



Swiss Re delivers first-quarter Group net income of USD 1.4 billion; excellent Group combined ratio of 72.4%

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- **Swiss Re delivers first-quarter Group net income of USD 1.4 billion; Group return on equity at 16.6%**
- **First-quarter premiums earned and fee income at USD 6.8 billion**
- **P&C Re and Corporate Solutions with very strong underwriting results; excellent Group combined ratio of 72.4%**
- **Successful April renewals; price quality remains strong**
- **Swiss Re on track to reach financial targets in a difficult economic environment**

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Zurich, 2 May 2013 – Swiss Re reports a very strong Group net income of USD 1.4 billion for the first quarter of 2013, 21% higher than the USD 1.1 billion net income reported in the prior year period. Very strong underwriting performances across Swiss Re's Property & Casualty Reinsurance and Corporate Solutions businesses were the key drivers of this performance. Life & Health Reinsurance saw flat profits whereas Admin Re[®] demonstrated an improving underlying earnings capacity. Swiss Re continues to be on track to achieve its 2011-2015 financial targets and is well placed to face the continued uncertainty in the global economic environment.

Michel M. Liès, Swiss Re's Group Chief Executive Officer, says: "We are starting our 150th anniversary year with a very strong first quarter result. It demonstrates we have the right strategy and structure in place to reach our 2011-2015 financial targets. The successful April renewals are another proof of Swiss Re's ability to perform and grow despite economic headwinds and a continuous low interest rate environment."

Excellent Group combined ratio of 72.4%; good investment performance

In the first quarter of 2013, Swiss Re's Group net income increased 21% to USD 1.4 billion from USD 1.1 billion in the prior-year period. Premium and fee income increased 9% to USD 6.8 billion (vs USD 6.2 billion in the first quarter of 2012) as a consequence of organic growth, the expiry of a 20% quota share agreement with Berkshire Hathaway and comparatively low losses from man-made and natural catastrophes during the first three months of 2013. The Group combined ratio was 72.4%, continuing the long-term improving trend seen over the past years. This shows that Swiss Re has



established a successful track record to underwrite risks prudently across all business lines, also in a difficult economic environment.

The annualised return on investments was 3.4% in the quarter (vs 4.0% in the same period last year).

George Quinn, Swiss Re's Group Chief Financial Officer, says: "The Group portfolio is fundamentally in very good shape but we will continue to focus on areas of underperformance. We will not hesitate to take decisive action to further improve overall returns."

Earnings per share increased to USD 4.02 or CHF 3.72 during the first three months, compared to USD 3.33 or CHF 3.08 in 2012. Shareholders' equity slightly increased by USD 761 million to USD 34.8 billion. The return on equity further improved to 16.6% in the first quarter of 2013, up from 15.3% in the prior-year period. Book value per common share increased from USD 95.87 or CHF 87.76 at 31 December 2012 to USD 97.80 or CHF 92.84 at 31 March 2013.

Property & Casualty Reinsurance net income up 53%

P&C Re net income increased by 53% to USD 1.0 billion from USD 660 million a year ago. The primary driver for this performance was a very strong underwriting result. In addition, reserve releases and lower than expected claims due to the absence of major man-made or natural catastrophes contributed to the result.

Premiums earned during the first quarter rose by 15% to USD 3.5 billion (vs USD 3.1 billion in the prior year period), mainly due to the expiry of a 20% quota share agreement with Berkshire Hathaway at the end of 2012 and premiums earned from large transactions concluded in the course of last year.

The P&C Re combined ratio during the first three months was 69.7%, a significant improvement over the 85.0% reported last year.

Life & Health Reinsurance profit largely flat

Net income for the first three months was USD 222 million vs USD 209 million in the prior-year period. This increase includes a one-off net gain of USD 75 million from the recapturing of certain treaties.

Continued growth in the global Health segment, particularly in Europe and Asia, as well as increased longevity premiums led to a 6% increase in premiums earned and fee income to USD 2.3 billion (vs USD 2.2 billion). The benefit ratio for the first three months rose to 78.5% compared to 74.4% in the same quarter last year.

Profitability in the traditional life business remains under pressure amid a low interest rate environment and continued subdued demand. Swiss Re is determined to address this challenge.



Corporate Solutions reports strong earnings and continued growth

Swiss Re's commercial insurance Business Unit, Corporate Solutions, generated a 20% higher first-quarter net income of USD 101 million (vs USD 84 million), driven by a 15% increase in premiums earned to USD 613 million (vs USD 531 million). The Business Unit's combined ratio was 87.6%, slightly higher than the 84.7% reported a year ago.

Corporate Solutions is successfully delivering against its target of generating profitable growth for the Group.

Admin Re® cash generation in-line with expectation

Net income of USD 78 million was generated in the first quarter of 2013 compared to USD 174 million in the prior-year period, with the decline due to the absence of a tax benefit and other one-off items which boosted last year's first quarter results. The underlying business delivered a gross cash generation of USD 63 million, in-line with expectations and comparable with last year's first-quarter result of USD 71 million which included the US business of Admin Re®, sold in the third quarter of 2012.

Successful P&C Re April renewals show moderate growth

The April treaty renewals – mainly focused on business in Asia – concluded successfully and showed moderate growth. The price quality of the portfolio remained strong. The renewals also showed a measured move into some casualty segment business lines and are a positive indicator for the upcoming July renewals.

Swiss Re on track to reach financial targets despite headwinds

Amid a weak growth outlook for 2013 and the continued low interest rate environment, Swiss Re remains on track to deliver its 2011-2015 financial targets.

Kurt Karl, Swiss Re's Chief Economist, says: "Growth in the advanced economies will remain subdued and this is a challenge for our industry. High growth markets, however, remain a bright spot and many opportunities are intact. Re/insurance premiums in these economies will continue to be sustained by economic activity and increased penetration."



Details of first-quarter performance (Q1 2013 vs Q1 2012)

		Q1 2013	Q1 2012
P&C Reinsurance	Premiums earned (USD millions)	3,534	3,070
	Net income (USD millions)	1,009	660
	Combined ratio (%)	69.7	85.0
	Return on investment (% annualised)	2.6	3.5
	Return on equity (% annualised)	35.5	25.4
L&H Reinsurance	Premiums earned and fee income (USD millions)	2,313	2,173
	Net income (USD millions)	222	209
	Benefit ratio (%)	78.5	74.4
	Return on investment (% annualised)	3.9	4.3
	Return on equity (% annualised)	12.6	9.8
Corporate Solutions	Premiums earned (USD millions)	613	531
	Net income (USD millions)	101	84
	Combined ratio (%)	87.6	84.7
	Return on investment (% annualised)	3.2	3.2
	Return on equity (% annualised)	13.1	13.9
Admin Re®	Premiums earned and fee income (USD millions)	322	434
	Net income (USD millions)	78	174
	Return on investment (% annualised)	4.7	5.0
	Return on equity (% annualised)	4.8	9.4
Consolidated Group (Total)	Premiums earned and fee income (USD millions)	6,782	6,208
	Net income (USD millions)	1,380	1,141
	Earnings per share (USD)	4.02	3.33
	Combined ratio (%)	72.4	84.9
	Return on investment (% annualised)	3.4	4.0
	Return on equity (% annualised)	16.6	15.3



Notes to editors

Video presentation and slides

A video presentation of Swiss Re's results and the accompanying slides are available on www.swissre.com.

Media conference call

Swiss Re will hold a media conference call this morning at 08.30 am (CET). You are kindly requested to dial in 10 minutes prior to the start using the following numbers:

From Switzerland:	+41 (0)58 310 5000
From Germany:	+49 (0) 69 25 511 4445
From UK:	+44 (0) 203 059 5862
From France:	+33 (0) 170 918 706
From USA (toll-free):	+1 (1) 631 570 5613
From Hong Kong:	+852 58 08 1769

Investors' and analysts' conference call

Swiss Re will hold an investors' and analysts' conference call this afternoon at 2 pm (CET) which will focus on Q&A. You are kindly requested to dial in 10 minutes prior to the start using the following numbers:

From Switzerland:	+41 (0) 58 310 5000
From Germany:	+49 (0) 69 25 511 4445
From UK:	+44 (0) 203 059 5862
From France:	+33 (0) 170 918 706
From USA (toll-free):	+1 631 570 5613
From Australia (toll-free):	+61 28 073 0441

The presentation slides are available on www.swissre.com.

Swiss Re

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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" 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, liquidity position or prospects to be materially different from any future results of operations, financial condition, solvency ratios, liquidity position 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, including as a result of concerns over, or adverse developments relating to, sovereign debt of euro area countries;
- 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;
- 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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