News release

Swiss Re

Swiss Re announces net income of USD 4.2 billion for full-year 2012; a regular dividend of CHF 3.50 per share and an additional special dividend of CHF 4.00 per share to be proposed

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- **Excellent 2012 net income of USD 4.2 billion**
- **Board of Directors to propose an increase in regular dividend to CHF 3.50 per share and an additional special dividend of CHF 4.00 per share[1]**
- **Strong underwriting performance in P&C Re and Corporate Solutions, Group combined ratio of 83.1%**
- **Successful January P&C renewals; additional growth expected for 2013 from expiry of quota share retrocession**
- **All business segments contributing to the positive result, including excellent investment performance**

Zurich, 21 February 2013 – Swiss Re has delivered a net income of USD 4.2 billion for 2012. The result was driven by very strong profitability in Property and Casualty Reinsurance and an excellent investment result. Swiss Re's Board of Directors will propose a regular dividend of CHF 3.50 per share and, in addition, a special dividend of CHF 4.00 per share, amounting to a total return of capital to shareholders of approximately USD 2.8 billion.

Michel M. Liès, Swiss Re's Group Chief Executive Officer, says: "This result shows that our strategy is effective and that we remain well on our way to achieving our 2011—2015 financial targets. We have seen a particularly strong performance in our P&C Re business and our investment results were excellent. The underlying business performance of the Group was clearly very strong and the result included positive reserve development from prior year business and realised gains on investments. 2012 was the first full reporting year under our new corporate structure and all units have contributed positively to this very pleasing result."

Excellent full-year Group results

Net income was USD 4.2 billion in 2012 (vs USD 2.6 billion in 2011). The result was driven by strong premium and fee income growth of 15% from USD 22.2 billion in 2011 to USD 25.4 billion in 2012 and by favourable prior year development in the P&C businesses. Furthermore, investment income was a very impressive USD 4.5 billion for the year, with a return on investments of 4.0% (vs

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

4.4%). Investment-related net realised gains amounted to USD 1.5 billion in 2012.

The Group combined ratio was excellent at 83.1%, significantly better than the projected 94% for 2012. This includes the unchanged claims estimate of USD 900 million from Hurricane Sandy as communicated at the end of November 2012. Adjusting for prior year reserve releases and slightly lower than expected natural catastrophe losses, the underlying combined ratio for the year was 91.1%. Measured over a longer period to remove some of the random volatility, the Group's five-year average combined ratio has improved from 98.3% in 2007 to 95.4% in 2012. This underlines the strength of the Group's portfolio of property and casualty risks.

Earnings per share were USD 11.85 or CHF 11.13 (vs USD 7.68 or CHF 6.79 in 2011). Shareholders' equity rose by USD 4.4 billion to USD 34.0 billion. Book value per common share increased to USD 95.87 or CHF 87.76 at the end of December 2012, compared to USD 86.35 or CHF 80.74 at the end of 2011.

As a result of the strong Group capital position, Swiss Re's Board of Directors is pleased to propose at the Annual General Meeting an increased regular dividend for 2012 of CHF 3.50 per share from CHF 3.00 in 2011. In addition, the Board of Directors will propose a special dividend of CHF 4.00 per share. Together, the dividend payments will result in a total return of capital to shareholders of approximately USD 2.8 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: "The commitment to our capital management strategy remains a top priority. We announced the possibility of a special dividend one year ago and we are now in a position to make a significant distribution to shareholders.

"Our capital management priorities remain unchanged for the coming years – first, we aim to grow the regular dividend, then we will grow our business where new opportunities meet our profitability expectations. The Group intends to continue to maintain high levels of capital adequacy."

Very strong P&C Re result

P&C Re net income rose to USD 3.0 billion in 2012, an increase of USD 1.9 billion from 2011. This very strong result was due to the combination of a 21.6% increase in net premiums earned to USD 12.3 billion (vs USD 10.1 billion), improving margins, favourable prior year reserve development and realised gains on investments. The result also includes the natural catastrophe loss from Hurricane Sandy.

The P&C Re combined ratio was 80.7% in 2012 (vs 104.0%). Adjusted for expected natural catastrophes and prior year reserve releases, the combined ratio was 90.1%.

Life & Health Reinsurance net income of USD 739 million
L&H Re delivered a net income of USD 739 million for 2012 (vs USD 1.7 billion). The lower result was due to a lower investment return.

2012 saw a number of successful, innovative transactions and strong global growth in the Health segment. Premiums earned and fee income increased by 8.5% to USD 9.1 billion (vs USD 8.4 billion). The benefit ratio for the year was 75.5%, slightly higher than the 74.5% in the prior year.

Corporate Solutions delivers profit and growth
Corporate Solutions delivered a good net income of USD 196 million for 2012, up significantly from USD 81 million a year earlier. Gross premium written net of intra-group transactions grew by an exceptional 38.1% to USD 3.5 billion, supported by organic growth across all major lines of business. The combined ratio improved to 96.2% from 107.9%. This includes the impact from Hurricane Sandy, which was partly balanced by positive prior year reserve development.

Corporate Solutions remains committed to growing as a lean global player in the corporate insurance market and is well on track to achieving its targets of growing the book of business to USD 4-5 billion and delivering a ROE in the range of 10-15%.

Admin Re® with very strong gross cash generation
Admin Re® delivered net income of USD 183 million for the full-year (vs USD 329 million). This figure reflects the sale of the Admin Re® US business. Excluding the effects of the sale, net income would have reached USD 582 million. The result includes gains on investments and benefited from positive business run-off.

Gross cash generation was significantly stronger than anticipated at USD 1.2 billion. Group CFO George Quinn says: "The gross cash generation strength of Admin Re® has further improved with the actions taken in 2012, including the sale of the Admin Re® US business. We continue to look for opportunities to grow our Admin Re® business and to further enhance the gross cash generation capacity."

Successful January renewals
The January P&C treaty renewals were successful, allowing Swiss Re to achieve profitable growth of 11% while maintaining a high-quality portfolio. The portfolio saw price increases of 2% before taking into consideration the economic impact of lower interest rates. Including these, the risk-adjusted price quality of the portfolio was maintained at last year's level. Growth was driven by demand for tailored solutions and solvency relief transactions in Europe and the Americas.

In December 2012, a five-year 20% quota share agreement with Berkshire Hathaway expired. This effect alone is expected to lead to a significant increase in net premium income in our P&C Re and Corporate Solutions businesses for 2013.

Swiss Re on track to reach 2011—2015 financial targets

Swiss Re is well on track to deliver on its 2011—2015 financial targets. In 2012, return on equity was 13.4% and earnings per share grew by 54%. Economic net worth per share figures will be reported with the publication of the 2012 Annual Report in March 2013.

150 years of enabling growth and market development

Swiss Re celebrates its 150 Year Anniversary in 2013 in a series of events around the world. Founded in 1863 after a fire destroyed the Swiss township of Glarus, Swiss Re has established a successful track record in the business of protecting society against major risk events and enabling the growth of a private sector approach to managing risks.

Group CEO Michel M. Liès says: "It is a privilege to lead Swiss Re in its 150th year and we see many excellent opportunities ahead for the Group. In mature markets we will continue to focus on innovation and leveraging our high quality expertise. In our target high growth markets, where we see huge potential for the industry, we will also be proactive in enabling market development and bringing financial protection against risks to help people protect their property and assure their livelihoods. Swiss Re has good reasons to look to the future with optimism."

Details of full-year performance (2012 vs 2011)

		FY 2012	FY 2011
P&C Reinsurance	Premiums earned (USD millions)	12,329	10,135
	Net income (USD millions)	2,990	1,099
	Combined ratio (%)	80.7	104.0
	Return on investment (%, annualised)	3.2	3.1
	Return on equity (%, annualised)	26.7	11.0
L&H Reinsurance	Premiums earned and fee income (USD millions)	9,122	8,404
	Net income (USD millions)	739	1664
	Benefit ratio (%)	75.5	74.5
	Return on investment (%, annualised)	4.7	6.8
	Return on equity (%, annualised)	8.9	21.2
Corporate Solutions	Premiums earned (USD millions)	2,284	1,929
	Net income (USD millions)	196	81
	Combined ratio (%)	96.2	107.9
	Return on investment (%, annualised)	3.2	4.5
	Return on equity (%, annualised)	7.4	3.7
Admin Re®	Premiums earned and fee income (USD millions)	1,705	1,686
	Net income (USD millions)	183	329
	Return on investment (%, annualised)	4.9	5.0
	Return on equity (%, annualised)	2.6	5.0
Consolidated Group (Total)	Premiums earned and fee income (USD millions)	25,446	22,176
	Net income (USD millions)	4,201	2,626
	Earnings per share	USD 11.85 CHF 11.13	USD 7.68 CHF 6.79
	Combined ratio (%)	83.1	104.7
	Return on investment (%, annualised)	4.0	4.4
	Return on equity (%, annualised)	13.4	9.6

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Details of fourth-quarter performance (Q4 2012 vs Q4 2011)

		Q4 2012	Q4 2011
P&C Reinsurance	Premiums earned (USD millions)	3,132	2,641
	Net income (USD millions)	583	615
	Combined ratio (%)	88.2	95.9
	Return on investment (%, annualised)	1.9	3.8
	Return on equity (%, annualised)	19.7	24.5
L&H Reinsurance	Premiums earned and fee income (USD millions)	2,525	2,133
	Net income (USD millions)	95	633
	Benefit ratio (%)	74.9	72.6
	Return on investment (%, annualised)	3.0	4.7
	Return on equity (%, annualised)	5.0	30.1
Corporate Solutions	Premiums earned (USD millions)	629	553
	Net income (USD millions)	-24	4
	Combined ratio (%)	101.9	104.0
	Return on investment (%, annualised)	3.1	3.6
	Return on equity (%, annualised)	-3.3	0.7
Admin Re®	Premiums earned and fee income (USD millions)	245	411
	Net income (USD millions)	102	61
	Return on investment (%, annualised)	5.1	4.3
	Return on equity (%, annualised)	6.0	3.4
Consolidated Group (Total)	Premiums earned and fee income (USD millions)	6,532	5,738
	Net income (USD millions)	795	983
	Earnings per share (USD)	USD 2.32 CHF 2.17	USD 2.87 CHF 2.54
	Combined ratio (%)	90.5	97.3
	Return on investment (%, annualised)	3.0	4.1
	Return on equity (%, annualised)	9.7	13.7

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The foregoing and the 2012 Financial Review of the Swiss Re Group contain updates on our business and results and preliminary unaudited financial information for 2012. The updates on our business and results will be included in our 2012 Annual Report, together with our audited financial statements for 2012 and other disclosures we are required to include or historically have included in an annual report. The foregoing and the 2012 Financial Review of the Swiss Re Group are not intended to be a substitute for the full 2012 Annual Report, which will be published on the Swiss Re website on 15 March 2013.

Notes to editors

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) 91 610 56 00
From Germany:	+49 (0) 69 25 511 4445
From UK:	+44 (0) 203 059 58 62
From France:	+33 (0) 170 918 706
From USA (toll-free):	+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) 91 610 56 00
From Germany:	+49 (0) 69 25 511 4445
From UK:	+44 (0) 203 059 58 62
From France:	+33 (0) 170 918 706
From USA (toll-free):	+1 631 570 5613
From Australia (toll-free):	+61 28 073 0441

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, "A1" 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" 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 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.

This communication is not intended to be a recommendation to buy, sell or hold securities and does not constitute an offer for the sale of, or the solicitation of an offer to buy, securities in any jurisdiction, including the United States. Any such offer will only be made by means of a prospectus or offering memorandum, and in compliance with applicable securities laws.