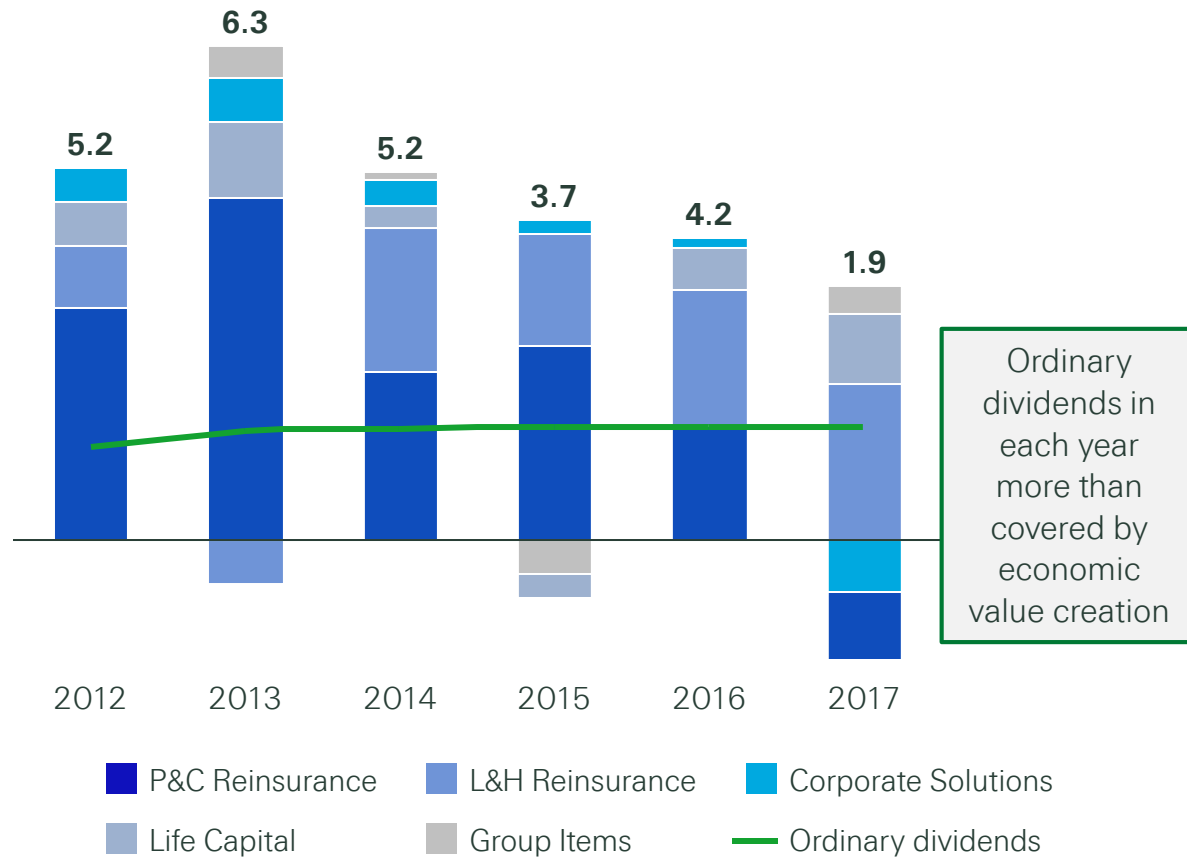
Based on three differentiation drivers we have built leading insurance businesses...



...that represent a highly rewarding combination for shareholders

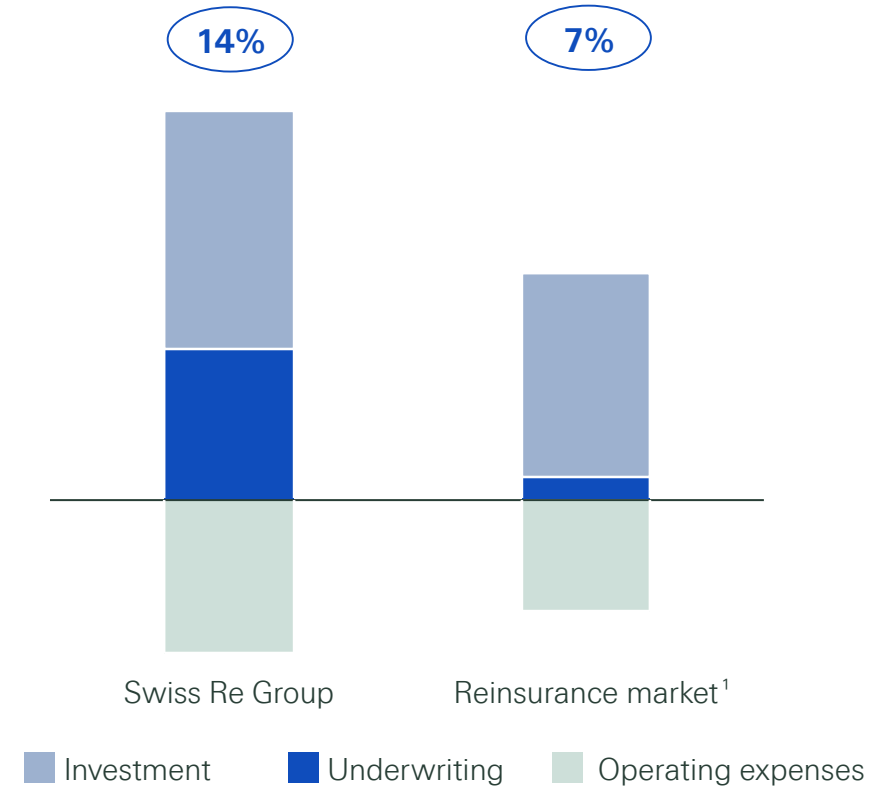
The strong value creation of our individual businesses...

Total contribution to Economic Net Worth (USD bn)



...has consistently produced peer-leading margins

US GAAP net operating margins average 2012-17



¹ Based on weighted average of Munich Re, Hannover Re, SCOR and RGA

We are benefiting from a more positive current environment and promising long-term opportunities

Current market environment improved



Long-term opportunities remain

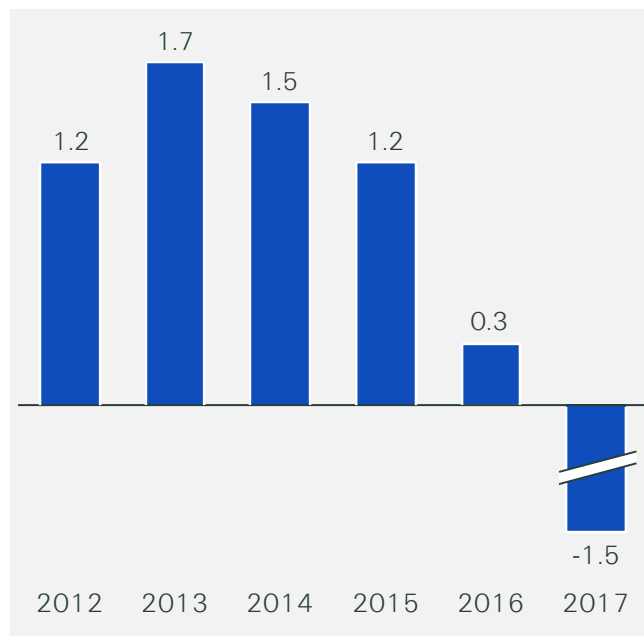


¹ Source: Swiss Re Institute; expected premium growth per annum in reinsurance in nominal USD terms over the next five years

P&C Reinsurance's strong track record of generating shareholder value leads the industry

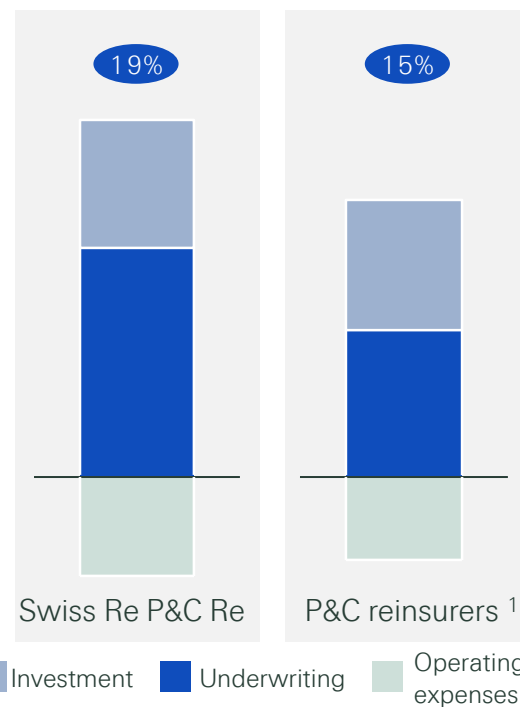
Economic underwriting profits in excess of EVM capital costs...

EVM profit – new business (USD bn)



...resulting in peer-leading margins

US GAAP net operating margins average 2012 - 17



¹ Based on weighted average of P&C Re segments of Munich Re, Hannover Re, SCOR, Everest Re and Alleghany

Strong new business profits driven by P&C Reinsurance's leading client platform

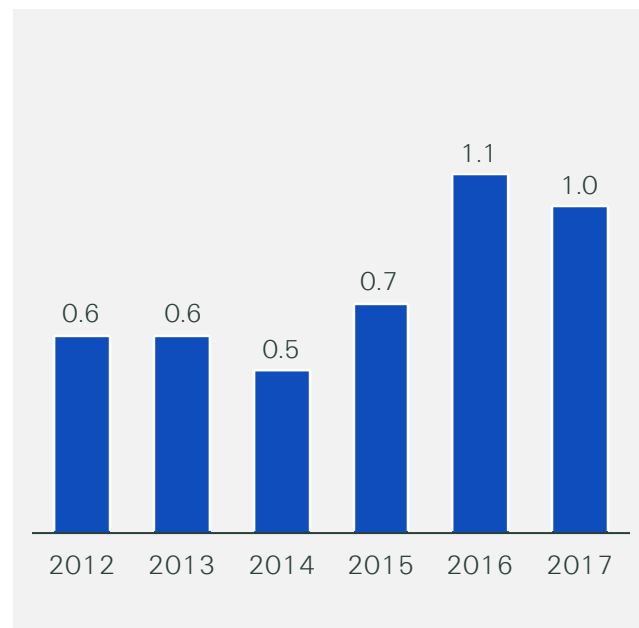
USD 4.4bn EVM new business underwriting profit since 2012

Peer-leading underwriting margins are driven by both, capital allocation (beta) & risk selection (alpha)

L&H Reinsurance's franchise value continues to increase

Economic underwriting profits in excess of EVM capital costs...

EVM profit – new business (USD bn)



...resulting in peer-leading margins

US GAAP net operating margins average 2012 - 17



¹ Based on weighted average of L&H Re segments of Munich Re, Hannover Re, SCOR and RGA

Strong new business profit mostly from EMEA and Asia reflecting the Group's increased footprint

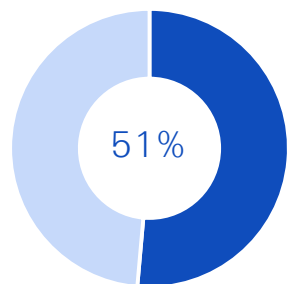
USD 4.5bn EVM new business underwriting profit since 2012

Outperformance vs. market supported by decisive and timely management actions on underperforming blocks of business

Swiss Re's reinsurance client franchise represents the biggest source of our competitive advantage

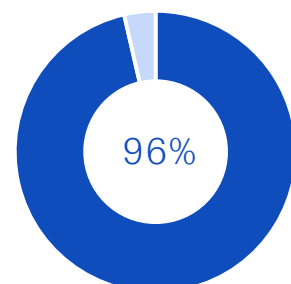
We have strong direct relationships with our customers...

P&C Reinsurance



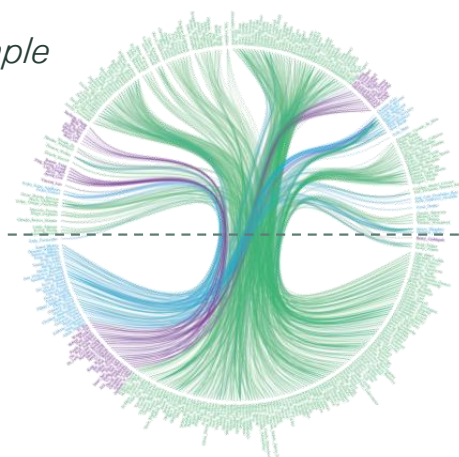
% of premiums from non-intermediated business, FY 2017

L&H Reinsurance



...with distinct client interactions

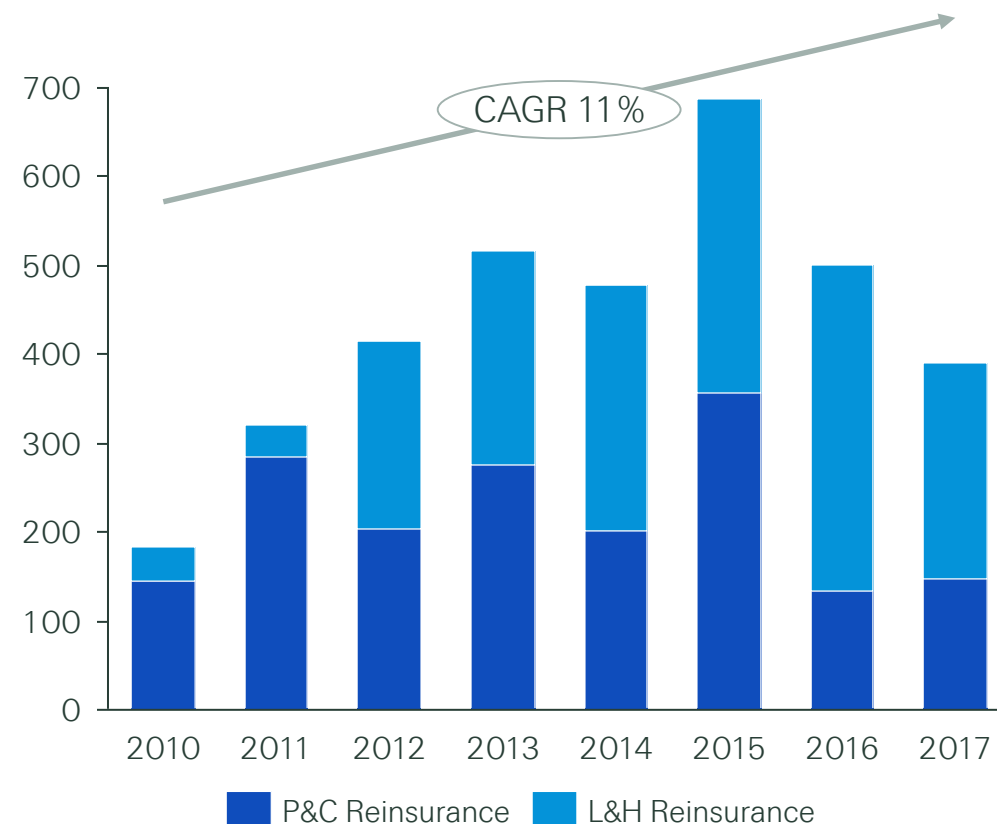
Client example



Americas
APAC
EMEA

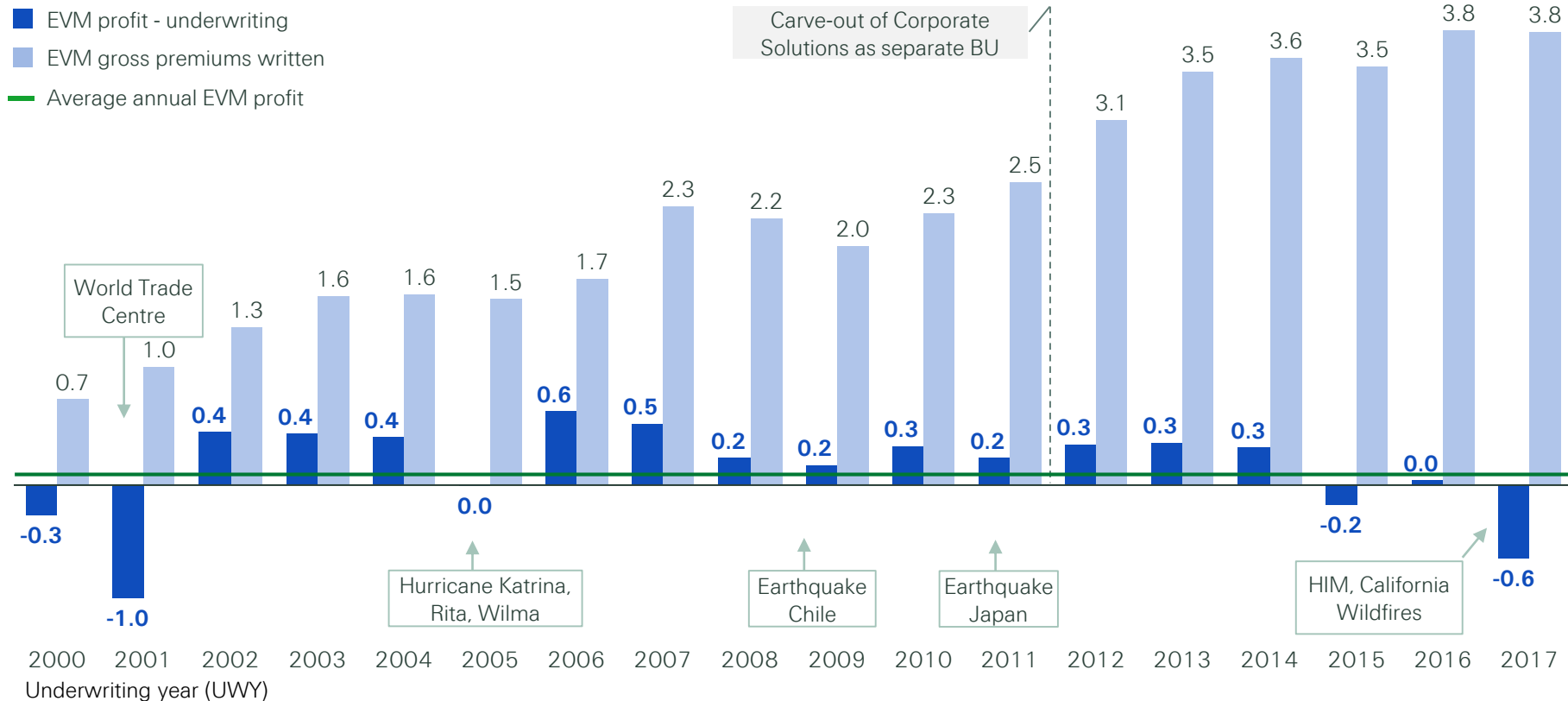
Direct relationships drive our access to large & tailored transactions

EVM profit - new business (USD m)



Commercial insurance has been an attractive business for our shareholders, generating long-term underwriting profits in excess of EVM capital costs

Underwriting performance of Swiss Re's commercial insurance business¹, USD bn



Commercial business premiums grew with a compounded annual growth rate of 10%

Swiss Re wrote commercial business with EVM underwriting profits in excess of capital costs of > USD 2bn since 2000

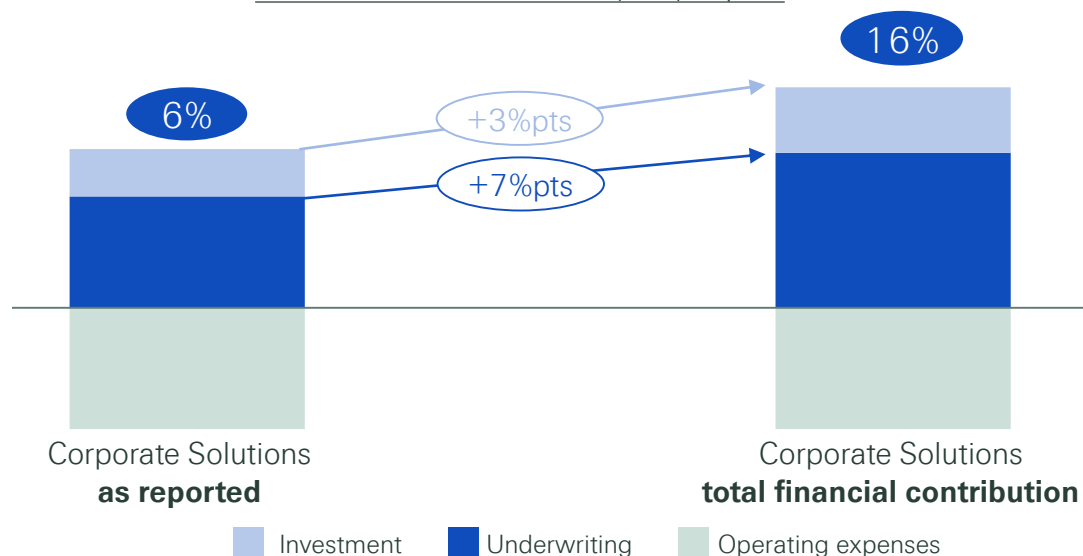
This translates into an average annual EVM profit in excess of EVM capital costs of USD 125m

¹ Reflects commercial business written by underwriting year, gross of intra-group retrocessions, net of external cessions; excludes commercial business written in derivative form

Corporate Solutions' performance has been attractive, in particular when considering the total financial contribution

US GAAP - Net operating margins, average 2012-17

Total financial contribution (TFC) impact



Total financial contribution (TFC) refers to the estimated contribution of Corporate Solutions business written within Swiss Re Group, incl.

- development of historical loss reserves remaining in the Reinsurance BU after the carve out from Reinsurance in 2012
- related investment income and additional tax expenses

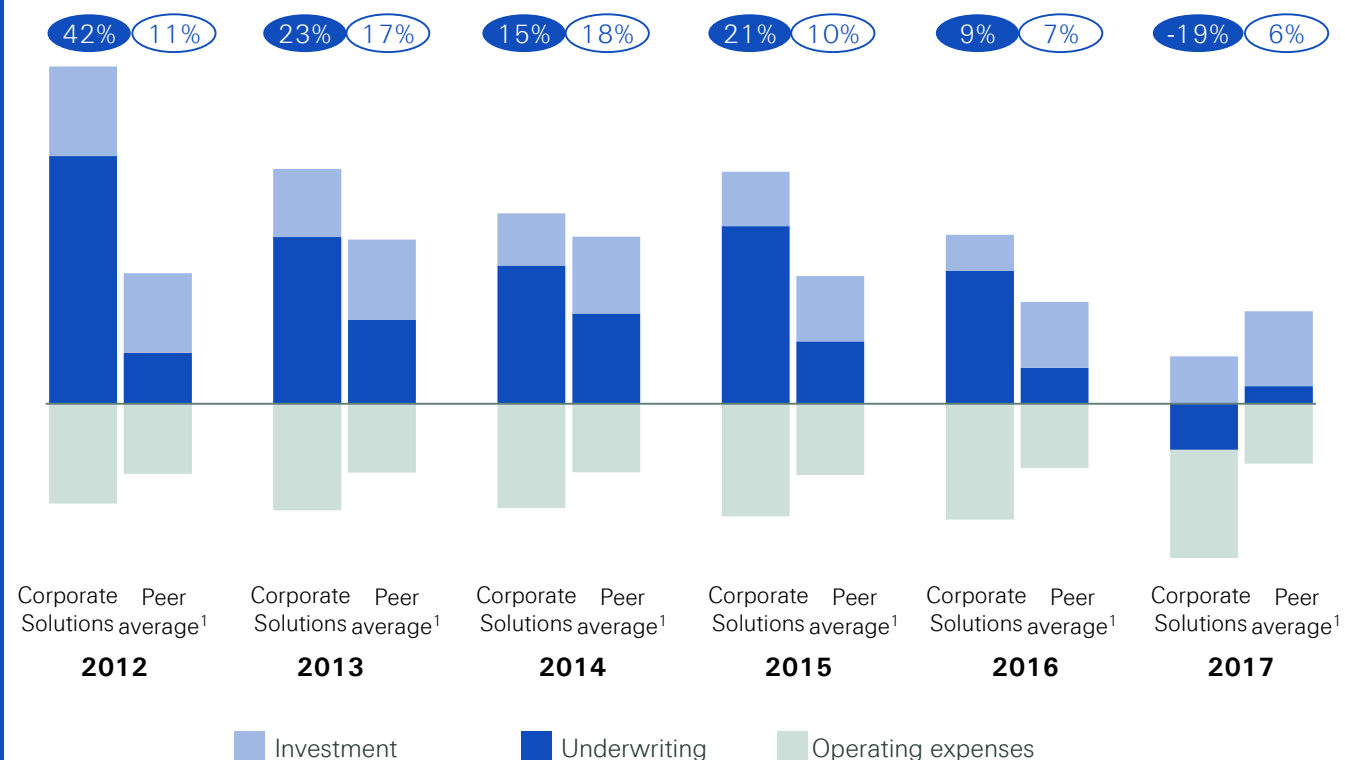
USD >5bn reserves left in Reinsurance when carved-out in 2012

TFC impact from positive reserve developments of 7%pts on average per year

TFC impact from investment income on reserves of 3%pts on average per year

Net operating margins compare favourably versus peers, driven by a strong underwriting margin

US GAAP net operating margins incl. TFC on average 4%pts above peer average



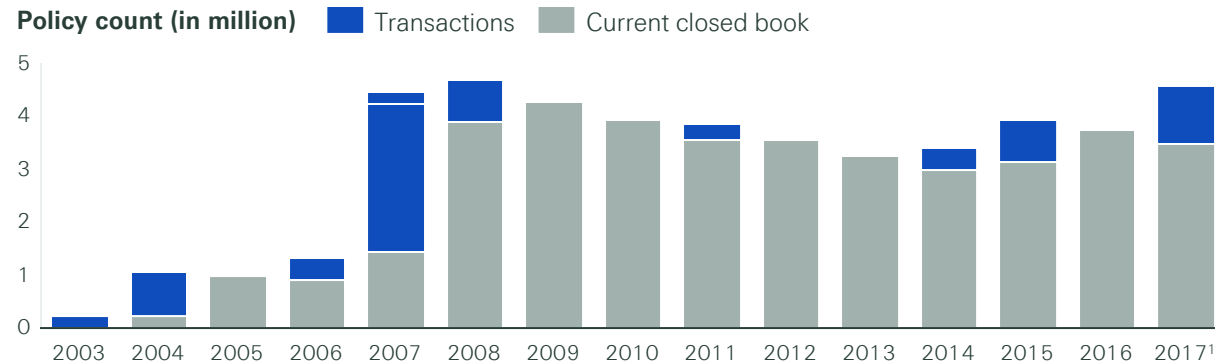
¹ Based on the weighted average of reported results of six Corporate Solutions peers

Corporate Solutions has comparably strong TFC underwriting margins

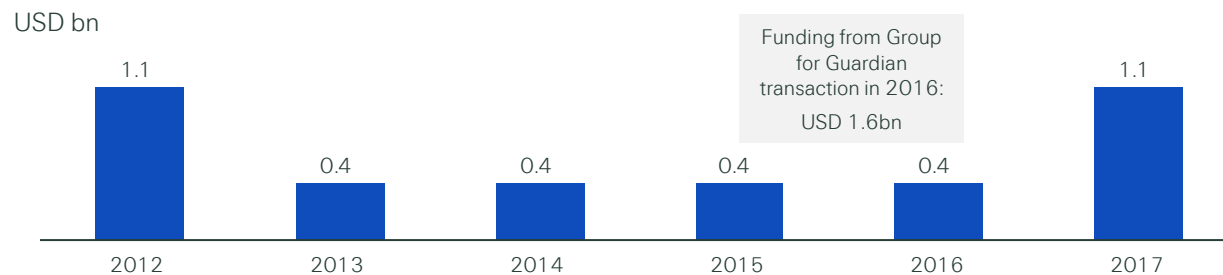
Investments into future growth drives higher expense margins compared to peer average

ReAssure maintains a market-leading closed book platform in the UK

ReAssure's closed book transactions track record



Life Capital's dividend stream is driven by the closed book business (USD 3.8bn since 2012)³



¹ L&G transaction pro-forma, reinsurance agreement effective from 1 January 2018

² Announced in October/ December 2017; completed in January 2018

³ For FY 2012- 15 published results refer to Admin Re®

Recent transactions delivered a return average of >12%

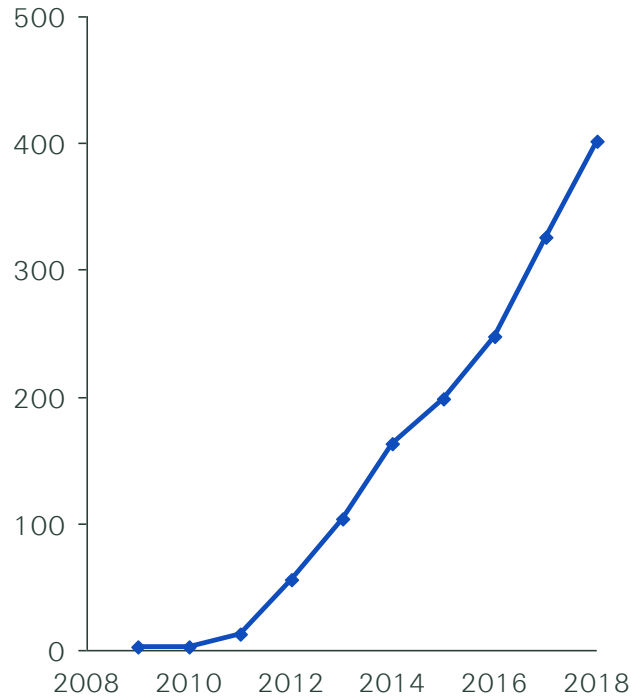
MS&AD participation² increases ability to pursue further closed book transactions

ReAssure is a major cash generator of the Group

Life Capital businesses capture growth opportunities in attractive primary L&H risk pools

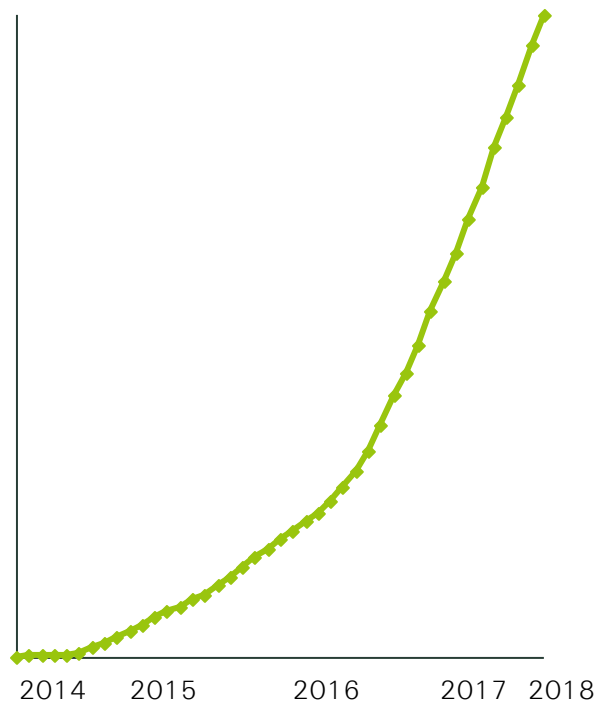
elipsLife premium volume

Gross premiums written, life insurance business (USD m)



iptiQ new policies development

new policies written, cumulative¹



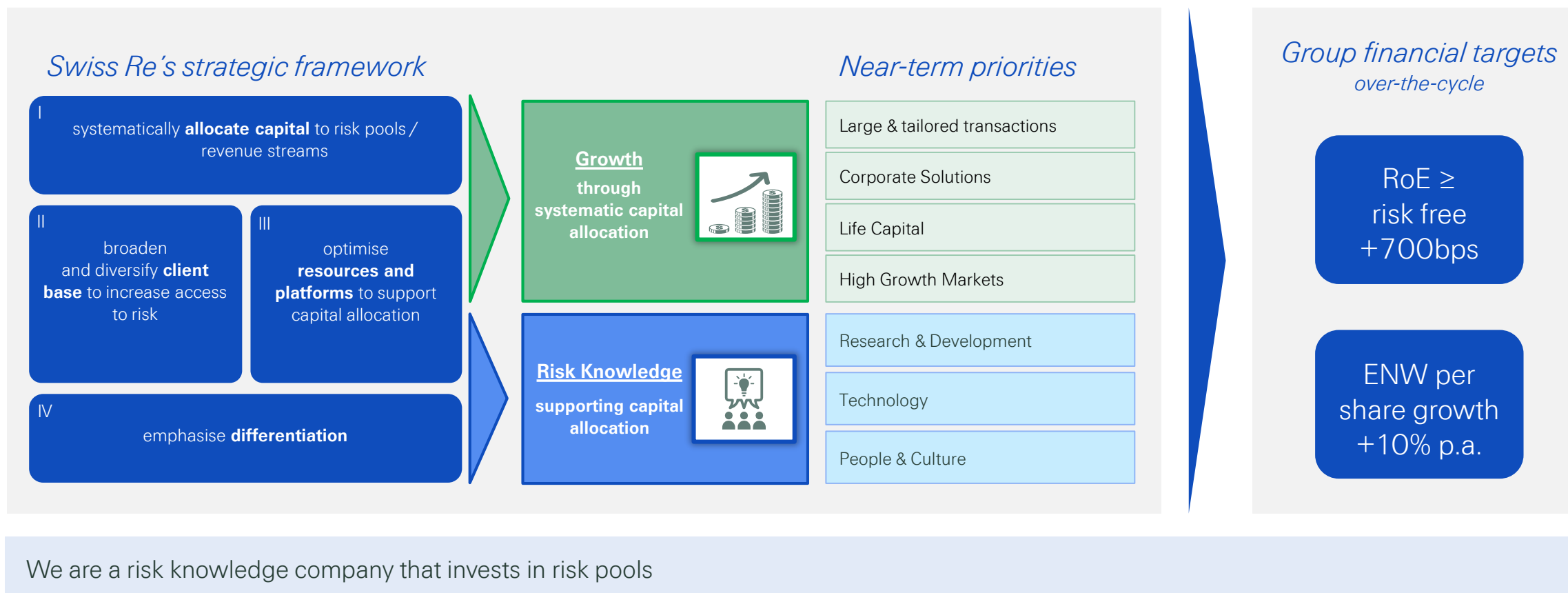
¹ Cumulative numbers do not include acquired portfolios

The protection gap in sum assured terms is > USD 100trn and growing

B2B2C platforms delivering dynamic growth

Positive customer journeys and cost leadership remain key differentiators

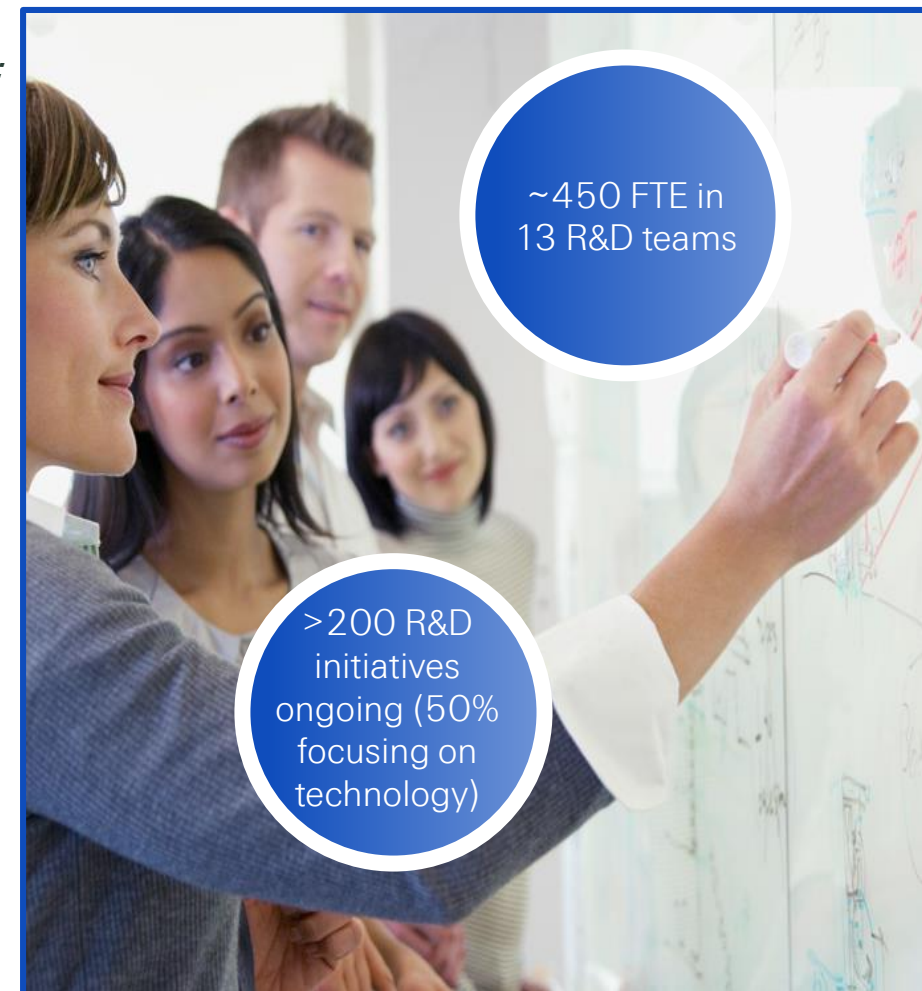
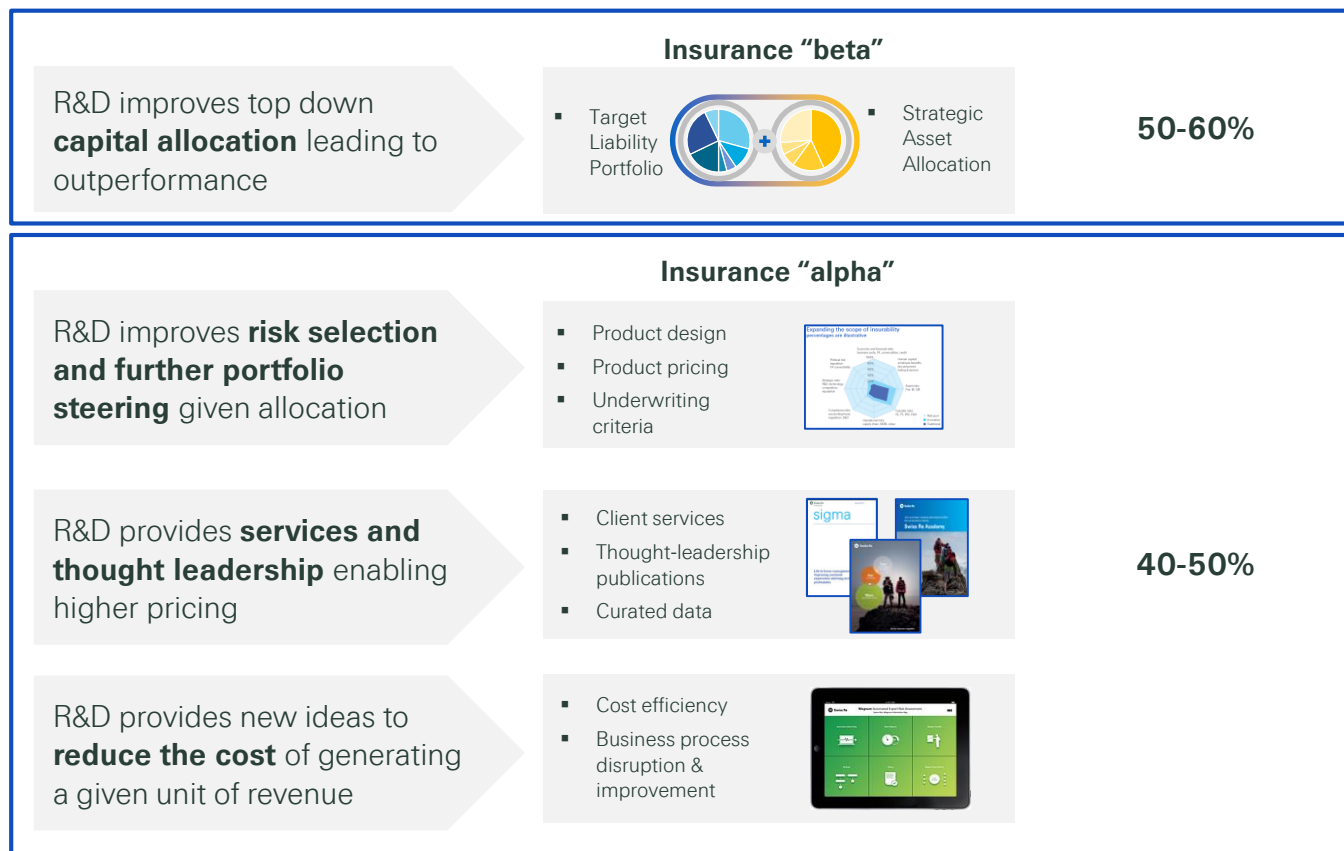
Our near-term priorities remain unchanged



R&D builds on our thought leadership position, bringing us closer to the needs of our clients

How R&D drives value at Swiss Re:

Estimated annual underwriting outperformance:
>USD 1bn¹



¹ Based on average annual gross underwriting margin outperformance vs. peers in the last five years

Advances in technology are impacting the insurance value chain and reshaping the competitive landscape

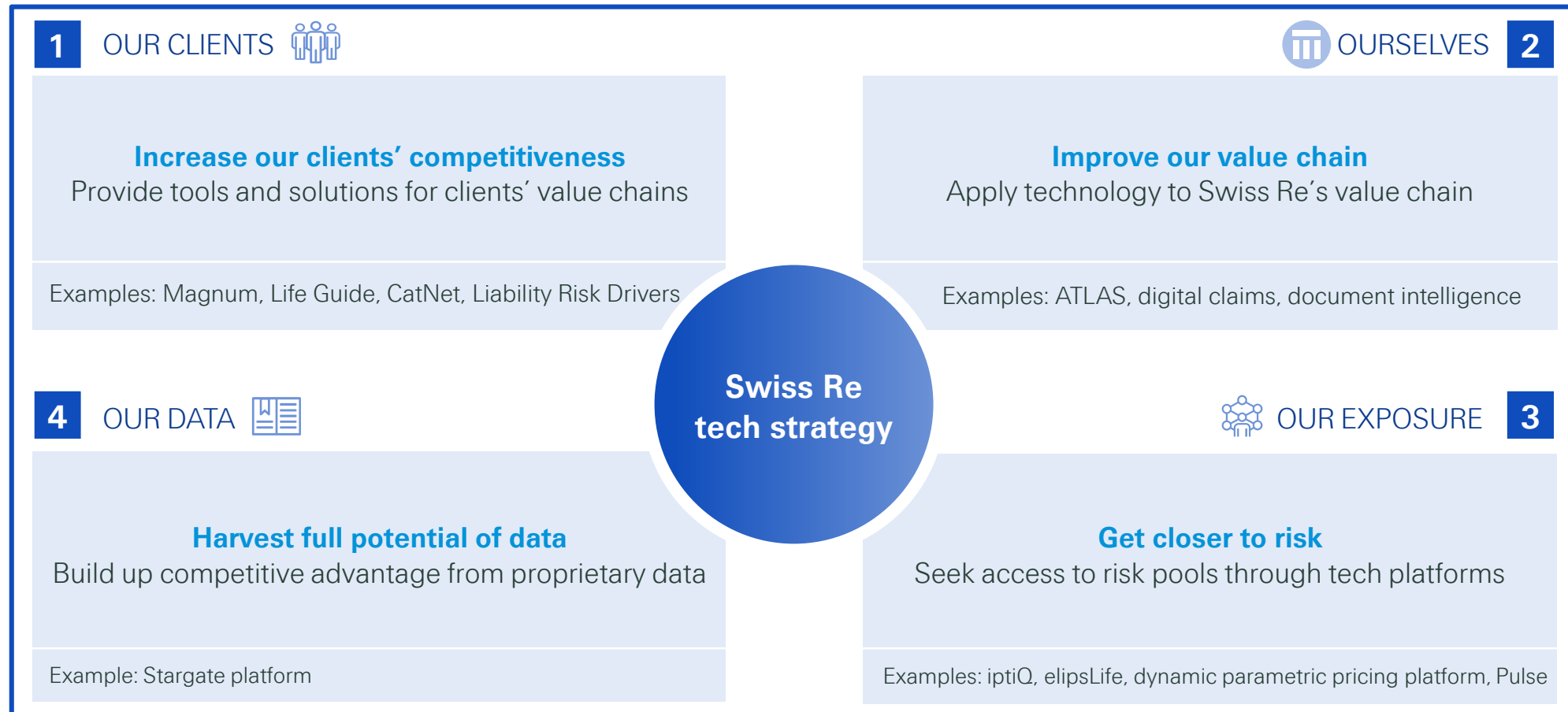
Impact of technology on insurance	Today	Tomorrow	
	Limited demonstrated business impact but heightened interest and hype	Long-term fundamental changes to the insurance value chain	Blurred industry boundaries and shifting insured risks (from personal to commercial lines)

We remain focused on improving our business and developing solutions for ourselves and our clients to secure access to risk pools through our business segments and strategic partnerships

Digitalisation improves the design and pricing of new and existing insurance products

Insurers expected to leverage new technology to acquire new customers, improve underwriting and increase efficiency

Swiss Re's tech strategy is embedded in our business strategy and ensures effective innovation management



Our tech strategy is implemented with a combination of in-house developments and strategic partnerships

1 Increase our clients' competitiveness

Example: Magnum is our market-leading automated underwriting solution for life & health



Our solutions



Magnum Pure is our advanced, automated underwriting solution

- Easily build and optimise the ideal customer journey and underwriting rules
- Receive unprecedented insights into the underwritten business

Magnum Mobile offers innovative underwriting for mobile devices

- Integrates into an agent's or client's insurance app
- Enable their customers to be underwritten anytime, anywhere

Value for our insurance clients: Automation drives scalability

Consistent, predictable underwriting decisions

- Risk management standards across channels and products
- Rules-driven assessment, aligned to Swiss Re's LifeGuide underwriting philosophy

Faster, efficient underwriting decisions

- Shorter application times, quicker decisions, easy and secure reports & analytics
- Easy creation of tailored rules, for smoother go-to-market

Magnum represents a tailored and integrated underwriting platform which delivers significant value to our clients and strengthens our relationship

2 Improve our value chain

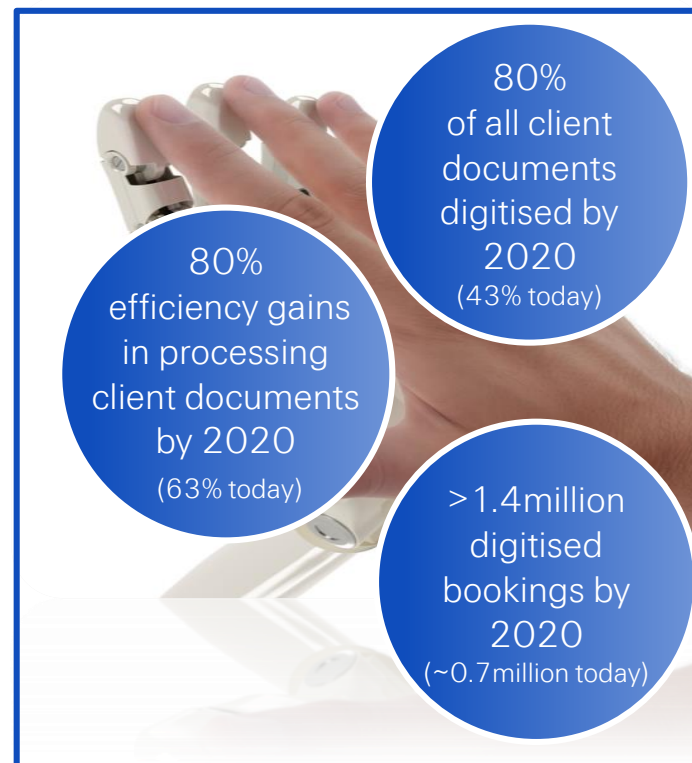
Selected examples: We leverage scalable technology platforms to streamline internal processes

ATLAS – New general ledger and financial steering capabilities



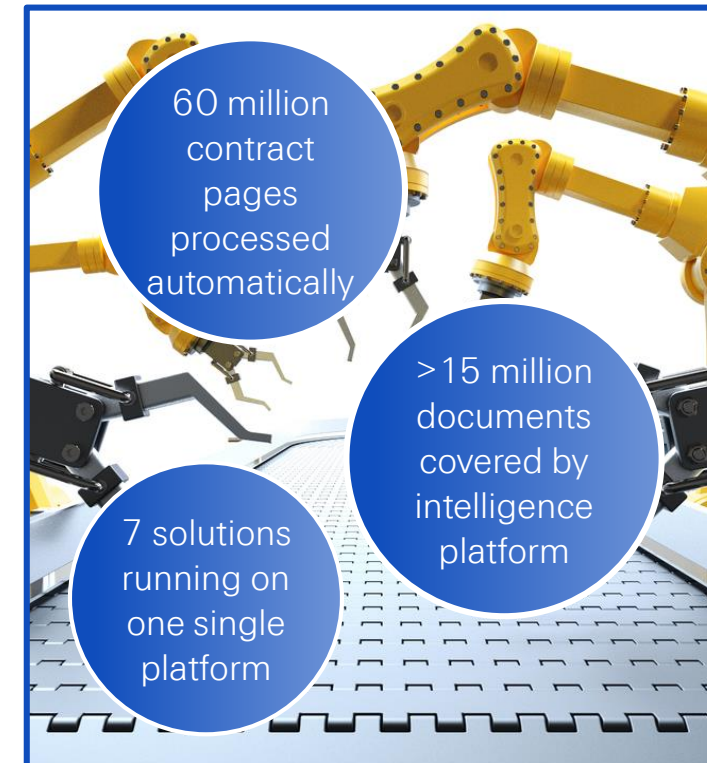
Multi-year effort to provide us with an industry-leading steering and reporting platform

Digital claims and technical accounting



Expand leadership position in terms of volumes and turnaround times of digitised bookings

Document intelligence








Our ambition is to have every piece of data fully digitised and automatically understood

3 Get closer to risk 📄




Example: iptiQ is our L&H B2B2C platform with industry leading end-to-end digital capabilities



A truly digital experience...

-  Sales: digital front-end platform
-  Omni-channel: accessible from various devices
-  Data & reporting: integrated & automated management information reporting
-  Underwriting: industry-leading automated underwriting
-  Self-service: empower customers to self-manage policies

...with compelling competitive advantages

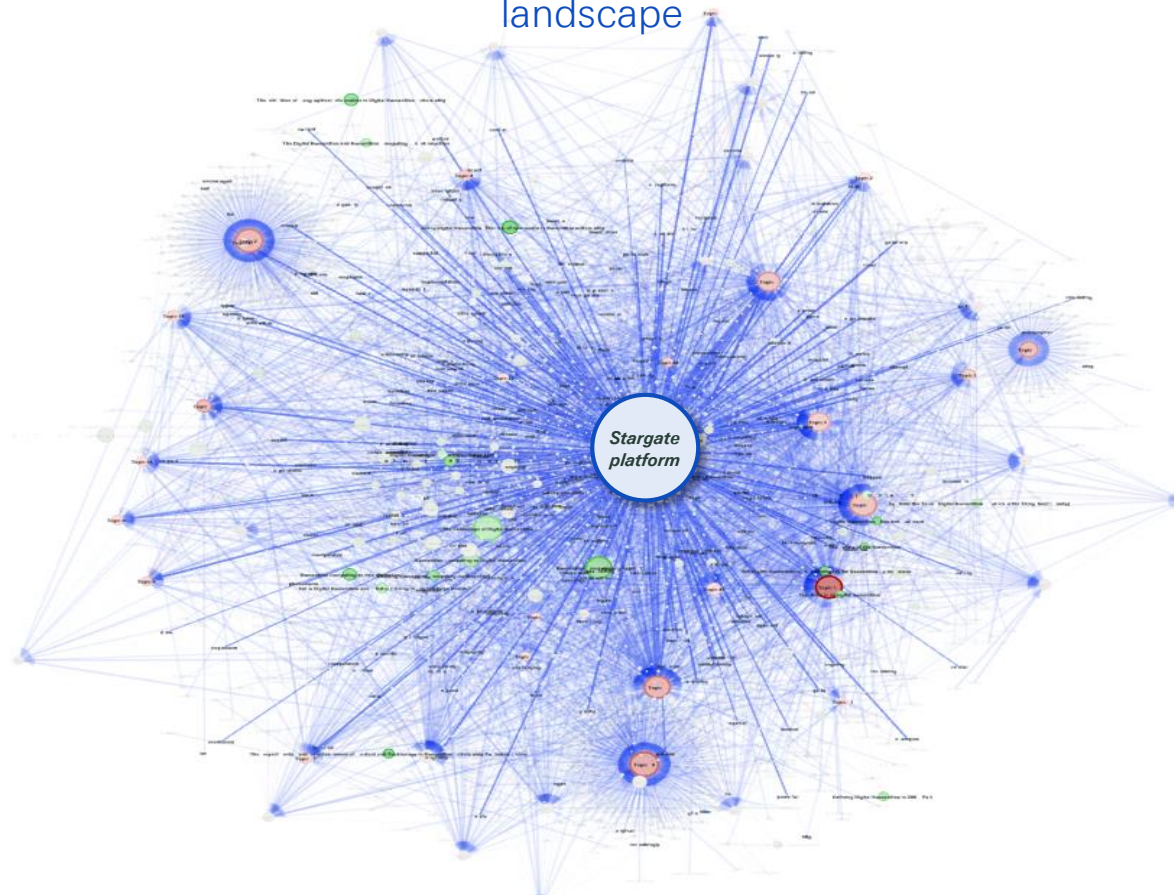
-  Cost efficient due to disintermediation of traditional insurance distribution and no retail distribution legacy
-  Knowledge based differentiation with industry leading R&D capabilities
-  Balance sheet strength of Swiss Re Group to support growth

Fully digital B2B2C insurance solution allowing “plug & play” with any client and partner, enabling vast consumer access and contextual sales

4 Harvest full potential of data

Example: Stargate platform provides the opportunity to transform Swiss Re into a truly **data-driven knowledge organisation**

Stargate platform accelerates the integration of Swiss Re's data landscape



Scalable enterprise wide platform for integrating, analysing & deriving insights on massive data sets



Data

Internal data
Structured/unstructured

External data
Weather, IoT/wearables



Methodology

Analytics at scale
Data integration/GDPR compliance

Machine learning
Data visualisation



People

Democratisation
Data and analytics

Upskilled workforce
2 000 users by 2020

>50 initiatives across the group to be implemented by the end of 2019

We are a risk knowledge company that invests in risk pools

- We have built leading (re)insurance businesses based on three differentiating factors: Client Access, Risk Knowledge and Capital Strength
- These businesses ensure access to growing risk pools in the long term
- The overall market outlook has improved for our P&C businesses and we will benefit from the positive momentum
- Our scale, access to clients, risk data and advanced platforms position us well to play a major role in the technological revolution in the insurance space
- Swiss Re's tech strategy is embedded in our business strategy and is implemented with a combination of in-house developments and strategic partnerships



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:

- the frequency, severity and development of insured claim events, particularly natural catastrophes, man-made disasters, pandemics, acts of terrorism and acts of war;
- mortality, morbidity and longevity experience;
- the cyclicity of the insurance and reinsurance sectors;
- instability affecting the global financial system;
- deterioration in global economic conditions;
- 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 the Group’s investment policy or the changed composition of the Group’s investment assets, and the impact of the timing of any such changes relative to changes in market 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;
- any inability to realise amounts on sales of securities on the Group’s balance sheet equivalent to their values recorded for accounting purposes;
- changes in legislation and regulation, and the interpretations thereof by regulators and courts, affecting us or the Group’s ceding companies, including as a result of shifts away from multilateral approaches to regulation of global operations;
- the outcome of tax audits, the ability to realise tax loss carryforwards, 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, and the overall impact of changes in tax regimes on business models;
- failure of the Group’s hedging arrangements to 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;
- uncertainties in estimating reserves;
- policy renewal and lapse rates;
- uncertainties in estimating future claims for purposes of financial reporting, particularly with respect to large natural catastrophes and certain large man-made losses, 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;
- extraordinary events affecting the Group’s clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- 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, lower-than expected benefits, or other issues experienced in connection with any such transactions;
- changing levels of competition, including from new entrants into the market; and
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks and the ability to manage cybersecurity risks.

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Corporate calendar & contacts

Corporate calendar

2018

20 April	154th Annual General Meeting	Zurich
4 May	First Quarter 2018 Key Financial Data	Conference call
3 August	Half-Year 2018 Results	Conference call
1 November	Nine Months 2018 Key Financial Data	Conference call

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