

News release

Swiss Re reports 31% rise in 2015 net income to USD 4.6 billion, increases dividend to CHF 4.60 and proposes new share buy-back; Christian Mumenthaler to become Group CEO as of 1 July 2016

- Group net income strong at USD 4.6 billion; 2011-2015 ROE and EPS financial targets successfully delivered
- Property & Casualty Reinsurance USD 3.0 billion net income; ROE of 22.2%
- Life & Health Reinsurance net income climbed to USD 939 million; achieved ROE target
- Corporate Solutions net income USD 340 million; ROE of 14.8%
- Admin Re[®] net income USD 422 million; USD 543 million gross cash generation for the year, ROE 7.5%
- Attractive portfolio maintained at January P&C treaty renewals, despite challenging markets, showing continued success of differentiation through large and tailored transactions
- The strong 2015 results, together with the strategic framework, provide an excellent base for the future
- Board of Directors to propose 8.2% rise in regular dividend to CHF 4.60 per share and the authorisation of a new public share buy-back programme of up to CHF 1 billion
- Christian Mumenthaler to become Group CEO on 1 July 2016, Michel M. Liès to retire

Zurich, 23 February 2016 – Swiss Re delivered a strong full-year net income of USD 4.6 billion for 2015, USD 938 million of which was earned in the fourth quarter. All three business units contributed to this result, with L&H Re in particular reporting a strong increase in net income after the successful management actions in 2014. With a clear focus during the past five years on the 2011–2015 group financial targets, Swiss Re successfully delivered on its return on equity (ROE) and earnings per share (EPS) targets. Given the strong business performance and the very strong capital position, Swiss Re's Board of Directors will propose raising its regular dividend to CHF 4.60 per share. The Board of Directors will also propose to the Annual General Meeting the authorisation of a new public share buy-back programme of up to CHF 1.0 billion.

Swiss Re's Group Chief Executive Officer, Michel M. Liès, says: "We have delivered a strong performance based on our underwriting discipline over the past five years and end this period with one of our highest-ever profits. I am also pleased to announce that we achieved our return on equity and earnings

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per share targets, even as the market environment has changed considerably since 2011. L&H Re bounced back with a strong operating result after the management actions we undertook in 2014. We maintained a strong capital position, increased the regular dividends with earnings and launched a share buy-back programme. At the same time we broadened the offering of the services we can bring to our clients."

Strong full-year Group results

All Business Units contributed positively to a 31% increase in Group net income to USD 4.6 billion in 2015 (vs USD 3.5 billion in 2014). The result benefited from strong underwriting, the absence of major natural catastrophes and from reserve releases, as well as from the strong result in L&H Re.

The ROE for 2015 was 13.7% with EPS of CHF 12.93 or USD 13.44, compared with CHF 9.33 or USD 10.23 for the prior year.

Premiums earned and fee income for the Group totalled USD 30.2 billion for 2015, compared to USD 31.3 billion for 2014, mainly reflecting unfavourable foreign exchange rate movements. At constant exchange rates, premiums and fees increased by 4%.

Swiss Re achieved a strong full-year investment result in a difficult low-yield environment. The Group's return on investments (ROI) was 3.5% for 2015 (vs 3.7% in 2014), as Swiss Re continued to maintain a steady return, with a high-quality, well balanced portfolio. Net investment income was USD 3.4 billion (vs USD 4.1 billion in 2014), in part driven by net asset outflows.

Common shareholders' equity was USD 32.4 billion at the end of 2015 (vs USD 34.8 billion at the end of 2014). Book value per common share was USD 95.98 or CHF 96.04 as of 31 December 2015, compared to USD 101.78 or CHF 101.12 at the end of 2014.

Significant capital returns to shareholders; new public share buy-back proposed

Based on the Group's capital strength, as reflected by the estimated Group SST economic capitalisation of around 205% at the end of 2015, Swiss Re's Board of Directors will propose an 8.2% increase in the regular dividend for 2015 to CHF 4.60 per share, up from CHF 4.25 for 2014. The dividend will be paid after shareholder approval at the Annual General Meeting on 22 April 2016. Swiss Re launched a share buy-back programme of up to CHF 1.0 billion in November 2015; to date, shares for a purchase value of approximately CHF 900 million have been bought back. The Board of Directors will propose to the 2016 AGM the cancellation of repurchased shares by way of share capital reduction.

Swiss Re plans to continue to return capital to shareholders, and the Board of Directors proposes to seek authorisation for a new share buy-back programme of up to CHF 1 billion to be executed before the 2017 AGM. It will only be launched if excess capital is available, no major loss event has

occurred, other business opportunities do not meet Swiss Re's strategic and financial objectives and the necessary regulatory approvals have been obtained. These capital measures are expected to bring the total amount of capital returned to shareholders to USD 12.1 billion since the implementation of the new Group structure in 2012, even excluding the upcoming proposed share buy-back.

P&C Re delivers strong net income of USD 3.0 billion; ROE of 22.2%

P&C Re's net income declined to USD 3.0 billion in 2015 (vs USD 3.6 billion in 2014), following price softening, large man-made loss burden as well as lower realised investment gains. The results reflected continued solid underwriting performance supported by benign natural catastrophe experience and prior-year net reserve releases. The combined ratio was 86.0%, compared to 83.7% for the previous year.

Net premiums earned were USD 15.1 billion (vs USD 15.6 billion in 2014). The decrease was mainly driven by foreign exchange rate movements. Excluding this impact, premiums earned increased by USD 497 million, driven by higher premiums in US casualty and higher earnings from contracts written in prior years in the EMEA region.

L&H Re delivers strong increase in profitability; meets ROE target

L&H Re reported net income of USD 939 million for 2015, reflecting a strong operating result, lower interest charges and net realised gains. This compared to a loss of USD 462 million in 2014, which was mainly due to management actions taken to address the pre-2004 US individual life business.

The L&H Re segment met the 10%–12% ROE target set for it at the June 2013 Investors' Day with an adjusted ROE of 11.8%. Unadjusted, the 2015 ROE was 15.7%.

Premiums earned and fee income decreased by 2.7% to USD 11.0 billion (vs USD 11.3 billion). At constant exchange rates, premiums earned and fee income were 6% higher in 2015, benefiting from new longevity deals in Europe and large transactions in Australia.

Corporate Solutions net income 6.6% higher; ROE 14.8%

Corporate Solutions delivered a net income of USD 340 million in 2015 (vs USD 319 million in 2014), reflecting continued profitable business performance across most lines of business and increased investment income.

Premiums earned were USD 3.4 billion, a decrease of 1.9%, driven by the challenging market and foreign exchange rate movements. At constant exchange rates, premiums earned increased by 1.7%.

The combined ratio slightly increased to 93.8% from 93.0% in 2014, due to higher large man-made losses. The quality of the book remained consistently high year on year, with better than expected natural catastrophe experience. Corporate Solutions opened operations in a number of locations during the year expanding the distribution network to 52 offices in 20 countries.

Admin Re[®] net income of USD 422 million; part of Life Capital as of 1 January 2016

Admin Re[®] reported a strong net income of USD 422 million for 2015 (vs USD 34 million in 2014). The result was driven mainly by higher realised gains from sales of assets as part of the preparation for Solvency II and tax credits in the UK during 2015. The 2014 result was impacted by the loss of USD 203 million on the sale of Aurora National Life Assurance Company.

Gross cash generation was strong at USD 543 million in 2015, including positive impacts from UK assumption updates, primarily to mortality rates, and the UK half-year valuation. The acquisition of Guardian Financial Services has positioned Admin Re[®] as a leading closed life book consolidator in the UK.

Commenting on the Group's full-year results, Swiss Re's Group Chief Financial Officer David Cole says: "These results show that we are well positioned to capture available opportunities, despite headwinds that the entire industry is experiencing as a result of the tough market environment. Looking ahead, we are in a solid position to combine our capital strength with financial flexibility in order to continue to profitably grow our business."

Fourth quarter results

The Group's net income for the fourth quarter was USD 938 million, up from USD 245 million in the same period of 2014. The comparable prior quarter result reflected the impact of management actions and the unwinding of an asset funding structure supporting a longevity transaction, both in L&H Re. The Group ROI for the quarter was 2.7% (vs 3.6% in Q4 2014).

P&C Re net income declined to USD 703 million for the fourth quarter of 2015 (vs USD 1.2 billion in Q4 2014), driven by lower realised gains. The quarter was impacted by flood losses in the UK and in India. Premiums earned declined to USD 3.7 billion, though measured at constant foreign exchange rates, premiums earned were flat. Growth in US casualty was offset by lower motor business in Asia and property business in EMEA and Asia.

L&H Re reported a net income of USD 176 million. This compared to a USD 734 million net loss in the prior-year period, which reflected the management actions taken in 2014. The operating margin improved to 7.8%. Measured at constant exchange rates, premium and fee income was slightly higher based on new business that was written in the UK and in Asia.

Corporate Solutions reported fourth quarter net income of USD 16 million (vs USD 70 million), after higher than expected large man-made losses and losses attributable to insurance in derivative form due to mild weather in December 2015. Premiums earned were USD 858 million in the fourth quarter, a decrease of 1.4%, driven by the challenging market and foreign exchange rate movements. Measured at constant exchange rates, net earned premiums increased by 1.3%. The combined ratio was 99.5% (vs 93.4%).

Admin Re[®] delivered net income of USD 152 million. In the fourth quarter of 2014 the business unit reported a net loss of USD 185 million, driven by the USD 203 million loss on the sale of Aurora. Gross cash generation for the

fourth quarter was USD 278 million, down from USD 330 million in the prior-year period, which included the USD 217 million proceeds from the sale of US subsidiary Aurora National Life Assurance Company.

Swiss Re maintains attractive portfolio despite rate pressures at January 2016 renewals

Swiss Re renewed USD 8.8 billion as compared to the USD 8.6 billion premium volume up for renewal. This represents an increase of 3%, entirely driven by a 16% rise in large and tailored transactions whereas the exposure to flow business decreased by 4%. Risk-adjusted price quality decreased by 3 percentage points to 102%, still meeting Swiss Re's economic return hurdles as the success of differentiation through large and tailored transactions – with different terms and conditions – continued.

Swiss Re's targets focus on profitability and economic growth

Swiss Re has met its 2011–2015 ROE and EPS financial targets. Results on the economic net worth per share target will be reported with the publication of the 2015 Annual Report and EVM Report on 16 March 2016.

Swiss Re introduced two new Group financial targets starting in 2016. Over the cycle, the company targets a 700 basis point ROE above the risk-free rate (10-year US government bonds). In addition, the company aims to grow economic net worth per share by 10% per year.

Group Chief Executive Officer, Michel M. Liès, says: "Our strategic framework, which we unveiled in December 2015, will further ensure our ability to respond to market challenges by being agile. In addition, the framework will support us in quickly seizing new opportunities in the future as well. It will continue to support us as we drive to further differentiate Swiss Re in a challenging environment and broaden and diversify our client base. Managing risk is our core business and has been so for more than 150 years. By applying fresh perspectives, knowledge and capital to anticipate and manage risks, Swiss Re makes the world more resilient."

Christian Mumenthaler to become Group CEO on 1 July 2016, Michel M. Liès to retire

Swiss Re's Board of Directors announces that Christian Mumenthaler (46, Swiss citizen), currently CEO of Reinsurance, will become Group Chief Executive Officer of Swiss Re as of 1 July 2016. Michel M. Liès will retire. Walter B. Kielholz, Chairman of the Board of Directors, says: "The Board of Directors wishes to thank Michel M. Liès for the more than 35 years of service to Swiss Re, the last four as Group CEO. Throughout his career, Michel has lived Swiss Re's highest values and has been key to our Group's continued strong performance. Under his leadership over the past four years, net income has almost doubled, the capital base has increased significantly and we have distributed more than USD 12 billion of excess capital back to shareholders. It is fitting that we make this announcement at the end of a successful 2011–2015 financial target period, and after having introduced a new strategic framework."

Michel M. Liès says: "I am passionate about Swiss Re's future. I am convinced that Christian Mumenthaler and his team will further strengthen the role of Swiss Re in our industry and our society more generally. It is an honour and a privilege to work for this great company. I will always be proud to have been part of Swiss Re."

Christian Mumenthaler has been with Swiss Re for 17 years, most recently as CEO of Reinsurance. The Board is delighted to have found an internal successor who can transition smoothly and who has an intimate understanding of and experience in implementing the Group's strategy. For nearly five years, Christian Mumenthaler has led the Reinsurance Business Unit, which is responsible for approximately 85% of the Group's revenue. Christian Mumenthaler has been key to P&C Re's continued outperformance and to getting L&H Re back on track. The nomination of Christian Mumenthaler demonstrates both the depth of Swiss Re's talent and the importance of maintaining Swiss Re's distinctive culture.

Details of full-year performance (2015 vs 2014)

		FY 2015	FY 2014
P&C Reinsurance	Premiums earned (USD millions)	15 090	15 598
	Net income (USD millions)	2 977	3 564
	Combined ratio (%)	86.0	83.7
	Return on investments (%)	3.5	3.7
	Return on equity (%)	22.2	26.7
L&H Reinsurance	Premiums earned and fee income (USD millions)	10 963	11 265
	Net income (USD millions)	939	(-462)
	Operating margin ¹ (%)	9.9	2.6
	Return on investments (%)	3.4	3.2
	Return on equity (%)	15.7	(-7.9)
Corporate Solutions	Premiums earned (USD millions)	3 379	3 444
	Net income (USD millions)	340	319
	Combined ratio (%)	93.8	93.0
	Return on investments (%)	3.0	2.6
	Return on equity (%)	14.8	12.5
Admin Re[®]	Premiums earned and fee income (USD millions)	782	955
	Gross cash generation (USD millions)	543	945
	Net income (USD millions)	422	34
	Return on investments (%)	4.7	4.6
	Return on equity (%)	7.5	0.6
Consolidated Group (Total)²	Premiums earned and fee income (USD millions)	30 214	31 262
	Net income (USD millions)	4 597	3 500
	Earnings per share (USD)	13.44	10.23
	Combined ratio (%)	87.4	85.4
	Return on investments (%)	3.5	3.7
	Return on equity (%)	13.7	10.5

¹ Operating margin is calculated as operating income divided by total operating revenues.

² Also reflects Group Items, including Principal Investments.

Details of fourth quarter performance (Q4 2015 vs Q4 2014)

		Q4 2015	Q4 2014
P&C Reinsurance	Premiums earned (USD millions)	3 712	3 920
	Net income (USD millions)	703	1 179
	Combined ratio (%)	89.6	86.7
	Return on investments (% annualised)	2.7	4.2
	Return on equity (% annualised)	22.4	35.8
L&H Reinsurance	Premiums earned and fee income (USD millions)	2 872	2 825
	Net income (USD millions)	176	(-734)
	Operating margin ³ (%)	7.8	(-15.9)
	Return on investments (% annualised)	2.8	3.0
	Return on equity (% annualised)	12.1	(-45.5)
Corporate Solutions	Premiums earned (USD millions)	858	870
	Net income (USD millions)	16	70
	Combined ratio (%)	99.5	93.4
	Return on investments (% annualised)	2.5	2.0
	Return on equity (% annualised)	2.8	11.2
Admin Re[®]	Premiums earned and fee income (USD millions)	217	224
	Gross cash generation (USD millions)	278	330
	Net income (USD millions)	152	(-185)
	Return on investments (%)	4.5	3.7
	Return on equity (% annualised)	11.8	(-11.9)
Consolidated Group (Total)⁴	Premiums earned and fee income (USD millions)	7 659	7 839
	Net income (USD millions)	938	245
	Earnings per share (USD)	2.75	0.72
	Combined ratio (%)	91.4	87.9
	Return on investments (% annualised)	2.7	3.6
	Return on equity (% annualised)	11.5	2.9

³ Operating margin is calculated as operating income divided by total operating revenues.

⁴ Also reflects Group Items, including Principal Investments.

The foregoing and the 2015 Financial Review of the Swiss Re Group contain updates on our business and results and preliminary unaudited financial information for 2015. The updates on our business and results will be included in our 2015 Annual Report, together with our audited financial statements for 2015 and other disclosures we are required to include or historically have included in an annual report. The foregoing and the 2015 Financial Review of the Swiss Re Group are not intended to be a substitute for the full 2015 Annual Report, which will be published on the Swiss Re website on 16 March 2016.

Video presentation and slides

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

Media conference and call

Swiss Re will hold a media conference with a dial-in possibility this morning at 10:30 am (CET). If you plan to dial in, you are kindly requested to call 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)1 7091 8706
From USA:	+1 (1) 631 5705613
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)1 7091 8706
From USA:	+1 (1) 631 570 5613
From Australia:	+61 28 073 0441

About Swiss Re

The Swiss Re Group is a leading wholesale provider of reinsurance, insurance and other insurance-based forms of risk transfer. Dealing direct and working through brokers, its global client base consists of insurance companies, mid-to-large-sized corporations and public sector clients. From standard products to tailor-made coverage across all lines of business, Swiss Re deploys its capital strength, expertise and innovation power to enable the risk-taking upon which enterprise and progress in society depend. Founded in Zurich, Switzerland, in 1863, Swiss Re serves clients through a network of around 70 offices globally and is rated "AA-" by Standard & Poor's, "Aa3" by Moody's and "A+" by A.M. Best. Registered shares in the Swiss Re Group holding company, Swiss Re Ltd, are listed in accordance with the International Reporting Standard on the SIX Swiss Exchange and trade under the symbol SREN. For more information about Swiss Re Group, please visit: www.swissre.com or follow us on Twitter @SwissRe.

For logos and photography of Swiss Re executives, directors or offices go to www.swissre.com/media

For media 'b-roll' please send an e-mail to media_relations@swissre.com



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:

- instability affecting the global financial system and developments related thereto;
- 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 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 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. The Group 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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