

Differentiation at the core of Swiss Re's strategy

J.P. Morgan European Insurance Conference, 31 May 2017

Moses Ojeisekhoba, Chief Executive Officer Reinsurance

Today's agenda

Swiss Re Group at a glance

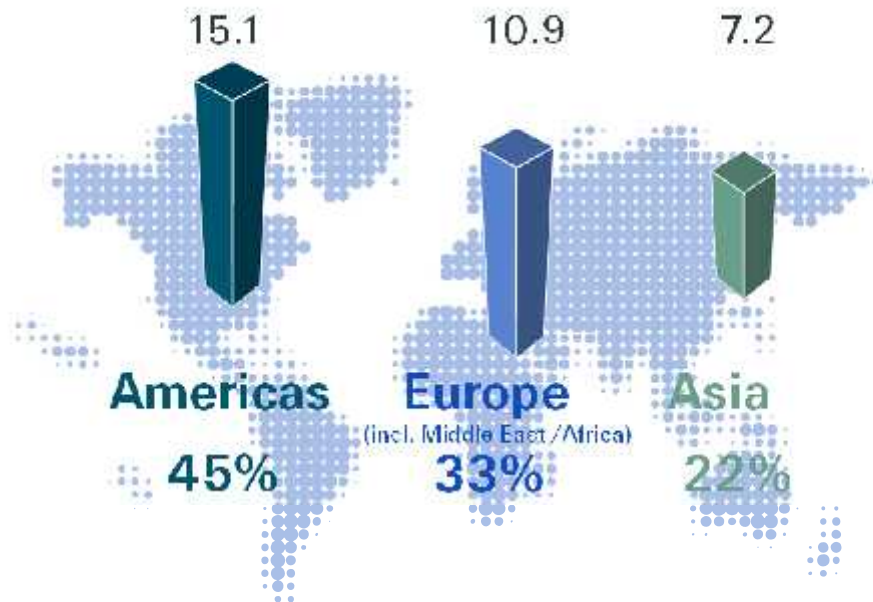
Reinsurance deep dive: focus on differentiation

Q&A

Swiss Re is well diversified across geographic regions and business segments

Net premiums earned¹

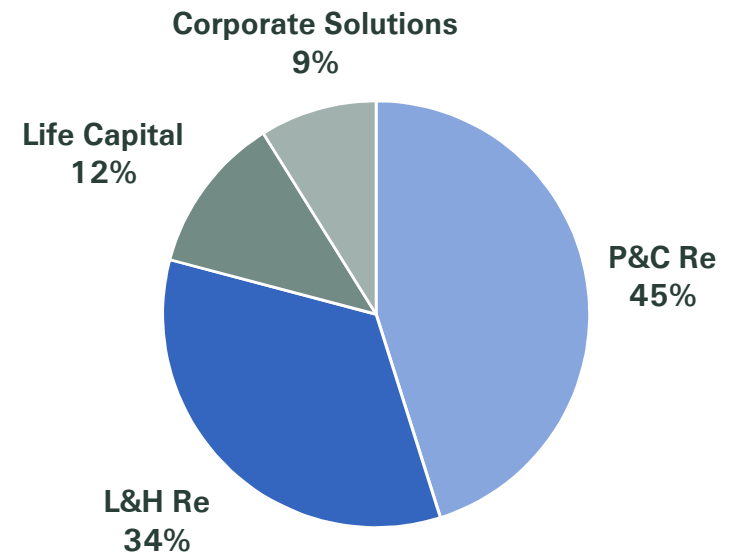
by region (in USD bn, 2016)



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
 - demand/supply imbalance
 - industry consolidation
- Interest rates: “low for longer”
- Political instability and regulatory fragmentation

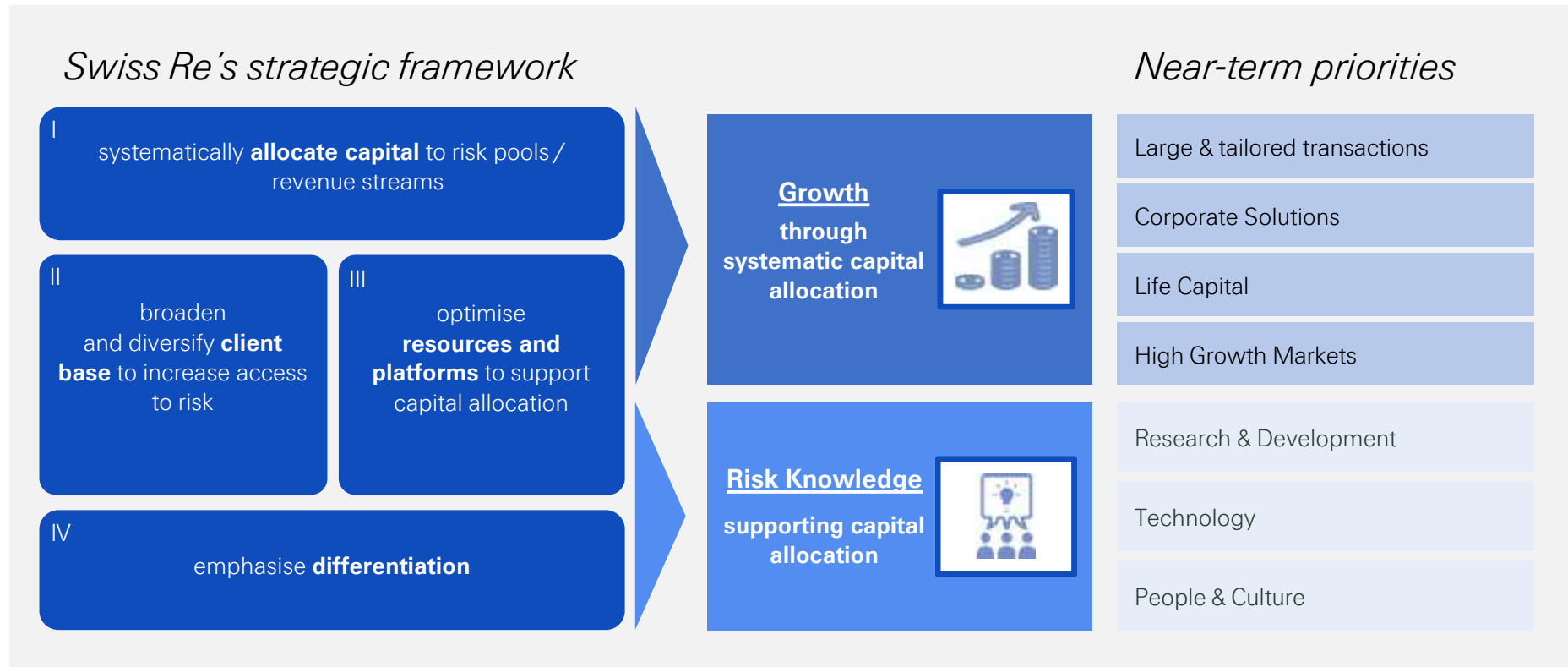


Long-term opportunities

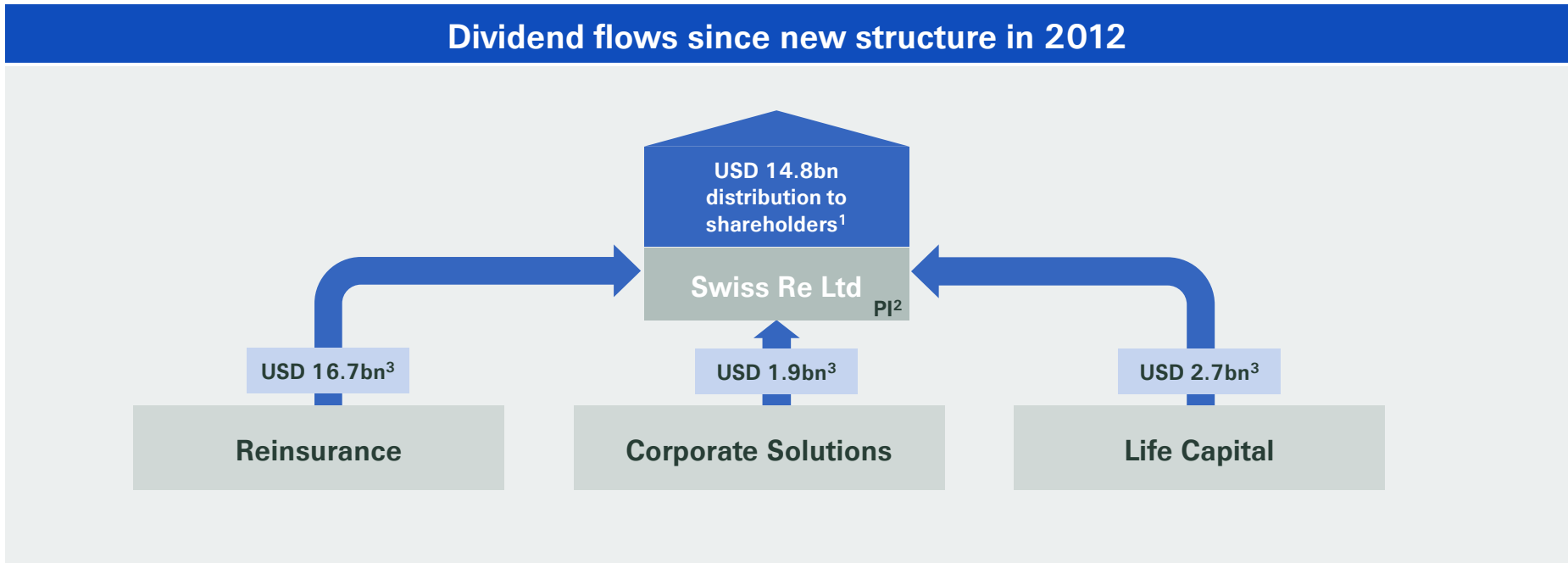
- Growing risk pools (GDP growth and demographic trends)
- High Growth Markets
- Closing the protection gap through better and lower cost offerings

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

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



Swiss Re's performance and business model enable significant capital distribution



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

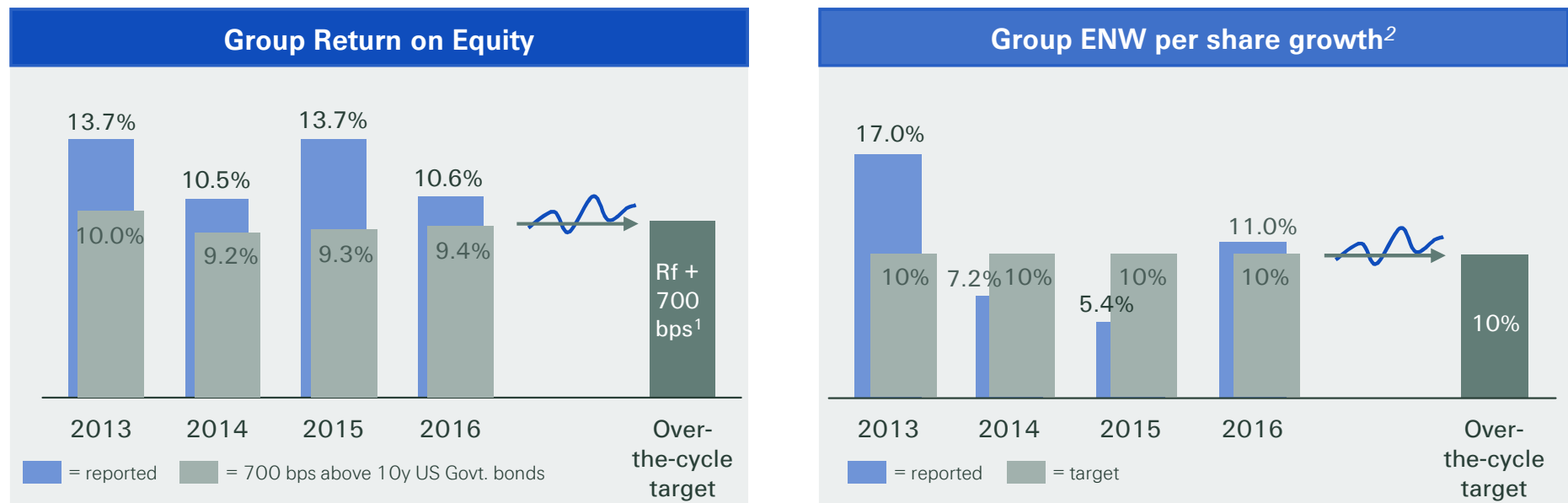
¹ Reflects total external dividend and share buy-backs

² Principal Investments has paid to Group dividends of USD 0.4bn since 2012

³ Internal dividend flows from January 2012 to April 2017

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

³ Mid-term ROE target

Swiss Re reports a solid first quarter 2017

- Solid Q1 2017 Group net income of USD 656m after USD 350m expected insurance claims from Cyclone Debbie
- P&C Reinsurance net income USD 321m, ROE 10.8%; P&C Reinsurance portfolio remains attractive following April renewals
- L&H Reinsurance net income USD 193m, ROE 11.6%; business continues to generate stable earnings
- Corporate Solutions net income USD 55m, ROE 10.1%; new office opened in Malaysia
- Life Capital GCG strong at USD 336m, net income USD 73m, ROE 3.9%; open book activities continue to deliver attractive growth
- High quality asset portfolio provides solid ROI of 3.4%; 2.9% running yield stable compared to year-end 2016
- Swiss Re maintains very strong capitalisation with Group SST ratio at 262%; well positioned to respond to market opportunities

Today's agenda

Swiss Re Group at a glance

Reinsurance deep dive: focus on differentiation

Q&A

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

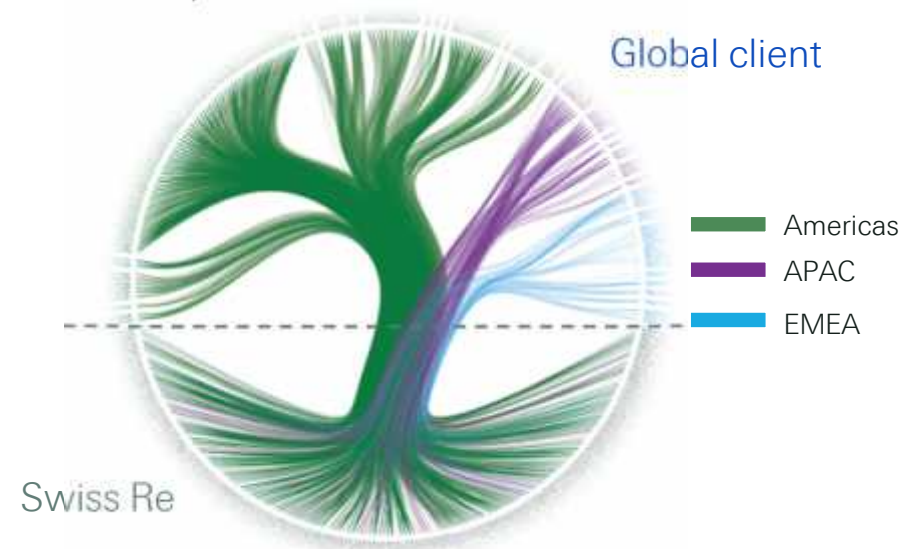
Our strategy: Focus to differentiate



- Right service for right client, based on client segmentation
- Our dedicated model to serve Globals, Large and Regional & National clients continues to be effective

Unique client interaction

Client example

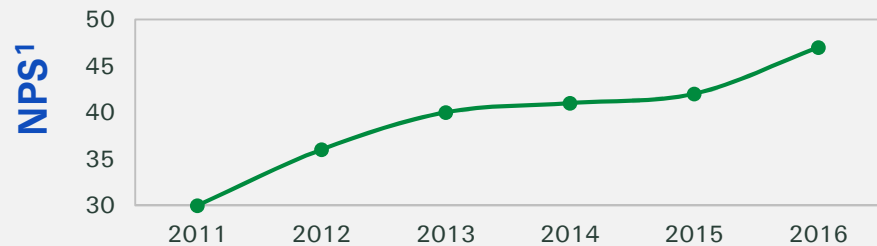


- More than 12 414 distinct interactions between Swiss Re and the client between Q1 2012 to Q1 2017
- The graphic illustrates the relationship network between 320 people – both from Swiss Re and the client – with at least 15 connections.

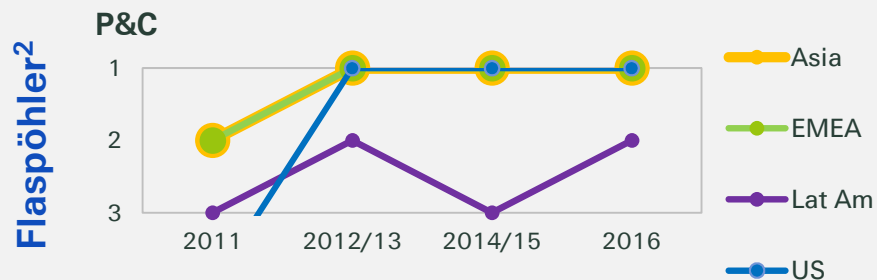
Differentiation through understanding of client needs and tailored offering for optimised delivery

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

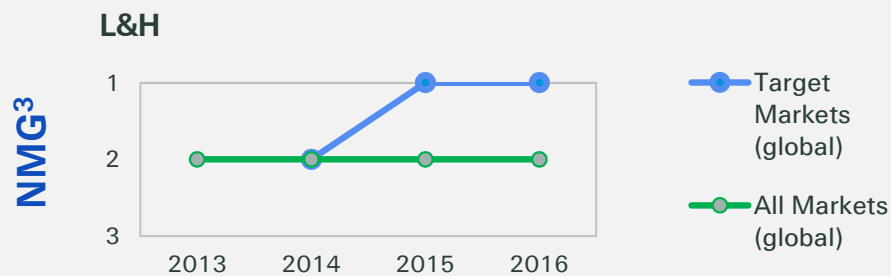
Client loyalty result development



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



- **Flaspöhler (P&C)²**
We are #1 in P&C in all markets, except for Latin America where we improved to #2



- **NMG (L&H)³**
Ranked #1 with Swiss Re clients in 2016

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

² "Best Overall" category

³ Business Capability Index (survey effective as of 2013)

Reinsurance strategy: focus on differentiation



Core

Simplify and drive efficiencies to enable long-term sustainable growth in our traditional reinsurance business



Transactions

Engage in a broader strategic dialogue with clients, delivering innovative, customised deals

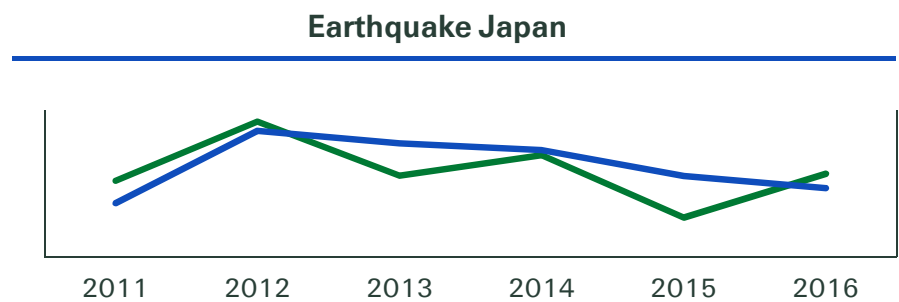
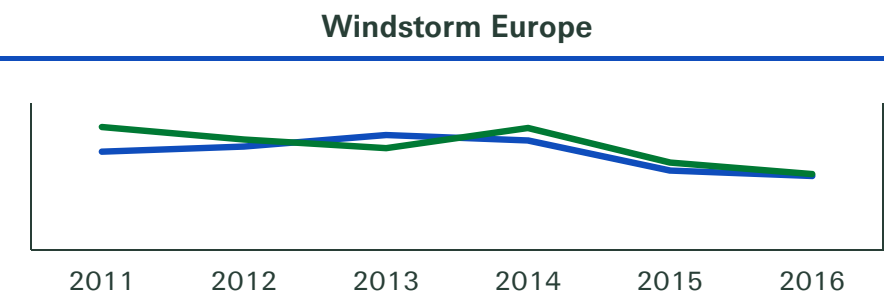
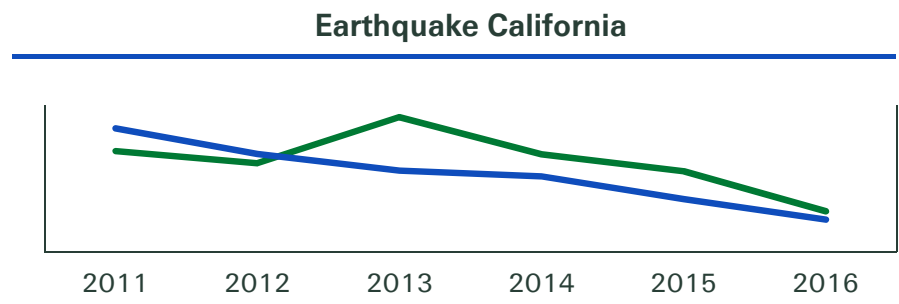
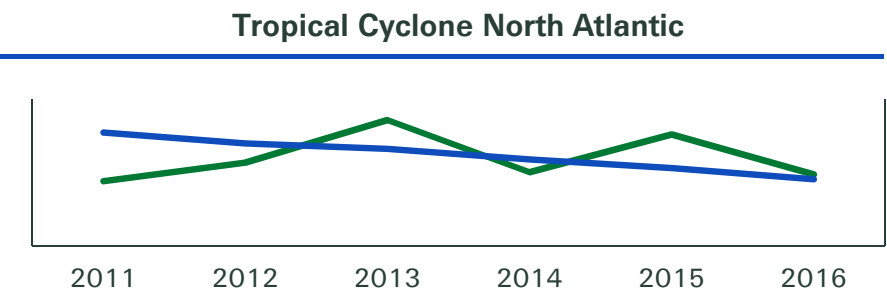


Solutions

Add value to clients' original business by providing solutions and services across the value chain

In P&C Reinsurance we actively manage the pricing cycle and allocate capacity according to price adequacy

6-year comparison of Nat Cat Capacity and LTPA

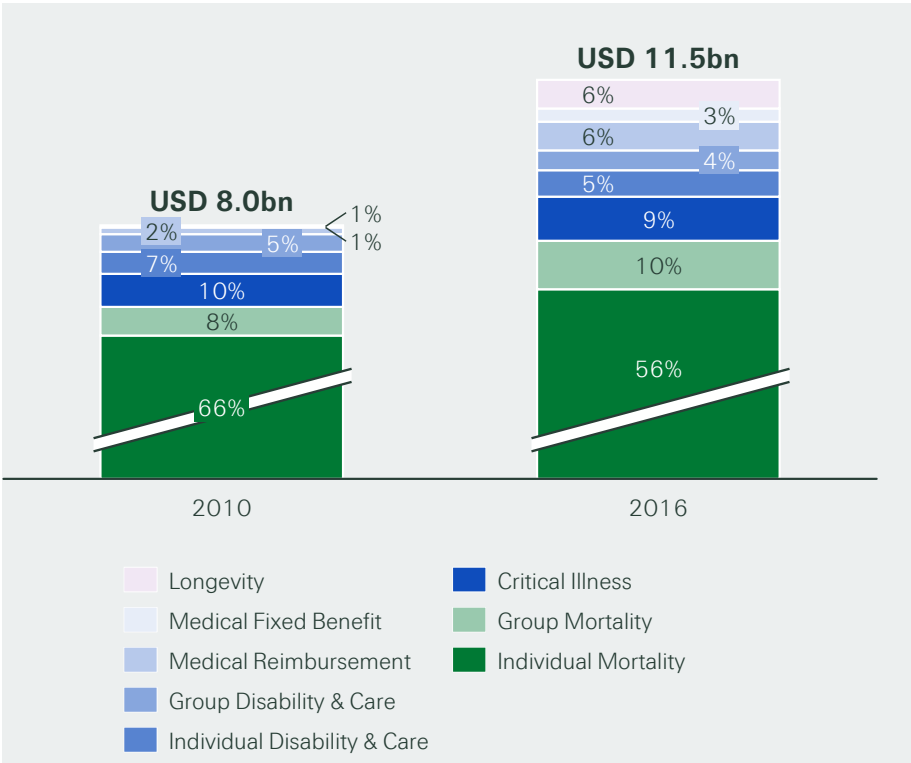


— Capacity
— LTPA (long-term price adequacy)

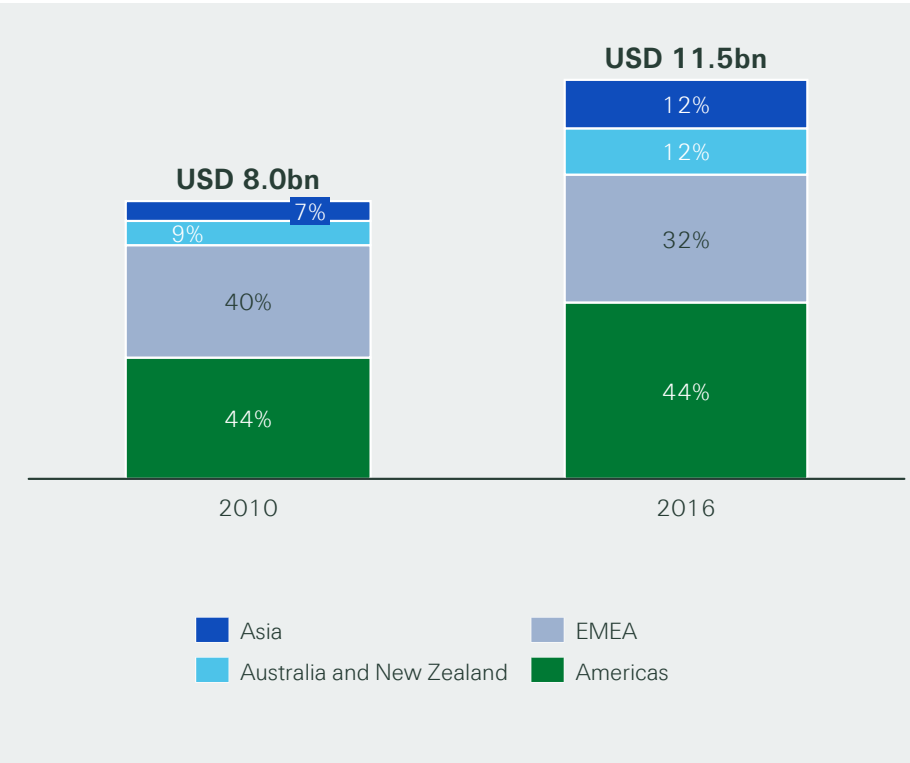
We maintain underwriting discipline, deploying our capacity where expected profitability meets our targets

In L&H Reinsurance profitable new business has improved the diversification of our overall portfolio

US GAAP premiums by product line




US GAAP premiums by country/region




- Strong growth in Asia (from USD 0.6bn in 2010 to 1.4bn in 2016) driven by Health and transactions
- Increased product, duration and geographic diversification is key to reducing US GAAP volatility


There is increasing demand from clients for large transactions that go beyond traditional core business



- Combining multiple risks and/or triggers
- Holistic earnings and capital protection cover



- Non-life retrospective covers and Life in-force monetisation
- Releasing trapped capital

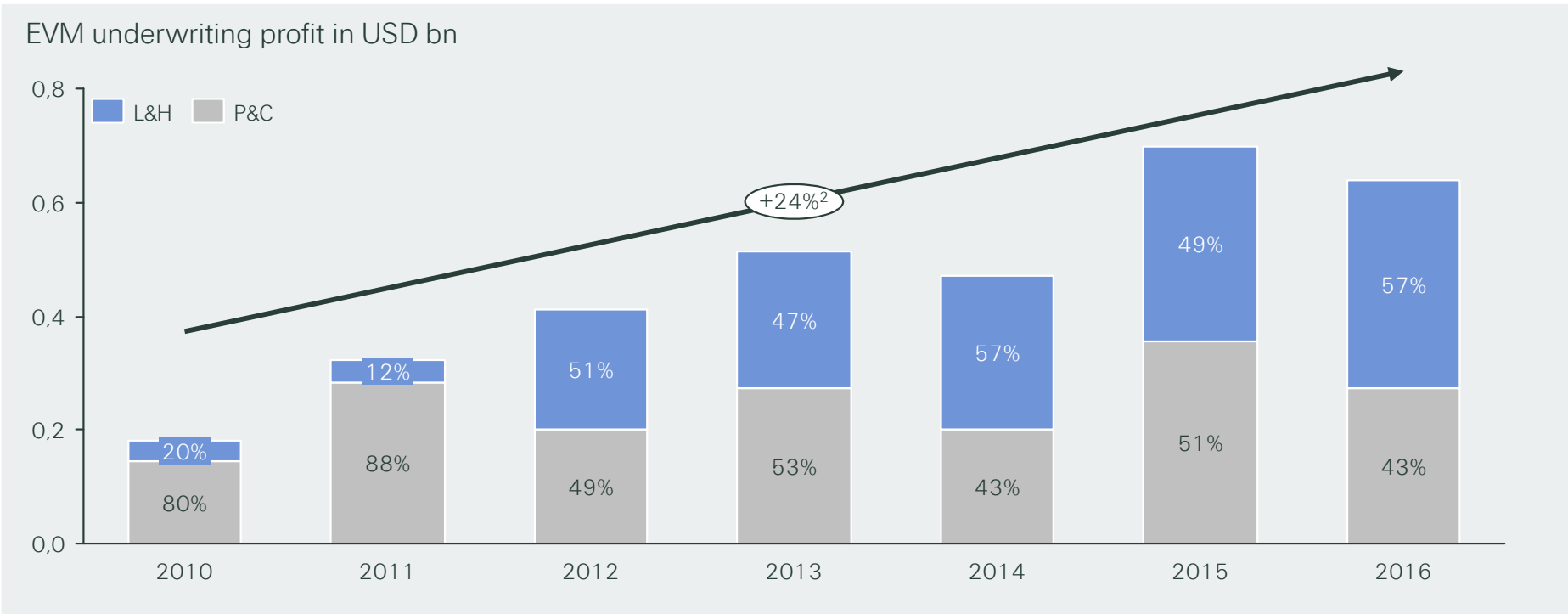


- Fund acquisition expenses with growth of new business
- Technical and market expertise

Key success factors include a clear objective, capacity, use of best practices and transparent communication

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

Development of transactions¹



- EVM underwriting profit from transactions substantially increased over the past 7 years
- In 2016, 38% of total EVM new business underwriting profits generated by transactions

¹ Data before external retro and other items, FX not restated; Transactions include structured deals and large transactions for L&H and structured business only for P&C

² Compound Annual Growth Rate

Swiss Re Institute builds on our thought leadership position, bringing us closer to the needs of our clients

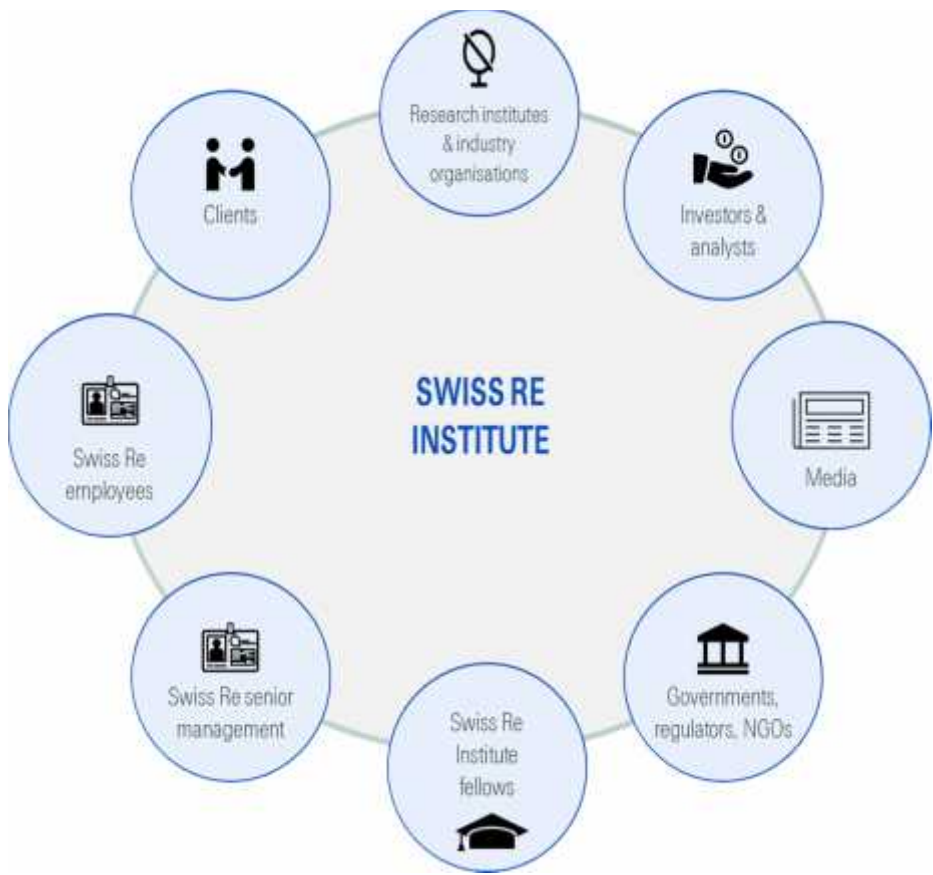
Swiss Re Institute value proposition

Influential thought leadership

We combine our powerful expertise together with world-class research partners to create impactful insights on issues that matter in our world.

Our industry-leading research enables risk-focused decision-making and identifies new strategic opportunities for Swiss Re and our clients.

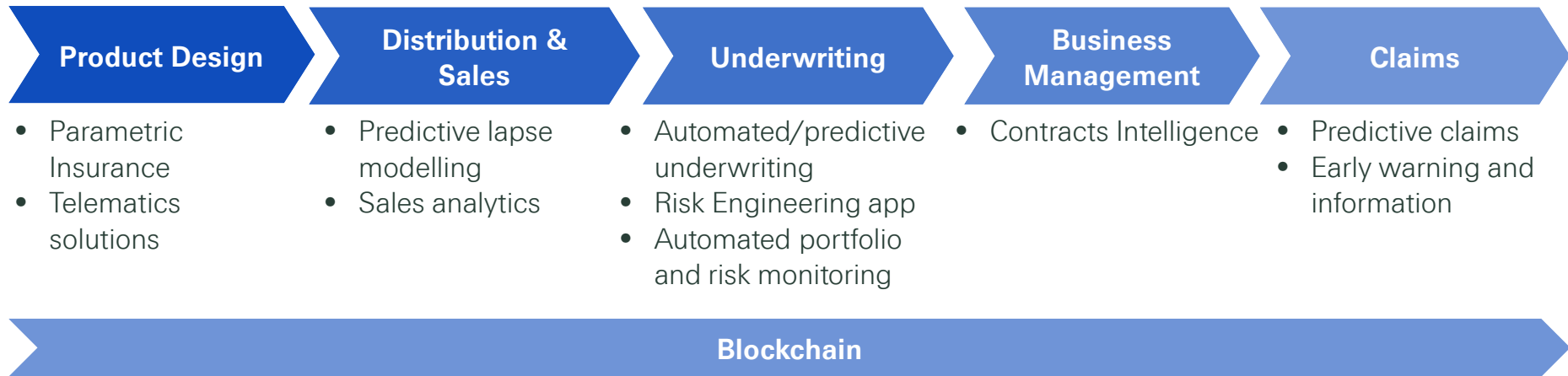
The Swiss Re Institute delivers to its internal and external stakeholders



Technology enables solutions across multiple lines of business and the value chain

Technology allows both a deeper understanding of risks and new services for clients

- Swiss Re is leveraging technology to better understand risk, improve underwriting and increase the efficiency of reinsurance
- Our data scientists and business function teams partner to deliver cognitive computing and artificial intelligence solutions across the value chain



- Swiss Re is one of the founding members of B3i, the insurance Blockchain consortium

Note: Non-exhaustive overview of selected digital innovation at Swiss Re

Digital & Smart Analytics capabilities enable solution development for our clients

LEOPARD

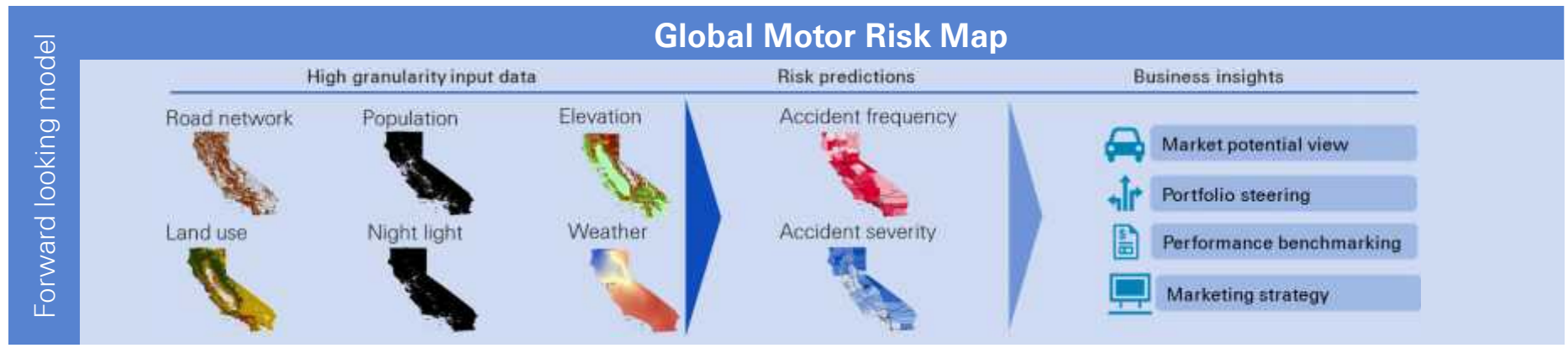
Exposure solution

- LEOPARD is a Swiss Re developed tool allowing visualisation of client UW data directly on their own workstations

Magnum

Automated underwriting

- Magnum is Swiss Re's automated underwriting and claims engine for assessing biometric risk across the spectrum of protection insurance products

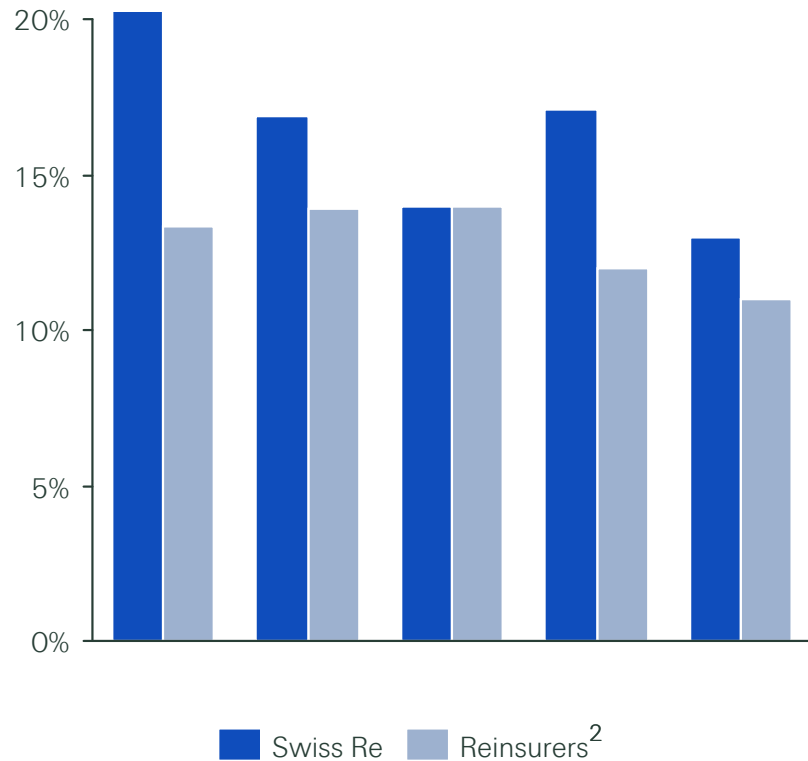


Solution Enablers

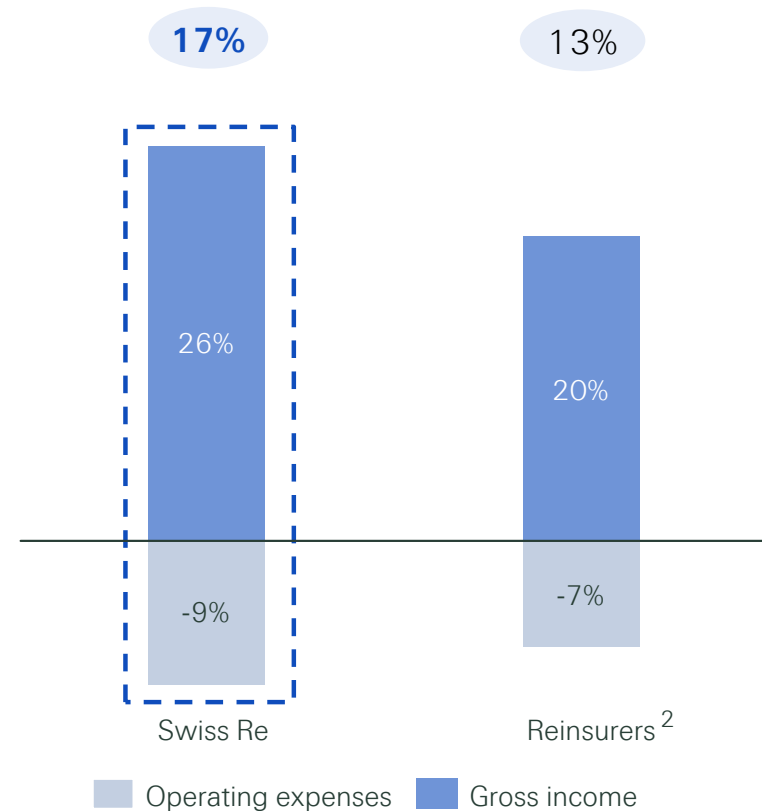
Predictive Modelling	Visual Analytics	Rapid Prototyping	Machine Learning	Text Analytics	Big Data Methods
-----------------------------	-------------------------	--------------------------	-------------------------	-----------------------	-------------------------

Our differentiation approach has enabled Swiss Re to generate higher margins and outperform

Net operating margin (NOM)¹ 2012 –2016



NOM – Split by components – Avg. 2012-2016



Swiss Re outperformed peers on average by 4%pts since 2012, driven by underwriting performance (risk selection, capital allocation and differentiation)

¹ Net operating margin = Earnings before interest and tax / total revenues less participating business investment result

² Average of Alleghany, Everest Re, Hannover Re, Munich Re, Partner Re, RGA and SCOR

Key takeaways

- Swiss Re is well positioned to face industry challenges and seize opportunities due its diverse capability across regions and position as a knowledge company
- Differentiation is at the core of our Reinsurance strategy, which leads to a high level of client satisfaction and delivers strong financial results
- We will continue to strengthen our differentiation approach by:
 - sharpening our **core** business to drive efficiencies in our traditional reinsurance business
 - strengthening **transactions** through a broader strategic dialogue with clients, delivering innovative, customised solutions
 - professionalising **solutions** to add value to clients and to bring us closer to the original risk



Corporate calendar & contacts

Corporate calendar

2017

4 August

Half Year 2017 Results

Conference call

2 November

Nine Months 2017 Key Financial Data

Conference call

Investor Relations contacts

Hotline

+41 43 285 4444

E-mail

Investor_Relations@swissre.com

Philippe Brahin

+41 43 285 7212

Jutta Bopp

+41 43 285 5877

Manfred Gasser

+41 43 285 5516

Chris Menth

+41 43 285 3878

Iunia Rauch-Chisacof

+41 43 285 7844

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 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 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.

This communication is not intended to be a recommendation to buy, sell or hold securities and does not constitute an offer for the sale of, or the solicitation of an offer to buy, securities in any jurisdiction, including the United States. Any such offer will only be made by means of a prospectus or offering memorandum, and in compliance with applicable securities laws.