

News release

Swiss Re delivers 17% rise in first-quarter 2015 net income to USD 1.4 billion; strong underwriting and investment results

- Strong Group net income of USD 1.4 billion and ROE of 16.1%, driven by profitability across all Business Units and strong investment results
- Property & Casualty Reinsurance net income of USD 808 million and ROE of 22.7%, reflecting sound underwriting and benign natural catastrophe experience
- Life & Health Reinsurance net income of USD 277 million and ROE of 17.2%; on track to meet its 10-12% ROE target
- Corporate Solutions net income of USD 167 million; strong ROE of 29.0%
- Admin Re[®] net income of USD 206 million and gross cash generation of USD 52 million; ROE 12.7%
- Price quality of P&C Re portfolio remains attractive following April renewals

Zurich, 30 April 2015 – Swiss Re reported a strong Group net income of USD 1.4 billion for the first quarter of 2015. Property & Casualty Reinsurance again led the positive contributions from all Business Units. Life & Health Reinsurance net income increased to USD 277 million and the segment is on track to meet its return on equity target for the year. Corporate Solutions continued to generate profitable growth with a net income of USD 167 million. Admin Re[®] delivered excellent net income growth and gross cash generation in line with expectations. Despite the ongoing challenges from further declining interest rates and market uncertainty, Swiss Re delivered a strong return on investments of 3.9%. Swiss Re is on track to reach its 2011-2015 financial targets by the end of this year.

Michel M. Liès, Swiss Re's Group Chief Executive Officer, says: "The current market and interest rate environment continues to be very challenging. For that reason, I am all the more pleased to say that we have been able to further grow our business profitably and achieve strong results thanks to our client-centred, differentiated approach and diversified business model. In addition, the result shows our ability to manage our risk portfolios to better mitigate challenges and seize market opportunities."

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Strong Group net income and investment result

Swiss Re's Group net income of USD 1.4 billion in the first quarter of 2015 was 17% higher than the USD 1.2 billion reported for Q1 2014. Premiums earned and fee income of USD 7.6 billion for the Group was in line with the prior-year quarter. Measured at constant foreign exchange rates, premiums earned and fee income increased by 7%.

The investment result was strong at USD 1.1 billion (vs USD 1.1 billion in Q1 2014). The annualised return on investments increased to 3.9% in the first quarter of 2015 (vs 3.7%).

The Group's Swiss Solvency Test (SST) ratio was 223% as reflected in the submission to FINMA at the end of April 2015, reaffirming the Group's very strong capital position.

David Cole, Swiss Re's Group Chief Financial Officer, says: "The first quarter has seen all Business Units deliver a very good start to the year. We're especially pleased that our Life & Health business is on track to meet our profitability target. We've also been able to achieve a strong investment result despite ongoing low interest rates amid an environment of financial repression."

P&C Re reported net income of USD 808 million

In the first quarter of 2015, P&C Re reported net income of USD 808 million (vs USD 990 million in Q1 2014). The result benefited from benign natural catastrophe experience and a good underwriting result. These were offset by price softening and less positive reserve developments than in the prior-year period.

Premiums earned during the first quarter decreased slightly to USD 3.77 billion compared to the USD 3.81 billion in the first quarter of 2014, mainly due to foreign exchange translations. If measured at constant foreign exchange rates, premiums would have increased by 6%. This underlying increase was driven by further growth in the casualty business, particularly in the US and EMEA regions.

The P&C Re combined ratio during the first three months of the year was 84.4% (vs 79.2%), benefiting from a lower than expected level of natural catastrophe losses and reserve releases.

L&H Re net income of USD 277 million

L&H Re reported net income of USD 277 million (vs USD 64 million in Q1 2014) and ROE was 17.2%. The result benefited from realised gains and positive foreign exchange developments. Excluding these items, and on an equity base as at 30 June 2013, ROE was 11.6%. The segment is on track to reach its ROE target of 10%-12% by the end of 2015.

Premiums earned and fee income was steady at USD 2.7 billion. Premiums were higher in all markets, driven by new business in Asia and the US. At constant foreign exchange rates, underlying premiums grew by 9%. The operating margin for the first three months was 9.6% (vs 10.1%).

Corporate Solutions reported a strong net income of USD 167 million, ROE of 29.0%

Corporate Solutions' net income was USD 167 million (vs USD 80 million in Q1 2014), reflecting a continued strong business performance across a diversified portfolio. The result was also supported by the absence of any large natural catastrophe events during the first quarter.

Premiums earned grew 6% to USD 882 million (vs USD 830 million). At constant foreign exchange rates, the underlying premium growth was 9% compared to the prior-year period. All regions contributed to the increase, with the highest growth seen in Latin America and Europe. The overall pace of growth slowed due to a challenging market environment.

The Business Unit's combined ratio was 87.8% for the quarter (vs 95.2% in the prior-year period), driven by lower losses in property and speciality lines.

As part of its High Growth Markets initiative, Corporate Solutions has obtained a license to operate in South Africa, a further step to expand its footprint in these markets.

Admin Re® net income of USD 206 million; gross cash generation of USD 52 million

Admin Re® delivered a net income of USD 206 million in the first quarter of 2015 (vs USD 48 million in Q1 2014). The increase was due to higher realised gains from asset sales, favourable UK linked market performance and positive tax effects in the UK.

Gross cash generation was USD 52 million for the quarter (vs USD 202 million). The comparatively higher 2014 figure resulted from a one-off impact arising from the finalisation of the UK 2013 statutory result.

On 1 April 2015, the sale of the US subsidiary Aurora National Life Assurance Company (Aurora) to Reinsurance Group of America, Incorporated (RGA) was successfully completed at previously announced terms.

Admin Re® continues to execute on its strategic focus on the UK, where the Business Unit is strongly positioned to seek further new business opportunities and deliver on its ambitious dividend and gross cash generation objectives.

April renewals show growth with attractive price quality

The April treaty renewals saw Swiss Re increase the volume of renewed business by 7%, with the majority of the growth stemming from High Growth Markets. The price quality overall remains attractive despite further softening in property catastrophe rates.

Swiss Re on track to reach its 2011–2015 financial targets

Group return on equity was 16.1% in the quarter and earnings per share were USD 4.21 (vs USD 3.58 in Q1 2014).

Michel M. Liès, Swiss Re's Group Chief Executive Officer, says: "We have nine months until the end of our financial target period 2011-2015 and we are on track to deliver on the commitments we made to our shareholders. Despite a challenging overall environment, the insurance market offers ample opportunities and we remain well placed to address the significant levels of underinsurance in the world today. In addition, our data shows that there were more natural catastrophes in 2014 than in any other year on our records - yet, over two-thirds of the world's assets do not yet have any financial protection from these events. We remain firm in our commitment to help our insurance clients to meet this challenge in a profitable and sustainable manner."

Details of first-quarter performance (2015 vs 2014)

		Q1 2015	Q1 2014
P&C Reinsurance	Premiums earned (USD millions)	3 767	3 813
	Net income (USD millions)	808	990
	Combined ratio (%)	84.4	79.2
	Return on investments (%)	4.2	3.6
	Return on equity (%)	22.7	29.5
L&H Reinsurance	Premiums earned and fee income (USD millions)	2 692	2 672
	Net income (USD millions)	277	64
	Operating margin (%)	9.6	10.1
	Return on investments (%)	3.4	2.8
	Return on equity (%)	17.2	4.4
Corporate Solutions	Premiums earned (USD millions)	882	830
	Net income (USD millions)	167	80
	Combined ratio (%)	87.8	95.2
	Return on investments (%)	3.4	3.7
	Return on equity (%)	29.0	12.0
Admin Re[®]	Premiums earned and fee income (USD millions)	221	236
	Net income (USD millions)	206	48
	Return on investments (%)	5.2	4.9
	Return on equity (%)	12.7	3.2
Consolidated Group (Total)¹	Premiums earned and fee income (USD millions)	7 562	7 551
	Net income (USD millions)	1 440	1 226
	Earnings per share (USD)	4.21	3.58
	Return on investments (%)	3.9	3.7
	Return on equity (%)	16.1	14.9

¹ Also reflects Group Items, including Principal Investments

Notes to editors

Video presentation

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

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)17091 8706
From USA:	+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 2.00 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

Swiss Re

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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, 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:

- 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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