Swiss Re

News release

Swiss Re earns profit of USD 4.4 billion for 2013; regular dividend of CHF 3.85 per share and special dividend of CHF 4.15 per share to be proposed

- Very strong Group net income of USD 4.4 billion supported by solid underwriting, low levels of natural catastrophe losses and reserve releases
- Board of Directors to propose regular dividend of CHF 3.85 per share and an additional special dividend of CHF 4.15 per share[1]
- P&C Re delivers very strong result of USD 3.3 billion, combined ratio of 83.3%
- L&H Re earns net income of USD 356 million; result impacted by reserve strengthening in Australia
- Corporate Solutions delivers profitable growth with net income of USD 279 million
- Admin Re® performs well with net income of USD 423 million and gross cash generation of USD 521 million
- David Cole appointed as new Group CFO; Susan L. Wagner proposed to be elected to Swiss Re Board of Directors

Zurich, 20 February 2014 – Swiss Re has delivered a net income of USD 4.4 billion for 2013. The result was driven by sustained, high profitability in Property and Casualty Reinsurance and very good performances by Corporate Solutions and Admin Re®. Life and Health Reinsurance delivered a reduced profit due to reserve strengthening in Australia. Swiss Re's Board of Directors will propose a regular dividend of CHF 3.85 per share and, in addition, a special dividend of CHF 4.15 per share.

Michel M. Liès, Swiss Re's Group Chief Executive Officer, says: "All Business Units contributed to this excellent result, with a particularly strong performance from P&C Re and continued profitable growth from Corporate Solutions. We are very happy that we have achieved so much in financial terms in our anniversary year and, while we are well aware of the challenges ahead, we look forward to 2014 with confidence."

[1] Both dividends will be in the form of Swiss withholding tax exempt distributions out of legal reserves from capital contributions

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Very strong full-year Group results, outstanding investment income
Net income was USD 4.4 billion in 2013 (vs USD 4.2 billion in 2012). Premium and fee income grew by 13% to USD 28.8 billion (vs USD 25.4 billion). Solid underwriting from prior years contributed to the strong performance by the P&C businesses, as well as a number of one-off tax benefits across the Group and reserve releases totalling USD 1 billion. Net investment income, gains from alternative investments and realised gains from sales contributed to the strong investment result of USD 4.3 billion for the year, with a return on investments of 3.6% (vs 4.0%). The investment result includes the contribution from Principal Investments, a dedicated unit to generate long-term economic value via investments in insurance-related businesses.

The Group combined ratio was excellent at 85.3%. Adjusting for prior-year reserve releases and lower than expected natural catastrophe losses, the underlying combined ratio for the year was 94.6%.

Total dividend payments of approximately USD 3.1 billion to be proposed
Earnings per share were USD 12.97 or CHF 12.04 (vs USD 11.85 or CHF 11.13 in 2012). Shareholders' equity was USD 33.0 billion at the end of 2013 (vs USD 34.0 billion at the end of 2012). Book value per common share was USD 93.08 or CHF 82.76 as of 31 December 2013, compared to USD 95.87 or CHF 87.76 at the end of 2012.

With the Group's capitalisation significantly exceeding all applicable solvency requirements, Swiss Re's Board of Directors is pleased to propose at the Annual General Meeting a regular dividend for 2013 of CHF 3.85 per share, up from CHF 3.50 in 2012. In addition, the Board of Directors will propose a special dividend of CHF 4.15 per share. Together, the dividend payments will result in a total return of capital to shareholders of approximately USD 3.1 billion. The payments will be made in the form of Swiss withholding tax exempt distributions out of legal reserves from capital contributions and will be made after shareholder approval at the Annual General Meeting.

George Quinn, Group Chief Financial Officer, says: "Since 2009 we have been continuously growing our regular dividend in line with earnings. I am pleased that we have been able to continue this trend through 2013. We also met or exceeded the year's other two capital management priorities, namely deleveraging and increasing the share of high-quality credit and equities in our asset mix. We continue to make good progress towards our 2011–2015 financial targets."

Sustained profitability of P&C Re
P&C Re net income climbed to USD 3.3 billion in 2013 (vs USD 3.0 billion in 2012). The result was due to the combination of a strong underwriting result as well as favourable prior-year reserve development, better than expected natural catastrophe experience and one-off tax benefits.

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The P&C Re combined ratio was 83.3% in 2013 (vs 80.7%). Adjusted for expected natural catastrophes and prior-year reserve releases, the combined ratio was 93.6%.

Net earned premiums increased by 17.9% to USD 14.5 billion. The increase was mainly attributable to the expiry of a major quota share agreement, complemented by new business in the Americas.

L&H Re net income of USD 356 million
L&H Re delivered a net income of USD 356 million for 2013 (vs USD 739 million). The lower result was due to reserve strengthening of USD 369 million for group disability business in Australia and the impact of business recaptured in the first quarter.

Premiums earned and fee income increased by 9.9% to USD 10.0 billion (vs USD 9.1 billion). The operating margin for the year was 5.2% (vs. 8.6%), mainly due to reserve strengthening for Australian group disability business.

L&H Re continues to write new business at profitable rates, including through large transactions. In the fourth quarter L&H Re won a significant new health deal in Asia.

Corporate Solutions net income of USD 279 million, invests for growth
Corporate Solutions delivered a very strong net income of USD 279 million in 2013, or 42.3% higher than the 2012 net income of USD 196 million. Net earned premiums increased to USD 2.9 billion, supported by growth across most lines of business and the expiry of a quota share agreement. The quality of the book remained consistently high year-on-year, with the combined ratio improving to 95.1% from 96.2%.

Corporate Solutions continued to make prudent investments in organic and inorganic growth initiatives, including the strengthening of local teams in existing offices and expanding its distribution channels by obtaining a Singapore direct insurance license to further growth of the local Corporate Solutions operation.

Admin Re® net income of USD 423 million, gross cash generation of USD 521 million
Admin Re® delivered a strong net income of USD 423 million for the full year (vs USD 183 million). In addition, gross cash generation was USD 521 million (vs USD 1.2 billion, which in 2012 included USD 804 million from the sale of the Admin Re® US business). This demonstrates the success of management actions in improving the Business Unit's operational efficiency and enhancing its contribution to the Group.

Going forward, Admin Re® is focusing its acquisition strategy on closed life books in the UK. In addition to in-house funding, Admin Re® may seek alternative funding arrangements including an expanded use of leverage for new business growth.

January 2014 renewals
Price levels in the January renewals decreased, particularly for natural

catastrophe business, though they remained at an attractive level. Overall, risk-adjusted price quality declined by 3.6%. Swiss Re's business volume was reduced by 6%. Swiss Re's active cycle management and portfolio shifts reflect the anticipated market trends for 2014, and the company remains particularly strongly engaged in attractive non-proportional business. The next major renewal dates are in April and July, when Swiss Re expects less margin erosion in natural catastrophe business than experienced in January and stable rates in casualty lines.

David Cole appointed as new Group CFO

Swiss Re's Board of Directors announces that David Cole, currently Swiss Re Group Chief Risk Officer (CRO), is appointed as Group Chief Financial Officer (CFO), effective 1 May 2014.

Walter B. Kielholz, Chairman of the Board of Directors of Swiss Re Ltd, says: "I am pleased to announce that David Cole has been appointed as Swiss Re's new Group CFO, succeeding George Quinn. David has the right skill set to perform in this key role. As our Group Chief Risk Officer for the last three years, he has gained vast experience in regulatory matters, which are becoming increasingly critical for our industry. The appointment of an internal candidate shows the depth of talent we have at Swiss Re."

David Cole joined Swiss Re in November 2010 and became Group CRO in March 2011. Prior to this, he had been with ABN Amro Holding, a Netherlands-based banking group, where he last served as CFO and CRO. He held a number of risk management and client relationship management positions and worked in several countries in Europe and the Americas. He joined ABN Amro in 1984. In 2012 and 2013, David Cole also served as Chairman of the CRO Forum, an international association of high-level risk management professionals from the re/insurance industry. He was born in 1961 and is a Dutch and American citizen.

A new Group CRO will be announced in due course.

Susan L. Wagner proposed to be elected to the Swiss Re Board of Directors

Swiss Re's Board of Directors also proposes to the Annual General Meeting of 11 April 2014 the election of Susan L. Wagner as a new member.

Walter B. Kielholz says: "I am delighted that Sue Wagner has accepted the nomination to join the Board. She has a strong track record in finance and brings critical management and corporate experience to our board. Her career as a founding partner with BlackRock is a testimony to her exceptional insight, strategic vision, and financial acumen."

Susan L. Wagner has been a member of the Board of Directors of BlackRock since 2012. Previously, she served as Vice Chairman and Chief Operating Officer of BlackRock. She joined BlackRock as a founding partner in 1988 and led the firm's strategic initiatives, including its IPO, acquisitions and joint ventures.

She earned an MBA degree in Finance from the University of Chicago and a BA in English and Economics from Wellesley College.

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Swiss Re on track to reach 2011—2015 financial targets
Swiss Re is on track to deliver on its 2011—2015 financial targets. In 2013, return on equity was 13.7% and earnings per share through 2013 were USD 12.97. Economic net worth per share figures will be reported with the publication of the 2013 Annual Report on 18 March 2014.

Michel M. Liès says: "I am convinced that we are ready to face challenges in the coming years. We have a resilient and flexible business model that allows us to be confident about our ability to achieve both our strategic and financial targets. Our focus is firmly fixed on these important goals."

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Details of full year performance (2013 vs 2012)

		FY 2013	FY 2012
P&C Reinsurance	Premiums earned (USD millions)	14 542	12 329
	Net income (USD millions)	3 292	2 990
	Combined ratio (%)	83.3	80.7
	Return on investments (%)	2.8	3.2
	Return on equity (%)	26.4	26.7
L&H Reinsurance	Premiums earned and fee income (USD millions)	10 023	9 122
	Net income (USD millions)	356	739
	Operating margin[1] (%)	5.2	8.6
	Return on investments (%)	4.1	4.7
	Return on equity (%)	5.4	8.9
Corporate Solutions	Premiums earned (USD millions)	2 922	2 284
	Net income (USD millions)	279	196
	Combined ratio (%)	95.1	96.2
	Return on investments (%)	2.4	3.2
	Return on equity (%)	9.6	7.4
Admin Re®	Premiums earned and fee income (USD millions)	1 330	1 705
	Net income (USD millions)	423	183
	Return on investments (%)	5.1	4.9
	Return on equity (%)	6.8	2.6
Consolidated Group (Total)[2]	Premiums earned and fee income (USD millions)	28 818	25 446
	Net income (USD millions)	4 444	4 201
	Earnings per share (USD)	12.97	11.85
	Combined ratio (%)	85.3	83.1
	Return on investments (%)	3.6	4.0
	Return on equity (%)	13.7	13.4

[1] Operating margin is calculated as operating income divided by total operating revenues.
[2] Also reflects Group Items, including Principal Investments

Swiss Re

Details of fourth-quarter performance (Q4 2013 vs Q4 2012)

		Q4 2013	Q4 2012
P&C Reinsurance	Premiums earned (USD millions)	3 887	3 132
	Net income (USD millions)	1 008	583
	Combined ratio (%)	84.0	88.2
	Return on investments (%, annualised)	2.5	1.9
	Return on equity (%, annualised)	32.8	19.7
L&H Reinsurance	Premiums earned and fee income (USD millions)	2 759	2 525
	Net income (USD millions)	(−19)	95
	Operating margin (%)	(−1.1)	8.2
	Return on investments (%, annualised)	4.4	3.0
	Return on equity (%, annualised)	(−1.4)	5.0
Corporate Solutions	Premiums earned (USD millions)	832	629
	Net income (USD millions)	52	-24
	Combined ratio (%)	98.6	101.9
	Return on investments (%, annualised)	2.2	3.1
	Return on equity (%, annualised)	7.6	-3.3
Admin Re®	Premiums earned and fee income (USD millions)	287	245
	Net income (USD millions)	85	102
	Return on investments (%, annualised)	5.2	5.1
	Return on equity (%, annualised)	5.7	6.0
Consolidated Group (Total)	Premiums earned and fee income (USD millions)	7 776	6 532
	Net income (USD millions)	1 206	795
	Earnings per share (USD)	3.52	2.32
	Combined ratio (%)	86.6	90.5
	Return on investments (%, annualised)	3.8	3.0
	Return on equity (%, annualised)	15.4	9.7

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The foregoing and the 2013 Financial Review of the Swiss Re Group contain updates on our business and results and preliminary unaudited financial information for 2013. The updates on our business and results will be included in our 2013 Annual Report, together with our audited financial statements for 2013 and other disclosures we are required to include or historically have included in an annual report. The foregoing and the 2013 Financial Review of the Swiss Re Group are not intended to be a substitute for the full 2013 Annual Report, which will be published on the Swiss Re website on 18 March 2014.

Video presentation and slides
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 10.30 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)17091 8706
From USA:	+1 (1) 866 291 41 66
From Hong Kong:	+852 58 08 1769

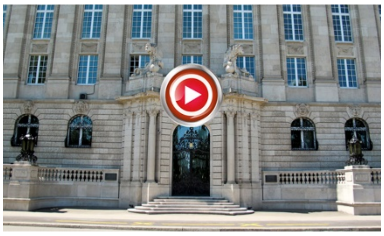
Investors' and analysts' conference call:
Swiss Re will hold an investors' and analysts' conference call this afternoon at 2 pm (CET) which will focus on Q&A.
You are kindly requested to dial in 10 minutes prior to the start using the following numbers:

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

Notes to editors:

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



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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 over 60 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 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.

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 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:

- 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 cyclicality 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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