

Letter to shareholders

Swiss Re's true value

3.3

Group net income (USD billions)
First nine months of 2014

Dear shareholders

The first nine months of this year have highlighted again the importance of being able to understand and manage complex risks, as we experienced a more volatile economic environment together with heightened geopolitical instability and the largest outbreak of the infectious disease Ebola.

Managing risks is our core purpose and fulfilling this role is the best way to deliver a successful financial performance and, ultimately, a good return on your investment in Swiss Re.

In this period, Swiss Re has again shown its ability to generate solid financial results in a challenging and volatile environment. Strong underwriting in Property & Casualty Reinsurance drove our nine-month result, supported by a benign natural catastrophe and man-made loss experience. And while the nine-month Life & Health Reinsurance result may not seem particularly strong in terms of net income, it masks the agility the segment is showing in both generating profitable new business as well as addressing problematic old business.

At Corporate Solutions we continue to deliver profitable growth, with higher top-line and bottom-line results in the quarter and over the nine months. We're also making substantial progress in expanding Corporate Solutions' footprint in high growth markets, notably with the acquisition of Sun Alliance (China). The acquisition will allow us to sell insurance to corporate clients directly from mainland China as soon as the transaction is approved by the authorities.

Shortly after the third quarter ended, Admin Re[®] announced the sale of its US subsidiary Aurora in order to continue to focus activities on profitable business in the UK, where it can capture economies of scale.

Looking at concrete numbers, our net income over the nine months stands at USD 3.3 billion, or USD 1.2 billion higher than at the half-year mark. The return on equity for the nine-month period, on an annualised basis, was 13.3%.

A quarterly result or even a nine-month result is only a snapshot in the context of our long-term business. In order to measure our success on this long-term basis, and for your convenience, we've included a chart to show progress towards our current financial targets, which run from 2011–2015, along with the Group results summary. On page 8 you'll see we're on track on all three targets.



Walter B. Kielholz
Chairman of the Board of Directors

Michel M. Liès
Group CEO

This is also the view we have and the basis on which we manage our business. We're already looking beyond 2015 and thinking about how to carry our success into the future.

Based on these discussions we'll present our next set of targets in February 2015 with our 2014 full-year results. These multi-year targets will cover the period starting from 2016 onwards.

Having the long term of our business in mind, responsibility and sustainability are key pillars of our future success. Swiss Re has been recognised before as a company committed to applying its knowledge and expertise to provide sustainable solutions for a more resilient world and making more risks insurable. For over a decade, this commitment has been recognised by the Dow Jones Sustainability Indices (DJSI) in various ways. We're proud to report that this year, Swiss Re has again been named leader of our sector by the DJSI for 2014. This is recognition of the profound degree to which we embed sustainability into our core business processes and practices. It is an achievement for which all our investors, particularly those focused on the long term, can take heart.

Our long-term view may also explain why we see some of the recent developments in our industry the way we do. Many have commented, for example, on the appearance of new investors entering our sector and trying their hand at reinsurance, mostly in natural catastro-

phes. While this represents a challenge to incumbents, we want to point out the many opportunities we all have to make currently uninsured risks insurable. In addition, economic growth and wealth are increasing, and so is the frequency of extreme weather events. These factors will drive growth in re/insurance demand to come.

Our goal is to leverage our expertise and knowledge to develop innovative insurance solutions – solutions which are agile and adaptive enough for the challenges and opportunities we and our clients will face. This, in return, will continue to make us successful in the future – not only with our clients and in our re/insurance markets but also with you, our investors.

To help us succeed, and as part of our ongoing drive to further diversify and partially renew our board composition, two new members, Philip K. Ryan and Trevor Manuel, have been proposed for

election to our Board. Philip's in-depth financial markets and insurance expertise, combined with his background as a member of the Swiss Re America Holding Corporation Board, 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'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.

The opportunities ahead make our business truly exciting. Perhaps more than in any other business, re/insurance and its ability to manage the many risks we face is closely linked to working with our clients and as a result creating shareholder value and ultimately more resilient societies.

We thank you for your support.

Zurich, 7 November 2014

Walter B. Kielholz
Chairman of the Board of Directors

Michel M. Liès
Group CEO