

Second quarter 2014 results

Analyst and investor presentation
Zurich, 6 August 2014

Today's agenda

- Business performance
- July renewals and financial targets

David Cole, Group CFO

Michel M. Liès, Group CEO

Business performance

David Cole, Group CFO

Q2 2014 Financial highlights

Strong Group performance

- **Profitable growth across all Business Units continues**
- **Group net income USD 0.8bn**
 - Return on equity 9.7%, earnings per share USD 2.34 (CHF 2.08)
 - Return on investments 4.1%
- **Reinsurance net income USD 0.6bn**
 - Good underwriting performance in P&C, supported by realised gains
 - Increased L&H operating margin, net investment income offset by realised losses
- **Corporate Solutions grows profitably, net premiums earned +22.6%**
- **Admin Re[®] with excellent gross cash generation USD 271 m**
- **Book value per common share USD 95.06 (CHF 84.30)**
 - Reflecting dividend payment of USD 3.1bn

Key figures Q2 2014

USD m, unless otherwise stated	P&C Re	L&H Re	Corporate Solutions	Admin Re®	Group items	Total Q2 2014	Total Q2 2013	Total H1 2014
• Premiums earned and fee income	3 560	2 895	841	264	-	7 560	6 795	15 111
• Net income/loss ¹	553	48	66	117	18	802	786	2 028
• Return on investments ²	4.3%	3.7%	2.4%	4.7%	1.6%	4.1%	3.8%	3.9%
• Return on equity	17.3%	3.0%	10.1%	7.6%	1.3%	9.7%	10.0%	12.6%
• Combined ratio	93.5%	-	93.2%	-	-			
• Operating margin	-	7.1%	-	-	-			
• Earnings per share	(USD)					2.34	2.28	5.92
	(CHF)					2.08	2.14	5.27
						Total Q2 2014	Total Q1 2014	Total FY 2013
• Common shareholders' equity ³	11 571	6 659	2 667	6 134	5 539	32 526	33 919	31 850
<i>of which unrealised gains</i>	804	1 161	135	1 148	99	3 347	2 447	1 616
• Book value per common share	(USD)					95.06	99.13	93.08
	(CHF)					84.30	87.56	82.76

¹ In Q2 2014 the allocation of certain intra-group cost recharges between P&C Re and L&H Re was revised. Comparative periods have been adjusted accordingly

² Return on investments calculation for 2014 excludes foreign exchange related net realised gains/losses and collateral balances

³ Excluding contingent capital instruments (USD 1 102m, of which USD 352m in P&C Re, USD 750m in L&H Re); basis for ROE and BVPS calculations

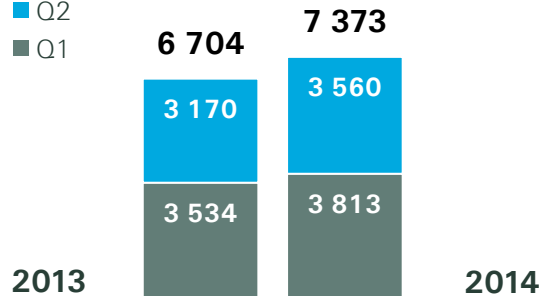
P&C Reinsurance

Continued good underwriting result and profitable business growth

Net premiums earned

USD m

- H1
- Q2
- Q1



- Increase mainly driven by the expiry of a quota share agreement in 2012 and large Asian and Americas transactions written at the end of 2013, partially offset by the non-renewal of a large European deal

Combined ratio

%

101.1%
(H1: 84.8%)



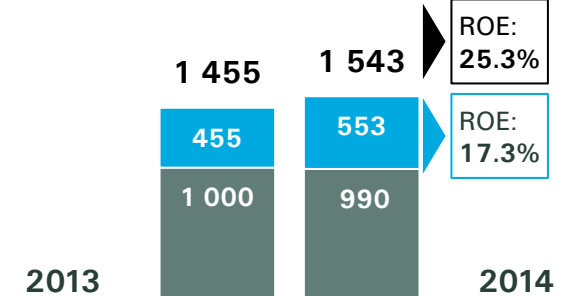
93.5%
(H1: 86.1%)

2013 2014

- Q2 2014 net impact from large nat cats was 4.4%pts, 1.7%pts below expected
- Q2 2014 benefited by 2.2%pts from prior year net reserve releases; Q2 2013: 3.5%pts
- Adjusting for expected nat cat and prior year development, Q2 2014 CR is 97.4%, reflecting seasonality in nat cat premium earning pattern

Net income

USD m



- Q2 2014 return on investments 4.3%; Q2 2013: 2.9%
- Q2 2014 realised gains of USD 206m, mainly from sale of equities; Q2 2013: USD 89m

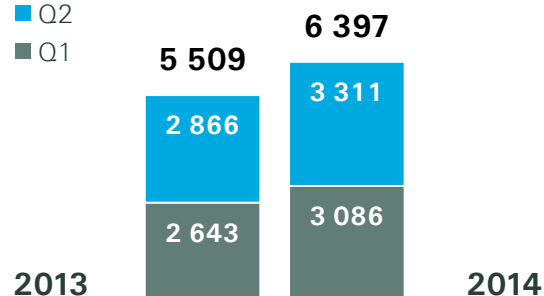
L&H Reinsurance

Strong new business growth, improved operating margin

Operating revenues

USD m

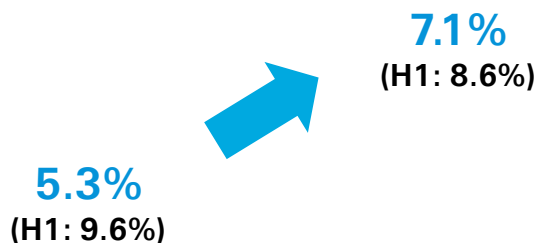
■ H1
■ Q2
■ Q1



- Q2 2014 premiums earned and fee income increased by 15.8%
- Increase driven by continued growth in the Health business in Asia and EMEA, and a large Q1 2014 longevity transaction in the UK

Operating margin¹

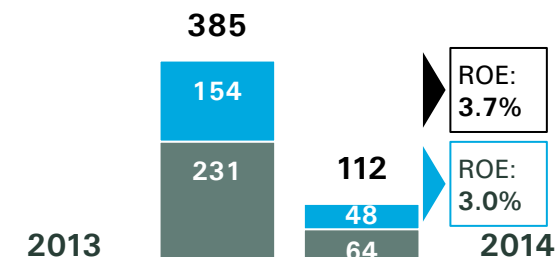
%



- Q2 2014 operating margin benefited from higher investment returns
- Q2 2014 running yield on investments 4.0%; Q2 2013: 3.5%

Net income

USD m



- L&H management team working across all lines of business to achieve targeted profitability levels
- Shareholders' equity increased to USD 7.4bn mainly as a result of lower interest rates; Q2 2013: 6.2bn

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

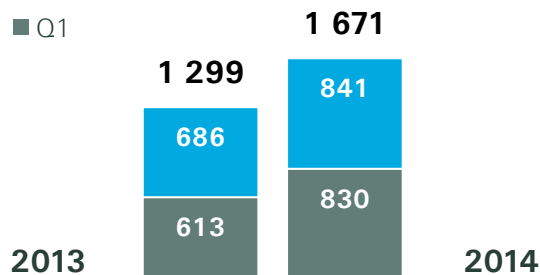
Corporate Solutions

Profitable growth continues

Net premiums earned

USD m

■ H1
■ Q2
■ Q1



- Q2 2014 increase in net premiums earned driven by organic growth across all lines of business and expiry of a quota share agreement in 2012
- Q2 2014 gross premiums written net of internal fronting increased by 14.8% to USD 0.9bn

Combined ratio

%

96.9%
(H1: 92.5%)



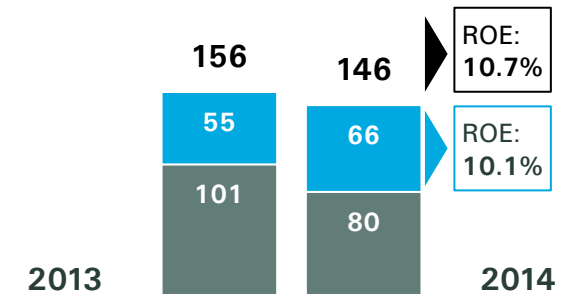
93.2%
(H1: 94.2%)

2013 2014

- Q2 2014 nat cat impact 1.3%pts, 2.3%pts below expected
- Q2 2014 favourable prior year development of USD 17m, benefiting CR by 2.0%pts
- Adjusting for expected nat cat and prior reserve development, Q2 2014 CR is 97.5%

Net income

USD m



2013 2014

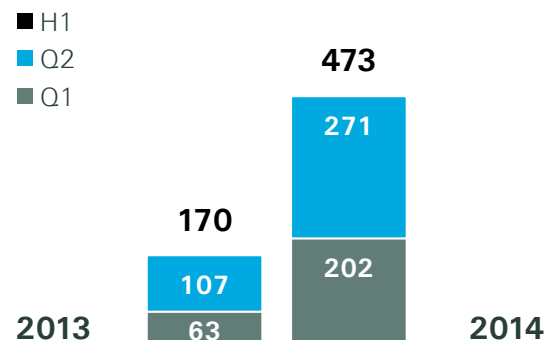
- Q2 2014 ROI 2.4%, mainly driven by realised gains from active management of listed equity portfolio; Q2 2013: 2.1%
- Shareholders' equity of USD 2.7bn, after paying a dividend to Group in H1 2014 of USD 300m

Admin Re[®]

Excellent gross cash generation helped by management actions

Gross cash generation¹

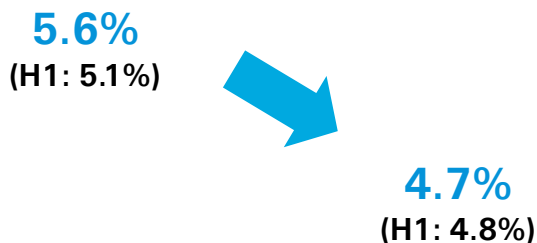
USD m



- Excellent gross cash generation driven by successful management actions
- Release of reserves in the UK held against the risk of credit default generated gross cash of USD 225m in Q2 2014

Return on investments

%

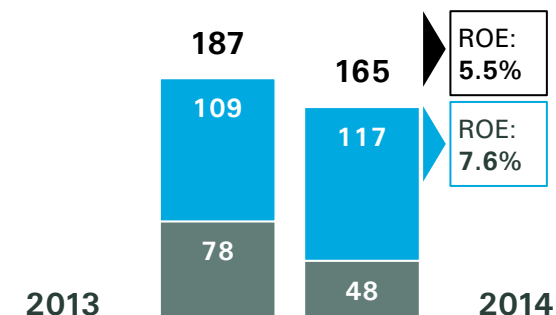


2013 2014

- Q2 2014 return on investments of 4.7% primarily driven by net investment income
- Q2 2014 running yield on fixed income portfolio 4.4%; Q2 2013: 4.2%
- Net realised gains of USD 37m in Q2 2014; Q2 2013: USD 97m

Net income

USD m



2013 2014

- Lower finance costs in Q2 2014 due to external credit facility
- Dividend payment to Group of USD 407m in Q2 2014

¹ Gross cash generation (GCG) is the change in excess capital over and above the target capital position

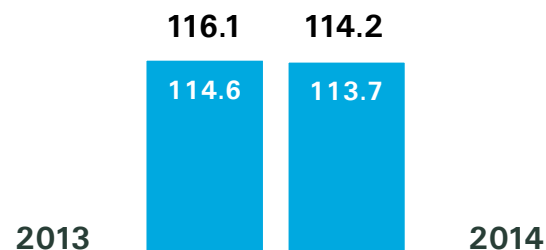
Group investment result

Excellent overall performance

Average invested assets¹

USD bn, basis for ROI calculation

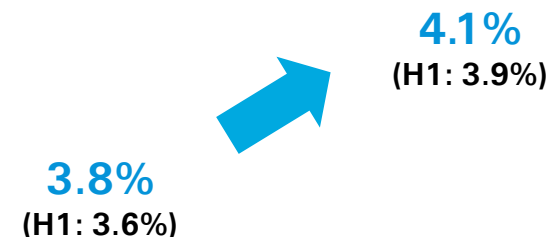
■ H1
■ Q2



- Decrease in average invested assets driven by higher interest rates as compared to Q2 2013
- Short duration position in anticipation of rising interest rates; DV01 of USD -8.2m

Return on investments²

%

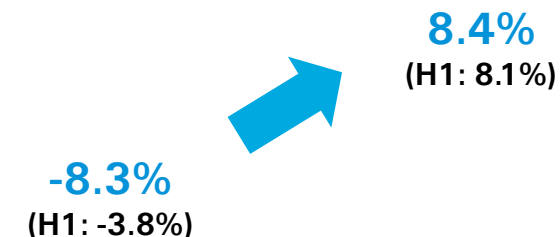


2013 2014

- ROI of 4.1% for Q2 2014 mostly due to increased net investment income as well as additional realised gains from the sale of equities
- Q2 2014 net realised gains of USD 271m; Q2 2013: USD 309m²
- Q2 2014 impairments of USD 8m; Q2 2013: USD 6m

Total return²

%



2013 2014

- Total return impacted by mark-to-market gains driven by lower interest rates and credit spread tightening during the quarter
- Q2 2014 Group fixed income running yield 3.5%; Q1 2014: 3.4%; Q2 2013: 3.2%

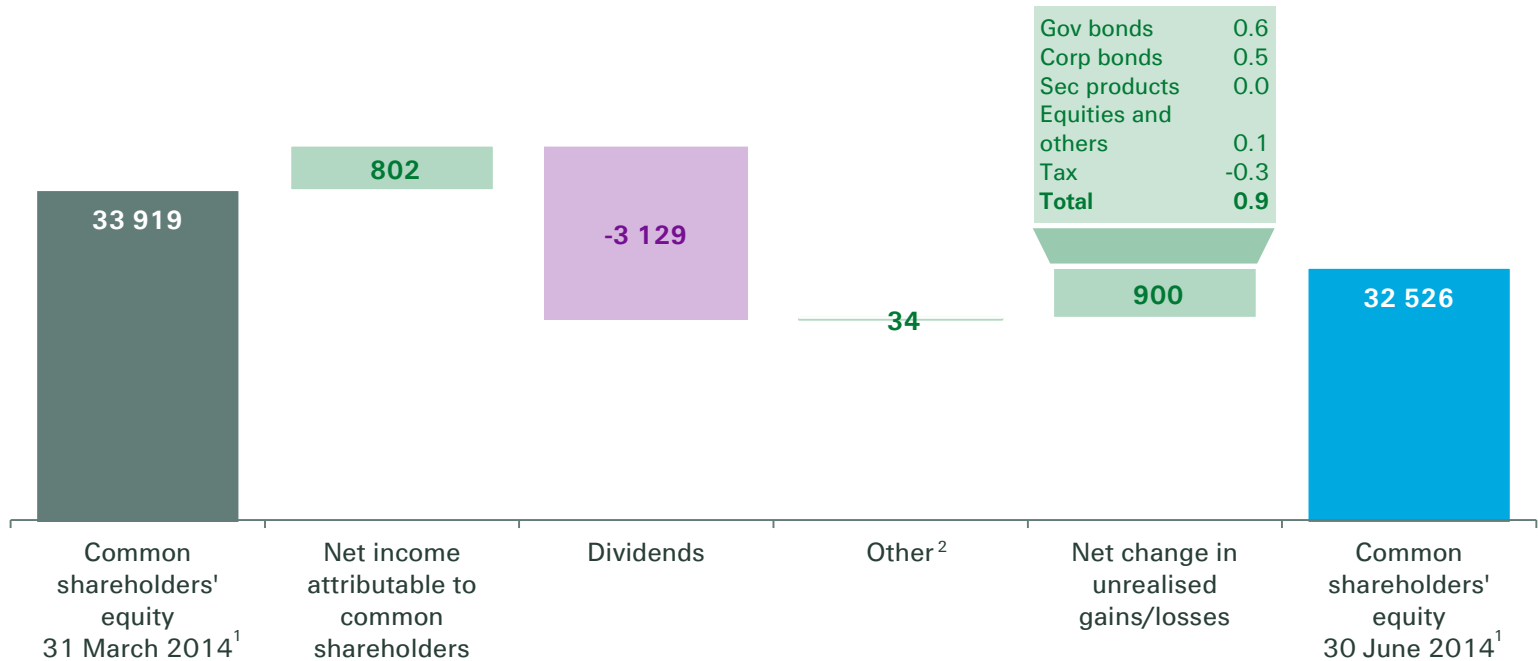
¹ Average invested assets excludes cash management activity; 2014 also excludes collateral balances

² 2013 includes foreign exchange related net realised gains/losses, which are excluded from the return on investments and total return scope in 2014

Common shareholders' equity Q2 2014

Net income and higher unrealised gains offset by external dividends

USD m



¹ Excluding contingent capital instruments (USD 1 102m, of which USD 352m in P&C Re, USD 750m in L&H Re); basis for ROE and BVPS calculations

² Including foreign exchange translation adjustments

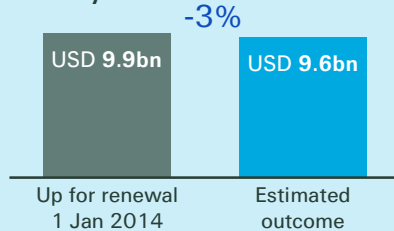
July renewals and financial targets

Michel M. Liès, Group CEO

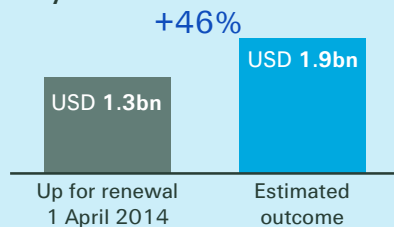
P&C Reinsurance: 2014 renewals

Strong overall price adequacy in challenging market environment

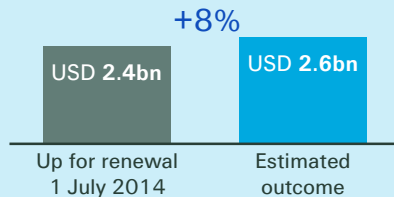
January 2014 treaty renewals¹



April 2014 treaty renewals¹



July 2014 treaty renewals



YTD 2014 renewals (January – July)
Treaty portfolio volume



- Successful renewals despite challenging environment for nat cat business
- Profitable growth in US Casualty
- YTD risk adjusted price quality 108%²

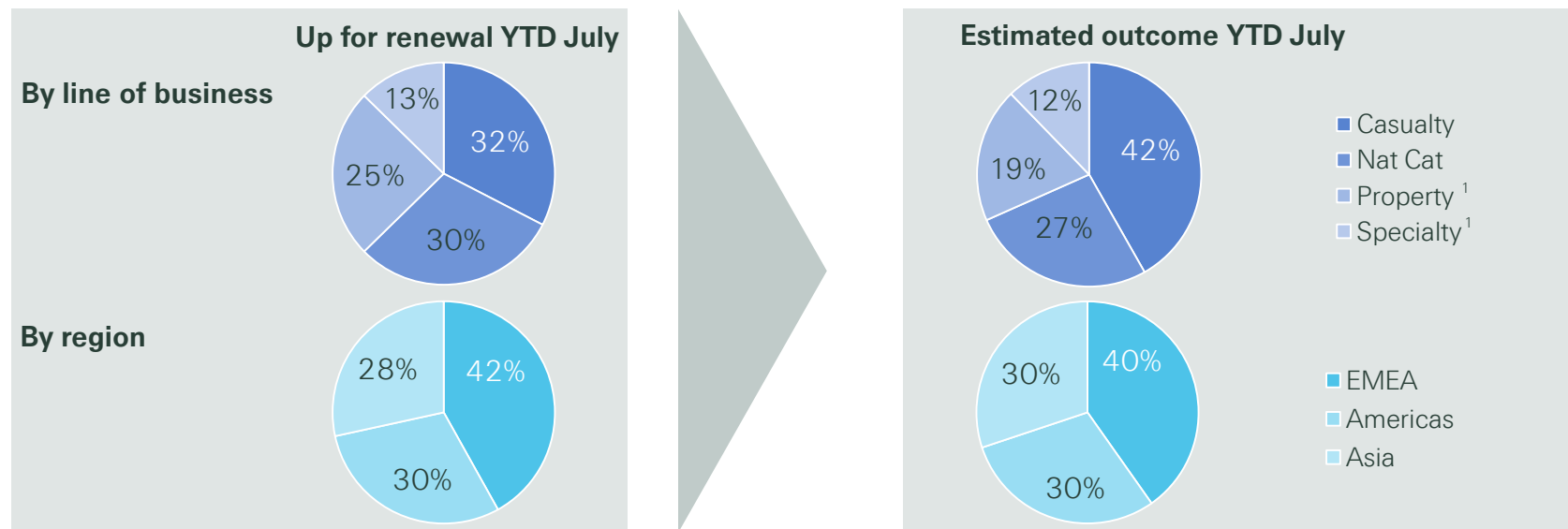
¹ January and April 2014 numbers have been restated with current fx rates

² Swiss Re's risk adjusted price quality provides an economic view on price quality, ie includes rate and exposure changes, claims inflation and interest rates

P&C Reinsurance: 2014 renewals

Portfolio weighting by line of business and region

Gross premium volume, treaty portfolio



- Property catastrophe rates softening significantly for all markets; SR wrote less nat cat business at still attractive levels
- Casualty book is growing further at profitable terms
- High Growth Markets volume increased by 13%, YTD

¹ Excluding nat cat

Priorities for the Group CEO in 2014

Focus on strategy execution

Group strategy

- Maintain industry leading underwriting track record
- Productivity emphasis to control management expenses
- Continue to re-direct capital and talent to High Growth Markets

Outperform our peers in P&C

- P&C Re: strict focus on risk selection and portfolio management; differentiate through knowledge, expertise and services
- Corporate Solutions: deliver on our commitment of continuing profitable growth, with particular focus on High Growth Markets

Perform in L&H

- L&H Re: deliver on fixing pre-2004 US issues, grow new business, demonstrate progress towards 2015 ROE target of 10-12%
- Admin Re[®]: continue operational transformation, selective UK growth to enhance UK franchise

Performance and capital management

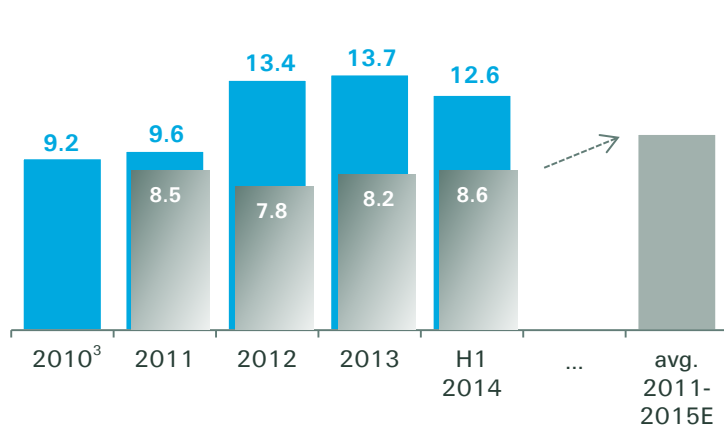
- Keep growing regular dividends and profitable business
- Invest additional USD 3bn of excess capital @ 11% ROE by 2015
- 2011-15 financial targets remain our top priority

Group financial targets

On track

ROE 700 bps above risk free average over 5 years (2011-2015)

in %

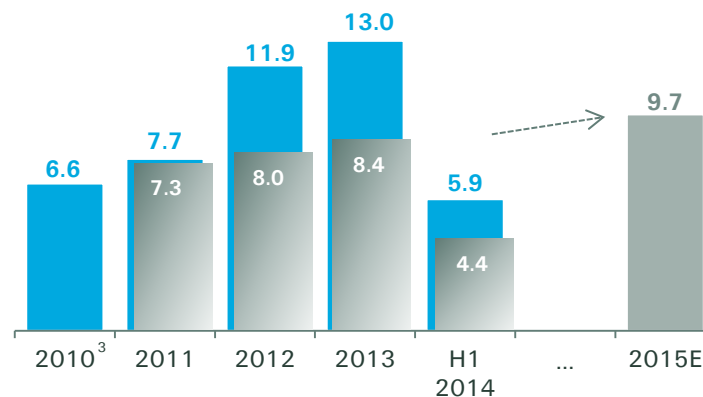


■ = reported ROE

■ = 700 bps above US Gov 5 years

EPS growth 10% average annual growth rate, adjusted for special dividends¹

in USD²



■ = reported EPS

■ = EPS @10% avg. annual growth (base: 2010), adjusted for special dividends¹

Delivering the 2011-2015 financial targets remains Swiss Re's top priority

ENW per share available on bi-annual basis, to be reported with Q3 2014 results

¹ EPS CAGR of 10% has been adjusted to 5% for 2014 to account for the distribution of excess capital through the special dividend of USD 1.6bn in April 2014. Methodology is in line with the approach taken for the special dividend of USD 1.5bn paid in April 2013

² Assumes constant foreign exchange rate

³ Excl. CPCI

Appendix

- Business segment results Q2 2014 – Income statement
- Business segment results Q2 2014 – Balance sheet
- Total equity and ROE Q2 2014
- P&C Reinsurance – Underwriting performance
- Corporate Solutions – Underwriting performance
- Return on investments (ROI)
- Overall investment portfolio
- Investment mix
- Fixed income securities
- Equities and alternative investments
- Sensitivities
- Corporate calendar & contacts
- Cautionary note on forward-looking statements

Business segment results Q2 2014

Income statement

USD m	Re- insurance	P&C Re	L&H Re	Corporate Solutions	Admin Re®	Group items	Consoli- dation	Total Q2 2014	Total Q2 2013	Total H1 2014
Revenues										
Premiums earned	6 442	3 560	2 882	841	149	-	-	7 432	6 683	14 860
Fee income from policyholders	13	-	13	-	115	-	-	128	112	251
Net investment income/loss – non participating	728	313	415	23	337	19	5	1 112	1 007	2 119
Net realised investment gains/losses – non participating	120	161	-41	12	30	-3	-	159	251	444
Net investment result – unit-linked and with-profit	58	-	58	-	490	-	-	548	-348	647
Other revenues	12	11	1	1	-	91	-100	4	6	6
Total revenues	7 373	4 045	3 328	877	1 121	107	-95	9 383	7 711	18 327
Expenses										
Claims and claim adjustment expenses	-2 148	-2 148	-	-498	-	-16	-	-2 662	-2 661	-5 118
Life and health benefits	-2 371	-	-2 371	-	-322	-	-	-2 693	-2 396	-5 161
Return credited to policyholders	-64	-	-64	-	-547	-	-	-611	182	-763
Acquisition costs	-1 311	-841	-470	-112	-32	-	-	-1 455	-1 197	-2 814
Other expenses	-571	-340	-231	-174	-87	-78	90	-820	-785	-1 606
Interest expenses	-184	-64	-120	-	-4	-8	5	-191	-187	-379
Total expenses	-6 649	-3 393	-3 256	-784	-992	-102	95	-8 432	-7 044	-15 841
Income/loss before income tax expenses	724	652	72	93	129	5	-	951	667	2 486
Income tax expense/benefit	-105	-94	-11	-27	-12	13	-	-131	134	-422
Net income/loss before attribution of non-controlling interests	619	558	61	66	117	18	-	820	801	2 064
Income attributable to non-controlling interests	-	-	-	-	-	-	-	-	-1	-1
Net income/loss after attribution of non-controlling interests	619	558	61	66	117	18	-	820	800	2 063
Interest on contingent capital instruments	-18	-5	-13	-	-	-	-	-18	-14	-35
Net income/loss attributable to common shareholders	601	553	48	66	117	18	-	802	786	2 028

Business segment results Q2 2014

Balance sheet

30 June 2014, USD m	Re- insurance	P&C Re	L&H Re	Corporate Solutions	Admin Re®	Group items	Consoli- dation	End Q2 2014	End Q1 2014
Assets									
Fixed income securities	57 084	25 827	31 257	4 439	20 941	52	-	82 516	81 974
Equity securities	3 222	2 393	829	819	-	731	-	4 772	4 924
Other investments	12 789	11 019	1 770	63	1 962	6 637	-5 465	15 986	18 676
Short-term investments	17 024	12 234	4 790	2 070	1 093	186	-	20 373	20 451
Investments for unit-linked and with-profit business	978	-	978	-	26 900	-	-	27 878	26 982
Cash and cash equivalents	7 132	5 566	1 566	863	1 428	267	-	9 690	10 344
Deferred acquisition costs	4 882	1 964	2 918	313	2	-	-	5 197	5 167
Acquired present value of future profits	1 415	-	1 415	-	2 231	-	-	3 646	3 487
Reinsurance recoverable	6 027	4 248	1 779	8 084	309	-	-6 683	7 737	7 994
Other reinsurance assets	22 295	13 048	9 247	2 422	3 651	2	-1 789	26 581	27 630
Goodwill	4 105	2 050	2 055	17	-	-	-	4 122	4 109
Other	14 654	10 272	4 382	968	1 124	589	-6 795	10 540	11 298
Total assets	151 607	88 621	62 986	20 058	59 641	8 464	-20 732	219 038	223 036
Liabilities									
Unpaid claims and claim adjustments expenses	54 630	44 230	10 400	11 839	1 202	28	-6 687	61 012	61 381
Liabilities for life and health policy benefits	17 557	-	17 557	239	18 538	-	-	36 334	35 838
Policyholder account balances	1 580	-	1 580	-	30 181	-	-	31 761	30 996
Other reinsurance liabilities	16 381	14 039	2 342	4 292	691	5	-2 198	19 171	19 407
Short-term debt	5 281	776	4 505	-	-	598	-2 871	3 008	3 523
Long-term debt	14 699	4 776	9 923	-	663	-	-615	14 747	14 790
Other	22 130	12 860	9 270	1 011	2 232	2 294	-8 317	19 350	22 054
Total liabilities	132 258	76 681	55 577	17 381	53 507	2 925	-20 688	185 383	187 989
Equity									
Common shareholders' equity	18 230	11 571	6 659	2 667	6 134	5 539	-44	32 526	33 919
Contingent capital instruments	1 102	352	750	-	-	-	-	1 102	1 102
Non-controlling interests	17	17	-	10	-	-	-	27	26
Total equity	19 349	11 940	7 409	2 677	6 134	5 539	-44	33 655	35 047
Total liabilities and equity	151 607	88 621	62 986	20 058	59 641	8 464	-20 732	219 038	223 036

Total equity and ROE Q2 2014

USD m	Re- insurance	P&C Re	L&H Re	Corporate Solutions	Admin Re®	Group items	Total ¹ Q2 2014	Total ¹ H1 2014
Common shareholders' equity² at 31 December 2013	18 384	12 840	5 544	2 771	5 804	4 932		31 850
Common shareholders' equity² at 31 March 2014	20 015	13 987	6 028	2 567	6 148	5 233	33 919	
Net income attributable to common shareholders	601	553	48	66	117	18	802	2 028
Dividends	-3 120	-3 120	-	-	-407	398	-3 129	-3 129
Other (incl. fx)	106	-29	135	-	79	-151	34	46
Net change in unrealised gains/losses	628	180	448	34	197	41	900	1 731
Common shareholders' equity at 30 June 2014	18 230	11 571	6 659	2 667	6 134	5 539	32 526	32 526
Contingent capital instruments	1 102	352	750	-	-	-	1 102	1 102
Shareholders' equity at 30 June 2014	19 332	11 923	7 409	2 667	6 134	5 539	33 628	33 628
Non-controlling interests	17	17	-	10	-	-	27	27
Total equity at 30 June 2014	19 349	11 940	7 409	2 677	6 134	5 539	33 655	33 655

ROE calculation

USD m	Re- insurance	P&C Re	L&H Re	Corporate Solutions	Admin Re®	Group items	Total ¹ Q2 2014	Total ¹ H1 2014
Net income/loss attributable to common shareholders	601	553	48	66	117	18	802	2 028
Opening common shareholders' equity	20 015	13 987	6 028	2 567	6 148	5 233	33 919	31 850
Average common shareholders' equity	19 123	12 779	6 344	2 617	6 141	5 386	33 223	32 188
ROE Q2 2014, annualised³	12.6%	17.3%	3.0%	10.1%	7.6%	1.3%	9.7%	
ROE H1 2014, annualised³	18.1%	25.3%	3.7%	10.7%	5.5%	2.4%		12.6%

Shares outstanding⁴

in millions

As at 30 June 2014	342.2					Weighted average	342.9	342.8
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¹ Total is after consolidation

² Excluding contingent capital instruments (USD 1 102m, of which USD 352m in P&C Re, USD 750m in L&H Re); basis for ROE and BVPS calculations

³ Based on published net income attributable to common shareholders

⁴ Shares outstanding is the number of shares eligible for dividends and is used for the BVPS and EPS calculation

P&C Reinsurance

Underwriting performance

Combined ratios in %, premiums and underwriting result in USD m

	Q2 2013	Q2 2014	Main drivers of change	Net premiums earned	Under- writing result	H1 2014	
Property	110.3%	90.9%	• Driven by better nat cat experience; Q2 2013 impacted by floods in Europe and Canada	1 393	127	71.8%	
Casualty	101.3%	104.7%	• Q2 2013 benefited from net reserve releases, while Q2 2014 was impacted by adverse large loss developments	1 572	-74	108.5%	
Liability	82.2%	117.8%		522	-93	116.9%	
Motor	101.3%	100.3%		• Driven by slightly better contribution from prior years	936	-3	104.1%
Accident (A&H)	161.9%	80.7%		• Q2 2013 impacted by reserve increases for workers comp vs releases in Q2 2014	114	22	104.2%
Specialty	76.5%	70.1%	• Q2 2013 impacted by loss estimate increase for Costa Concordia	595	178	65.3%	
Marine	110.1%	89.2%		195	21	75.8%	
Engineering	66.0%	52.0%		• Both periods benefited from prior year reserve releases	202	97	31.8%
Credit	88.5%	52.9%		• Improvement driven by more favourable prior year contribution	104	49	89.1%
Other Specialty (Aviation, etc)	-3.9%	88.3%		• Q2 2013 benefited from reserve releases	94	11	87.5%
Total	101.1%	93.5%		3 560	231	86.1%	

Corporate Solutions

Underwriting performance

Combined ratios in %, premiums and underwriting result in USD m

	Q2 2013	Q2 2014	Main drivers of change	Net premiums earned	Under- writing result	H1 2014
Property	105.1%	84.5%	• Q2 2014 driven by benign nat cat experience and favourable prior year development	342	53	92.8%
Casualty	107.2%	116.4%	• Q2 2014 impacted by unfavourable prior year development	244	-40	108.1%
Specialty	76.0%	82.7%	• Continued strong performance in Q2 2014	255	44	82.5%
Credit	70.6%	63.4%		82	30	76.6%
Other Specialty	78.6%	91.9%	• Q2 2014 impacted by large number of medium and small sized losses, prior year benefited from favourable reserve development	173	14	85.3%
Total	96.9%	93.2%		841	57	94.2%

Return on investments (ROI)

USD m	P&C Re	L&H Re	Corporate Solutions	Admin Re®	Group items	Consolidation	Total Q2 2014	Total Q2 2013	Total H1 2014
Investment related net investment income	285	331	28	237	19	4	904	804	1 739
<i>Fixed income</i>	161	302	25	226	1	-	715	654	1 401
<i>Equities and alternatives (incl RE, PE, HF)</i>	146	26	6	-	26	-	204	184	373
<i>Other</i>	30	24	2	21	2	-7	72	64	142
<i>Investment expenses</i>	-52	-21	-5	-10	-10	11	-87	-98	-177
Investment related net realised gains/losses	206	8	18	37	2	-	271	330	505
<i>Fixed income</i>	78	61	3	37	3	-	182	213	297
<i>Equities and alternatives (incl RE, PE, HF)</i>	178	9	14	-	4	-	205	127	504
<i>Other</i>	-50	-62	1	-	-5	-	-116	-10	-296
Other revenues	10	-	-	-	-	-10	-	-	1
Foreign exchange remeasurement¹	-	-	-	-	-	-	-	-21	-
Investment related operating income	501	339	46	274	21	-6	1 175	1 113	2 245
Less minority interest income	-	-	-	-	-	-	-	-	-
Less income from cash/interest income	-4	-3	-1	-1	-	-	-9	-	-16
Less income from securities lending, repurchase agreements and collateral balances	-9	-1	-1	-	-	-1	-12	-12	-23
Basis for ROI	488	335	44	273	21	-7	1 154	1 101	2 206
Average invested assets at avg. fx rates²	45 330	35 846	7 236	23 163	5 299	-3 220	113 654	114 566	114 197
ROI, annualised	4.3%	3.7%	2.4%	4.7%	1.6%	n/a	4.1%	3.8%	3.9%

- Increase in net investment income primarily driven by the re-balancing of the investment portfolio in 2013 as well as additional mark-to-market gains from alternative investments and extraordinary paydowns on securitised products in Q2 2014
- Net realised gains driven by realised gains from sales of equities, partially offset by losses on interest rate hedges
- Q2 2014 fixed income running yield increased to 3.5%, mainly due to additional paydowns on securitised products, which more than offset the impact of mark-to-market gains during the quarter

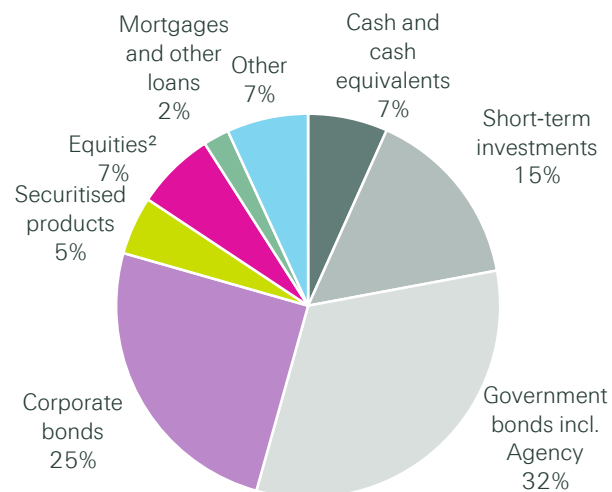
¹ Foreign exchange related net realised gains/losses are excluded from the return on investments calculation for 2014

² Average assets calculation based on monthly average; 2014 excludes collateral balances from ROI scope

Overall investment portfolio

54% invested in cash, short-term investments or government bonds

USD bn	End Q2 2014
Balance sheet values	161.2
Unit-linked investments	-25.1
With-profit business	-3.5
Assets for own account (on balance sheet only)	132.6



USD bn	P&C Re	L&H Re	Corporate Solutions	Admin Re [®]	Group items	Consolidation	End Q2 2014	End Q1 2014
Cash and cash equivalents	5.6	1.6	0.8	0.7	0.2	-	8.9	9.5
Short-term investments	12.2	4.8	2.1	1.1	0.2	-	20.4	20.5
Government bonds	17.1	16.3	2.1	7.3	-	-	42.8	43.3
Corporate bonds	6.2	12.4	1.9	12.8	-	-	33.3	32.2
Securitized products ¹	2.6	2.6	0.5	0.7	0.1	-	6.5	6.4
Equities ²	4.3	1.2	0.9	-	2.3	-	8.7	8.5
Mortgages and other loans	1.4	0.7	-	1.4	2.9	-3.5	2.9	2.8
Policy loans	-	-	-	0.3	-	-	0.3	0.3
Other – investment related ³	7.6	0.6	-	0.1	1.7	-0.5	9.5	13.7
Other – insurance related	-	-	-	0.3	0.5	-1.5	-0.7	-1.7
Total	57.0	40.2	8.3	24.7	7.9	-5.5	132.6	135.5

¹ Includes cat bonds and loans

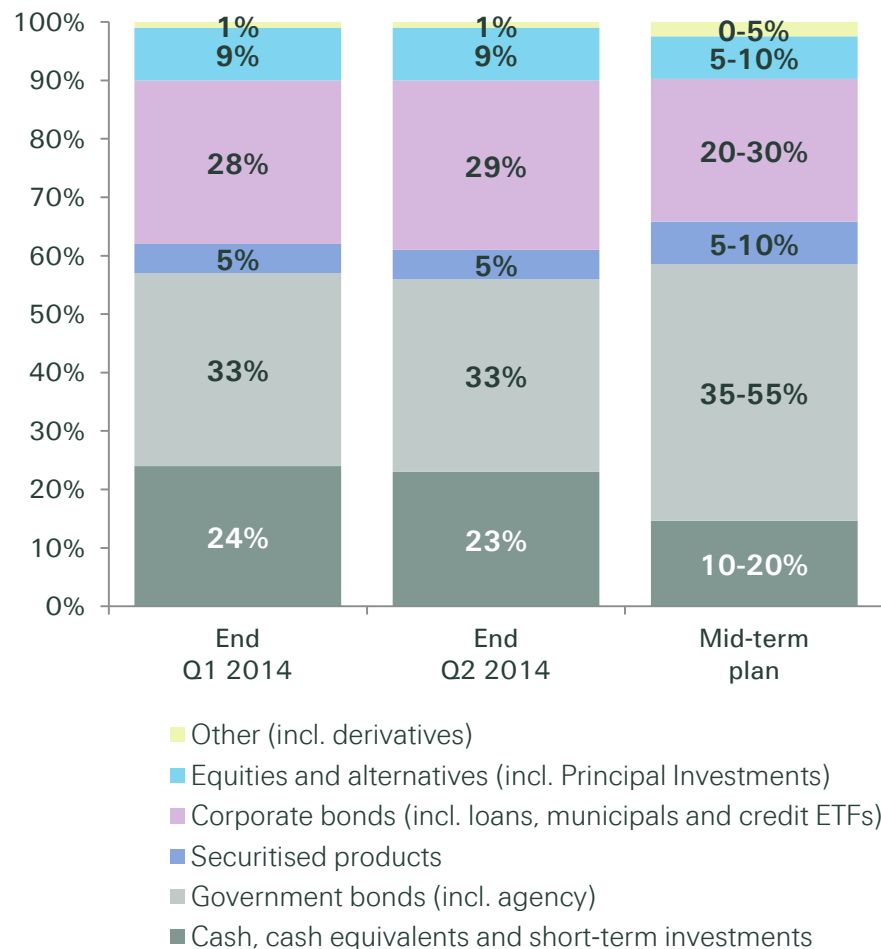
² Comprised of listed equities, hedge funds – equities, private equity and includes Principal Investments

³ Includes alternative investments such as hedge funds – non equities and real estate, derivatives and other investments

Investment mix

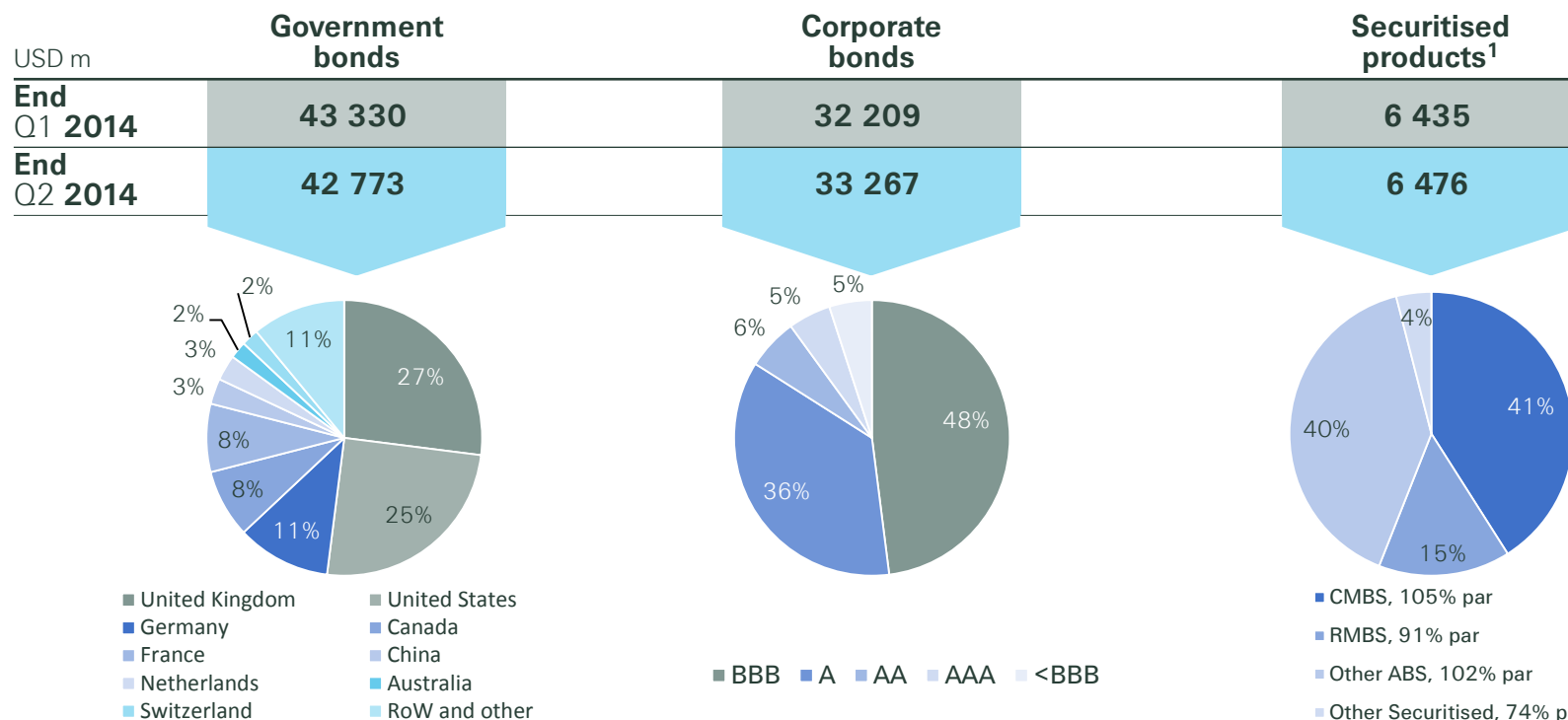
Group asset allocation remains stable

- No significant asset allocation changes across the Group during Q2 2014
- No additional allocation to equities and alternatives during Q2 2014
- Net increase in corporate bonds due to mark-to-market gains during the quarter
- Steady securitised products allocation
- Net sales in government bonds offset by mark-to-market gains
- Cash and short-term allocation reflects short duration position



Fixed income securities

High quality and well diversified portfolio



- Decrease in government bonds mainly from net sales of USD 1.6bn as a result of duration positioning, largely offset by mark-to-market gains due to decreases in interest rates
- Increase in corporate bonds due to decreases in interest rates and narrower credit spreads
- Steady securitised products allocation, predominantly high quality (59% AAA rated, 90% investment grade)

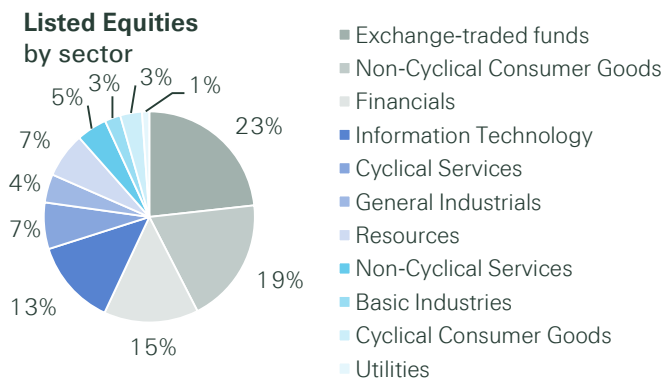
¹ Includes cat bonds and loans

Equities and alternative investments

Stable allocation

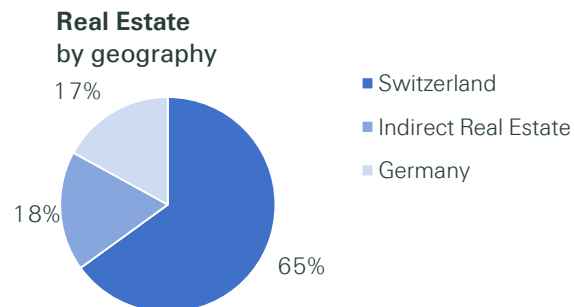
Equities

USD m	Q1 End 2014	Q2 End 2014
Listed Equities ¹	3 757	3 976
Private Equity ¹	1 791	1 794
Hedge Funds - equities	457	446
Principal Investments ²	2 501	2 494
Total market value	8 506	8 710



Alternative investments

USD m	Q1 End 2014	Q2 End 2014
Hedge Funds – non equities	908	918
Real Estate	3 128	3 201
Total market value	4 036	4 119



- Increase in listed equities of USD 0.2bn driven by mark-to-market gains
- 54% of hedge funds and 69% of private equity investments are equity accounted; mark-to-market recorded through net investment income
- Increase in real estate due to purchase of commercial property in Germany during the quarter

¹ Excludes Principal Investments

² Principal Investments consists of listed equities (USD 740m) and Private Equity (USD 1 754m)

Sensitivities

USD m, pre-tax	Scenario		Estimated impact on shareholders' equity	Estimated impact on economic net worth (EVM)
Listed equity investments	Fall in market values of 25%	➔	-1 179	-1 179
Private equity investments¹	Fall in market values of 25%	➔	-887	-887
Hedge Funds investments	Fall in market values of 25%	➔	-341	-341
Government bonds	Rise in interest rates of 100 bps	➔	-3 732	+512
Corporate bonds	Increase in spreads of 100 bps	➔	-2 442	-2 442
	Rise in interest rates of 100 bps	➔	-2 395	+329
Securitised products	Increase in spreads of 100 bps	➔	-235	-235
	Rise in interest rates of 100 bps	➔	-160	+22

¹ Includes strategic holdings
 All sensitivities are assumed to take effect on 30 June 2014 and no management actions are included in this analysis. Results are estimated as mutually exclusive events and reflect the estimated impact on the Group of given economic outcomes. All figures are net of hedging impacts (excluding minor equity hedges).

Corporate calendar & contacts

Corporate calendar

2014

7 November	Third Quarter 2014 results	Conference call
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2015

19 February	Annual Results 2014	Conference call
18 March	Publication of Annual Report 2014 and EVM 2014	
21 April	151st Annual General Meeting	Zurich

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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;
- 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 by regulators;
- 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.

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