News release

Swiss Re

Swiss Re reports very strong net income of USD 2.2 billion for third quarter of 2012, driven by Property & Casualty Reinsurance and Admin Re® US sale

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- **Group net income of USD 2.2 billion; return on equity of 28%**
- **Excellent P&C Reinsurance combined ratio of 69.3%**
- **Very good Group return on investment of 4.5%**
- **Admin Re® profits boosted by gain on sale of US business**
- **Continuing focus on five-year financial targets, profitable growth**
- **Swiss Re recognised as the most sustainable company in the insurance sector for the fifth year in a row**
- **Too early to give estimate for Hurricane Sandy claims**

Zurich, 8 November 2012 — Swiss Re reports a net income of USD 2.2 billion in the third quarter of 2012 (vs. USD 1.3 billion in the prior-year period) and a return on equity of 28%, driven by continued strong performance from P&C Reinsurance and a one-off gain from the sale of the Admin Re® US business. Growth in premiums and net income at the Corporate Solutions Business Unit are in-line with targets. Swiss Re remains well-placed to achieve its five-year financial targets and to support clients in a volatile environment.

Michel M. Liès, Swiss Re's Group Chief Executive Officer, says: "We have achieved very good financial results in a volatile environment. A low large loss burden and the one-off gain from the sale of the Admin Re® US business in the quarter undoubtedly helped, but the excellent performance in P&C Reinsurance shows that our underlying business continues to perform strongly."

Very good Group return on investment of 4.5%; increase in shareholders' equity

Group premiums earned and fee income increased by 11% to USD 6.6 billion (vs. USD 5.9 billion in the prior-year period). Swiss Re's Group combined ratio was an excellent 72.0% (vs. 85.3%). A very good investment result again underpinned the Group's performance: Investment income was USD 1.0 billion with a Group return on investment of 4.5%.

Shareholders' equity increased to USD 33.5 billion (vs. USD 31.0 billion) and book value per common share rose to USD 94.47 or CHF 88.79, compared to USD 87.03 or CHF 82.38 at the end of the second quarter 2012. Earnings per share for the third quarter 2012 were USD 6.33 (vs. USD 3.94 a year earlier).

Very strong net income in P&C Reinsurance demonstrates excellent underwriting performance

Net income in P&C Reinsurance was a very strong USD 1.0 billion (vs. USD 731 million), demonstrating the earnings power of Swiss Re's underlying business. Premiums earned increased by 15% to USD 3.3 billion (vs. USD 2.9 billion). The result was helped by reserve releases and a very benign claims environment in the quarter with comparatively low losses from natural catastrophes. The combined ratio was an exceptionally low 69.3% (vs. 81.5%). Successful renewals in the first half of the year also contributed to strong top-line growth, which led to a drop in expense ratios.

L&H Reinsurance reports net profit, significant realised gains

Net income in Life & Health Reinsurance was USD 187 million in the third quarter of 2012, lifted by significant realised gains. This compared with a profit of USD 492 million a year earlier. Premiums earned and fee income increased 6.0% to USD 2.3 billion in the third quarter of 2012 (vs. USD 2.1 billion). The increase was primarily a result of increased health premiums due to business growth in all regions, including in high-growth markets. The benefit ratio increased to 79.0% compared to 76.7% in third quarter 2011. The increase was mainly due to favourable model adjustments made in the prior-year period that were not repeated in the current year.

Corporate Solutions on track to meet targets

Corporate Solutions posted a quarterly profit of USD 110 million (vs. USD 67 million). Premiums earned rose by 12% to USD 588 million (vs. USD 523 million) while the combined ratio improved strongly to 87.4% from 106.7%. As with P&C Reinsurance, Corporate Solutions also benefited from the low large loss burden. Good growth was seen across all regions and lines of business. Corporate Solutions' growth is well in-line with its targets and the Business Unit's ambitions to be a lean, global player in the commercial insurance market.

Admin Re® profit boosted after completion of sale of US business; pays dividend of USD 0.9 billion to Group

Admin Re® reported an exceptional net income of USD 823 million (vs. USD 195 million) in the third quarter. A large part of this was a gain of USD 626 million relating to the sale of the Admin Re® US business (REALIC), predominantly due to realisation of previously unrealised gains on the investments backing the insurance liabilities transferred to the buyer. The gain partly offset a corresponding loss of USD 1.0 billion recorded in the second quarter, which led to a cumulative loss of USD 0.4 billion for the transaction. The sale also resulted in a dividend payment of USD 0.9 billion from Admin Re® to the Group. Admin Re® will continue to explore new opportunities in the United Kingdom and Continental Europe that meet Swiss Re Group's investment criteria and return expectations.

Successful delivery against return on equity and earnings per share targets

Swiss Re remains on track to deliver on its financial targets for the period 2011-2015. In the first nine months of 2012, Swiss Re was ahead of its targets for return on equity to be 700 basis points above the average risk-free rate and for earnings per share to grow at an average of 10 percent a year. Measured to the end of the first half of the year, economic net worth per share plus dividends increased to USD 93.8 compared to USD 87.8 for full-year 2011, slightly behind schedule on our target for 10 percent average annual growth over the five-year period.

George Quinn, Group Chief Financial Officer, says: "The economic and business environment remains volatile and this is unlikely to change in the near future. Our first priority is to deliver on our financial targets and provide our shareholders with a sustainable dividend that we plan to increase in-line with long-term earnings. Beyond that, we will look to deploy any remaining excess capital above our stated target level to those areas of our business where we see profitable opportunities. If we are unable to find opportunities that meet our return expectations, we would look at further measures to return excess capital, such as a special dividend."

Most sustainable insurance company

In addition to these financial results, Swiss Re has been named for the fifth year in a row the most sustainable company in the insurance sector by Sustainable Asset Management (SAM). Swiss Re therefore leads one of the most respected corporate sustainability rankings in the world, which is also the basis for inclusion in the Dow Jones Sustainability Index (DJSI). In the 2012 DJSI review, Swiss Re was ahead of over 120 sector competitors.

Michel M. Liès, Group CEO, says: "We are particularly proud to be recognised again as the world's most sustainable insurance company. This is an important confirmation of our commitment to sustainability, the foundations of which we laid almost 20 years ago, and an indication of the attention that is increasingly paid to non-financial metrics. What is more, our partnership with the ambitious Solar Impulse aviation project shows that we can convert intangible qualities like sustainability and innovation into concrete business opportunities."

Fourth-quarter event

Hurricane Sandy, which made landfall in New Jersey on 29 October 2012, caused high winds and storm surge, resulting in extensive flooding. Estimating claims is particularly complex due to the combined impact of prolonged power outages, disruptions to public transport and damage to other infrastructure. As a consequence, it is not possible to provide a reliable claims estimate at this time.

Notes to editors:

Details of third-quarter performance (Q3 2012 vs Q3 2011)

		Q3 2012	Q3 2011
P&C Reinsurance	Net income (USD millions)	1030	731
	Combined ratio (%)	69.3	81.5
	Return on investment (%, annualised)	3.6	2.5
	Return on equity (%, annualised)	36.6	31.2
L&H Reinsurance	Net income (USD millions)	187	492
	Benefit ratio (%)	79.0	76.7
	Return on investment (%, annualised)	5.8	10.7
	Return on equity (%, annualised)	9.9	27.0
Corporate Solutions	Net income (USD millions)	110	67
	Combined ratio (%)	87.4	106.7
	Return on investment (%, annualised)	3.0	7.9
	Return on equity (%, annualised)	16.6	12.2
Admin Re®	Net income (USD millions)	823	195
	Return on investment (%, annualised)	5.0	5.0
	Return on equity (%, annualised)	48.9	12.1
Consolidated Group (Total)	Net income (USD millions)	2182	1348
	Earnings per share (USD)	6.33	3.94
	Combined ratio (%)	72.0	85.3
	Return on investment (%, annualised)	4.5	5.8
	Return on equity (%, annualised)	28.0	20.5

Swiss Solvency Test Ratio Update
Companies that are regulated by FINMA are required to report their SST ratio to the Swiss regulatory body twice a year. The first reporting – SST1 – is made in April based on data available to the end of the previous year, while the second – SST2 – is made in October based on data available to the end of the first half of the year. The latest SST updates (SST 2/2012) for Swiss Re Group and Swiss Reinsurance Company Ltd. are published on 8 November 2012 and can be found at the following link: www.swissre.com/investors/ratings/

Media conference call
Swiss Re will hold a media conference call at 10.30 am (CET). The presentation slides, the Q3 2012 report, as well as a video of George Quinn presenting the results, can be accessed on www.swissre.com at approximately 7 am (CET) on 8 November 2012.

You are kindly requested to dial in 10 minutes prior to the start using the following numbers:

From Switzerland:	+41 (0) 91 610 5600
From Germany:	+49 (0) 69 2 5511 4445
From France:	+33 (0) 17 091 8706
From UK:	+44 (0) 203 059 5862
From US:	+1 (1) 866 291 41 66
From Hong Kong:	+852 58 08 1769

Investors and analysts' conference call
Swiss Re will hold an analysts' conference call this afternoon at 2 pm (CET). You are kindly requested to dial in 10-15 minutes prior to the start using the following numbers (listen-only mode):

From Switzerland:	+41 (0) 91 610 5600
From Germany:	+49 (0) 69 2 5511 4445
From France	+33 (0) 17 091 8706
From UK:	+44 (0) 203 059 5862
From US:	+1 (631) 570 5613
From Australia:	+61 28 073 0441

Swiss Re
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Cautionary note on forward-looking statements
Certain statements contained herein are forward-looking. These statements (including as to plans, objectives, targets and trends) provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact.

Forward-looking statements typically are identified by words or phrases such as "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as "will", "should", "would" and "could". These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause Swiss Re's actual results of operations, financial condition, solvency ratios, liquidity position or prospects to be materially different from any future results of operations, financial condition, solvency ratios, liquidity position or prospects expressed or implied by such statements or cause Swiss Re to not achieve its published targets. Such factors include, among others:

- further instability affecting the global financial system and developments related thereto, including as a result of concerns over, or adverse developments relating to, sovereign debt of euro area countries;

- further deterioration in global economic conditions;
- Swiss Re's ability to maintain sufficient liquidity and access to capital markets, including sufficient liquidity to cover potential recapture of reinsurance agreements, early calls of debt or debt-like arrangements and collateral calls due to actual or perceived deterioration of Swiss Re's financial strength or otherwise;
- the effect of market conditions, including the global equity and credit markets, and the level and volatility of equity prices, interest rates, credit spreads, currency values and other market indices, on Swiss Re's investment assets;
- changes in Swiss Re's investment result as a result of changes in its investment policy or the changed composition of its investment assets, and the impact of the timing of any such changes relative to changes in market conditions;
- uncertainties in valuing credit default swaps and other credit-related instruments;
- possible inability to realise amounts on sales of securities on Swiss Re's balance sheet equivalent to their mark-to-market values recorded for accounting purposes;
- the outcome of tax audits, the ability to realise tax loss carryforwards and the ability to realise deferred tax assets (including by reason of the mix of earnings in a jurisdiction or deemed change of control), which could negatively impact future earnings;
- the possibility that Swiss Re's hedging arrangements may not be effective;
- the lowering or loss of financial strength or other ratings of 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;
- 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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