

News release

Swiss Re agrees GBP 800 million minority investment into ReAssure by MS&AD

- Swiss Re has reached agreement with Japanese insurance group MS&AD Insurance Group Holdings Inc (MS&AD) for an investment into ReAssure, its closed book business, of up to GBP 800 million
- The investment strengthens ReAssure's ability to pursue future transactions in line with previous communications
- ReAssure remains a core part of Swiss Re's business

Zurich, 6 October 2017 – ReAssure, a market-leading UK closed life book consolidator within the Swiss Re Life Capital Business Unit, has reached agreement with MS&AD for an investment into ReAssure of up to GBP 800 million.

MS&AD has agreed to acquire a 5% stake in ReAssure¹ for GBP 175 million, which values ReAssure at GBP 3.5 billion. MS&AD has committed to invest, for up to a three-year period from closing, GBP 800 million in total into the equity of ReAssure, with a maximum shareholding of 15%. The MS&AD minority investment is consistent with Swiss Re's previously communicated strategy to provide ReAssure with enhanced financial flexibility to support its future growth.

The commitment to invest the additional GBP 625 million will be satisfied through the issuance of primary equity to MS&AD (based on the same valuation formula) as ReAssure undertakes transactions in the future. Once the 15% shareholding threshold is reached, both Swiss Re and MS&AD will subscribe to any further equity injection into ReAssure on a pro rata basis. The acquisition of the initial 5% stake is subject to regulatory approval, and closing is expected to occur in the first quarter of 2018. No further regulatory approvals are expected to be required for the additional MS&AD investments.

Thierry Léger, CEO of Life Capital, said: "I am delighted that we partner with a like-minded, long-term investor that will invest with us side-by-side. The closed book business is a core component of Swiss Re's overall strategy. Swiss Re remains committed to supporting ReAssure with their strong team, great platform and excellent growth prospects."

Matt Cuhls, CEO of ReAssure, said: "This is a positive step and gives us greater capacity for future deals. The UK closed book market is expected to

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¹ At the level of ReAssure Jersey One Limited.

offer significant consolidation opportunities in the near future. Thanks to this commitment from MS&AD and given our proven acquisition and integration capabilities, we are well-positioned to seize these opportunities while delivering attractive returns."

The partnership builds on the cooperation and mutual trust that has existed between MS&AD and Swiss Re for over 100 years on the back of their long-standing business relationship. There will be no impact on ReAssure's strategy and employees due to this transaction.

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 about 80 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 International Reporting 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).

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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, capital or liquidity positions or prospects to be materially different from any future results of operations, financial condition, solvency ratios, capital or liquidity positions 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;
- further 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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