

News release

Swiss Re reports strong net income of USD 3.3 billion for the first nine months of 2014 on third quarter net income of USD 1.2 billion

- Property & Casualty Reinsurance 9M 2014 net income of USD 2.4 billion; strong underwriting result supported by lower natural catastrophe experience
- Life & Health Reinsurance 9M 2014 net income of USD 272 million; continued improvement in operating margin and profitable new deals
- Corporate Solutions 9M 2014 net income of USD 249 million with 23% premium growth and improved combined ratio
- Admin Re® 9M 2014 net income of USD 219 million; strong gross cash generation of USD 615 million
- Capital position remains strong with updated SST ratio of 249%¹
- Swiss Re's Board of Directors proposes two new members for election at AGM in April 2015
- On track to meet 2011–2015 financial targets

Zurich, 7 November 2014 — Swiss Re reports a strong net income of USD 3.3 billion for the first nine months of 2014, USD 1.2 billion of which was earned in the third quarter alone. All Business Units contributed to the result, as well as a 13.3% return on equity during the first nine months. Swiss Re remains on track to meet its stated 2011–2015 financial targets. The strong performance demonstrates the importance of close client relationships and differentiated services in a more difficult market environment.

Group CEO Michel M. Liès says: "Swiss Re's net income over the first nine months of 2014 is a successful result. We've again made good progress towards our financial targets and we've closed significant deals that show we can provide our clients with smart risk transfer solutions. This result is proof that going the extra mile for our clients pays off, especially as the markets continue to be soft and economic conditions seem to become more uncertain."

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¹ SST 2/2014 for the Group, as filed with FINMA at the end of October 2014

Group reports strong 9M net income

All Business Units have again contributed to deliver a net income of USD 3.3 billion for the first nine months of 2014 (vs. USD 3.2 billion in 9M 2013). The annualised return on equity for the nine months stands at 13.3%.

The Group's annualised return on investments for 2014 was 3.7% for the nine months ending 30 September 2014. A higher result from long-term fixed income saw the Group's overall net investment income grow to USD 3.1 billion for the nine months (vs. USD 2.9 billion).

Book value per common share rose to USD 98.27 or CHF 93.90, compared to USD 93.08 or CHF 82.76 as of 31 December 2013. Swiss Re's Group capital position remains strong with common shareholders' equity of USD 33.6 billion. The Group Swiss Solvency Test ratio, as filed with FINMA at the end of October 2014, stands at 249%.

Property & Casualty Reinsurance delivers a strong 9M profit based on lower nat cat losses, strong client relationships and applied R&D

Property & Casualty Reinsurance reported net income of USD 2.4 billion over the first nine months of the year, compared to USD 2.2 billion for the prior-year period. The result was driven by benign natural catastrophe and man-made losses and net reserve releases from the prior year. The combined ratio improved to 82.7% for the year to date (vs. 83.6%). Premiums earned rose by 10% to USD 11.7 billion (vs. USD 10.7 billion).

P&C Re has continued to strengthen its client relationships, most notably through research and development activities and at various industry events. Predictive modelling in the casualty business and for European winter storms are two leading examples of how Swiss Re is making its expertise available to clients.

Life & Health Reinsurance improves operating margin; closes profitable new deals

Life & Health Reinsurance reported net income for the nine months of 2014 of USD 272 million (vs. USD 420 million). The decrease in net income resulted mainly from realised losses during the period under review. These were partially offset by lower interest expenses and higher operating income. Premiums earned and fee income were 16% higher at USD 8.4 billion (vs. USD 7.3 billion). The operating margin was 8.8% (vs. 8.2%).

Throughout 2014 L&H Re has shown that it is well-placed to write new large deals. For example, the US medical team signed a sizeable deal in the third quarter demonstrating Swiss Re's ability to respond to clients' needs in the USD 3 trillion healthcare industry. In Asia, Swiss Re recently increased its share in a health contract for coverage of hospital cash business.

Corporate Solutions continues growth and expands footprint

Corporate Solutions reported net income in the first nine months of 2014 of USD 249 million (vs. USD 227 million in 9M 2013). Net premiums earned of USD 2.6 billion were 23% higher than in the prior year, including the expiry of a major quota share agreement in 2012. The result reflects continued organic growth across most business lines and a lower than expected natural catastrophe experience. Corporate Solutions' combined ratio was 92.9% in the first nine months of 2014, compared to 93.8% in the same period of 2013.

The announced acquisition of insurer Sun Alliance (China), which is pending regulatory approval, will enable Corporate Solutions to offer corporate insurance directly from mainland China.

Admin Re® reports net income of USD 219 million and strong gross cash generation

Admin Re® reported net income of USD 219 million in the first nine months of 2014 (vs. USD 338 million in 9M 2013) and gross cash generation of USD 615 million (vs. USD 255 million).

The recently announced sale of its subsidiary Aurora National Life Assurance Company in the US is an important step in Swiss Re's strategy to redeploy capital and capture attractive growth opportunities for Admin Re®. The transaction, which will be beneficial in Swiss Re's Economic Value Management (EVM) accounting framework, is expected to result in an after tax loss of less than USD 200 million in the fourth quarter of 2014 under US GAAP. The Business Unit will continue to focus on the UK, where it has developed a solid pipeline of potential acquisitions and signed a transaction with HSBC Life (UK) Limited earlier this year.

Third quarter results: strong performances across entire Group

P&C Re reported net income of USD 842 million for the third quarter 2014 (vs. USD 784 million), reflecting a benign natural catastrophe experience, favourable prior year development and the release of a premium tax provision. Premiums earned rose by 9% to USD 4.3 billion (vs. USD 4.0 billion), driven by the expiry of a quota share agreement in 2012 and large quota share treaties written in Asia and the Americas at the end of 2013.

L&H Re reported net income for the quarter of USD 160 million (vs. USD 35 million). Premiums earned and fee income grew to USD 2.9 billion (vs. USD 2.5 billion), driven mainly by growth in Asia, EMEA and a large longevity transaction in the UK. The operating margin improved to 9.2% (vs. 5.6%), benefiting from favourable mortality experience in the Americas and the absence of reserve strengthening for Australian group disability business, which impacted last year's third quarter result.

Corporate Solutions reported third quarter net income of USD 103 million (vs. USD 71 million in Q3 2013). Net premiums earned were 14% higher at

USD 903 million, including the expiry of a quota share agreement in 2012. Corporate Solutions benefited from continued organic growth across most lines of business and lower than expected natural catastrophes losses, partially offset by a larger number of man-made losses.

Admin Re[®] delivered net income of USD 54 million for the quarter (vs. USD 151 million). The comparatively lower result is mainly due to the absence of a one-off tax credit booked in the third quarter of 2013. Gross cash generation was strong at USD 142 million, up from USD 85 million in the prior-year period.

The Group return on investment for the quarter was 3.5% (vs. 3.5% in Q3 2013). Group net investment income was USD 1.0 billion, compared to USD 1.0 billion in the same period of the prior year. The quarter saw an increase in net investment income from long-term fixed income and realised gains from sales of listed equities.

As previously reported, Swiss Re has been focusing on a number of management actions to improve the profitability of its in-force L&H business. Along with progress on other actions, the company made substantial progress in negotiations with certain clients in respect of the pre-2004 US individual life business. Swiss Re now expects to conclude these negotiations during the fourth quarter of 2014 and to incur a pre-tax US GAAP charge of approximately USD 550 million, slightly higher than the previously communicated estimate of USD 500 million. These negotiations, once finalised, are expected to support higher earnings for L&H Re going forward and to contribute to achieving our return on equity target of 10-12% for this segment by 2015.

Group CFO David Cole says: "I'm pleased to report that all Business Units have again delivered a solid performance during the third quarter, contributing to an overall strong Group result. This performance was supported by a lower than expected loss burden from natural catastrophes as well as a continued improvement in the L&H operating margin. Our Group results confirm our business model is robust. We expect to continue to capitalise on opportunities as and when they arise."

Swiss Re proposes two new members for election to its Board of Directors in April 2015

Swiss Re's Board of Directors will propose Philip K. Ryan and Trevor Manuel as new members for election at the Annual General Meeting on 21 April 2015, as part of the continued aim to further diversify and partially renew its composition.

As a board member of the Swiss Re America Holding Corporation Board starting in 2010 and chairman since October 2012, Philip Ryan has gained a thorough understanding of the company's business in its largest region, the Americas, where Swiss Re generates around 40% of its premium volume. Before this, he served as the Chief Financial Officer of Power Financial and

Power Corporation, a Canadian-based diversified management and holding company with interests primarily in life insurance, asset management and financial advisory services. Philip Ryan has held various senior positions during his long career across different global insurance and financial services companies. He earned an MBA in Finance from the Kelly Graduate School of Business, Indiana University.

Trevor Manuel was a minister in the South African government for more than 20 years, 13 of which he served as Finance Minister until 2009. Before his retirement from public office, he was Minister in the presidency responsible for South Africa's National Planning Commission. Throughout his career, Trevor Manuel assumed a number of ex officio positions on international bodies, including the United Nations Commission for Trade and Development (UNCTAD), the World Bank, the IMF, the G20, the African Development Bank and the Southern African Development Community. He has a National Diploma in Civil and Structural Engineering from the Peninsula Technikon.

Chairman of the Board of Directors Walter B. Kielholz says: "As part of our ongoing drive to further diversify and partially renew our board composition, we propose two new members for election. Philip K. Ryan's in-depth financial markets and insurance expertise, combined with his knowledge about Swiss Re, will be key to ensure we continue to be successful in the mature and growing markets of the Americas. As a South African native, Trevor Manuel's first-hand knowledge about the opportunities and challenges in the African High Growth Markets will be an important differentiator as we push for greater insurance penetration in these countries."

On track to meet financial targets

The Group remains well on track to meet its 2011–2015 financial targets. New multi-year targets starting from 2016 will be announced with the Full Year 2014 Results on 19 February 2015.

Opportunities exist to grow further, especially in High Growth Markets where insurance penetration is currently still low but increasing wealth is generating greater demand for financial protection. Swiss Re expects that the long-term increase in demand will outweigh the current supply pressures in the market.

Group CEO Michel M. Liès says: "We understand that there is uncertainty in the market and challenges undoubtedly do exist. As a result, rigorous cycle management, portfolio steering and underwriting discipline will remain our main tools to be able to generate success going forward. We will remain firmly focused on profitable growth, while making sure we support our clients so they can pursue profitable opportunities."

Details of year-to-date performance (9M 2014 vs 9M 2013)

		9M 2014	9M 2013
P&C Reinsurance	Premiums earned (USD millions)	11 678	10 655
	Net income (USD millions)	2 385	2 239
	Combined ratio (%)	82.7	83.6
	Return on investment (%, annualised)	3.6	2.9
	Return on equity (%, annualised)	25.1	25.2
L&H Reinsurance	Premiums earned and fee income (USD millions)	8 440	7 264
	Net income (USD millions)	272	420
	Operating margin (%)	8.8	8.2
	Return on investment (%, annualised)	3.3	4.1
	Return on equity (%, annualised)	5.9	8.5
Corporate Solutions	Premiums earned (USD millions)	2 574	2 090
	Net income (USD millions)	249	227
	Combined ratio (%)	92.9	93.8
	Return on investment (%, annualised)	2.9	2.5
	Return on equity (%, annualised)	12.2	10.6
Admin Re[®]	Premiums earned and fee income (USD millions)	731	1043
	Net income (USD millions)	219	338
	Gross cash generation (USD millions)	615	255
	Return on investment (%, annualised)	5.0	5.1
	Return on equity (%, annualised)	4.9	7.1
Consolidated Group (Total)	Premiums earned and fee income (USD millions)	23 423	21 052
	Net income (USD millions)	3 255	3 238
	Earnings per share (USD)	9.51	9.44
	Return on investment (%, annualised)	3.7	3.6
	Return on equity (%, annualised)	13.3	13.6

Details of third quarter performance (Q3 2014 vs Q3 2013)

		Q3 2014	Q3 2013
P&C Reinsurance	Premiums earned (USD millions)	4 305	3 951
	Net income (USD millions)	842	784
	Combined ratio (%)	76.7	81.5
	Return on investment (%, annualised)	2.8	3.2
	Return on equity (%, annualised)	28.0	28.6
L&H Reinsurance	Premiums earned and fee income (USD millions)	2 873	2 452
	Net income (USD millions)	160	35
	Operating margin (%)	9.2	5.6
	Return on investment (%, annualised)	3.3	3.6
	Return on equity (%, annualised)	9.6	2.5
Corporate Solutions	Premiums earned (USD millions)	903	791
	Net income (USD millions)	103	71
	Combined ratio (%)	90.5	95.8
	Return on investment (%, annualised)	2.5	2.4
	Return on equity (%, annualised)	15.4	10.8
Admin Re[®]	Premiums earned and fee income (USD millions)	231	281
	Net income (USD millions)	54	151
	Gross cash generation (USD millions)	142	85
	Return on investment (%, annualised)	5.2	5.0
	Return on equity (%, annualised)	3.5	10.3
Consolidated Group (Total)	Premiums earned and fee income (USD millions)	8 312	7 475
	Net income (USD millions)	1 227	1 072
	Earnings per share (USD)	3.59	3.12
	Return on investment (%, annualised)	3.5	3.5
	Return on equity (%, annualised)	14.8	14.3

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 1.00 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)17091 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 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 in accordance with the Main 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](https://twitter.com/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, 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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