

2013 Business Report

Open minds connecting generations



KEY INFORMATION

Net income (USD millions)

2013	4 444
2012	4 201
2011	2 626
2010	863
2009	496

Shareholders' equity (USD millions)

2013	32 952
2012	34 002
2011	29 590
2010	25 342
2009	25 344

Proposed dividend per share for 2013 (CHF)*

3.85

(CHF 3.50 for 2012)

Financial strength rating

Standard & Poor's

AA-

stable

Moody's

Aa3

stable

A.M.Best

A+

stable

4.15 Proposed special dividend per share for 2013 (CHF)*

* Swiss withholding tax exempt distribution out of legal reserves from capital contributions.

Financial highlights

For the twelve months ended 31 December

USD millions, unless otherwise stated	2012	2013	Change in %
Group			
Net income attributable to common shareholders	4 201	4 444	6
Premiums earned and fee income	25 446	28 818	13
Earnings per share in CHF	11.13	12.04	8
Shareholders' equity	34 002	32 952	-3
Return on equity ¹ in %	13.4	13.7	
Return on investments in %	4.0	3.6	
Number of employees ² (31.12.2012/31.12.2013)	11 193	11 574	3
Property & Casualty Reinsurance			
Net income attributable to common shareholders	2 990	3 292	10
Premiums earned	12 329	14 542	18
Combined ratio in %	80.7	83.3	
Return on equity ¹ in %	26.7	26.4	
Life & Health Reinsurance			
Net income attributable to common shareholders	739	356	-52
Premiums earned and fee income	9 122	10 023	10
Operating margin in %	8.6	5.2	
Return on equity ¹ in %	8.9	5.4	
Corporate Solutions			
Net income attributable to common shareholders	196	279	42
Premiums earned	2 284	2 922	28
Combined ratio in %	96.2	95.1	
Return on equity ¹ in %	7.4	9.6	
Admin Re®			
Net income attributable to common shareholders	183	423	131
Premiums earned and fee income	1 705	1 330	-22
Return on equity ¹ in %	2.6	6.8	

¹ Return on equity is calculated by dividing net income attributable to common shareholders by average common shareholders' equity.

² Regular staff.

IN THIS BUSINESS REPORT ...



About the cover

As part of our 150th anniversary celebrations, Swiss Re led industry-wide dialogues and thoughtful discussions about the risks facing our communities today and for generations to come. The theme of the anniversary is "Open minds connecting generations."

Swiss Re at a glance

- 02 Our mission
- 04 How we operate
- 06 Message from the Chairman
- 08 Statement from the Group CEO
- 10 Board of Directors and Group Executive Committee
- 12 Our business

2013 in review

- 16 Reinsurance
- 20 Corporate Solutions
- 24 Admin Re®

Our past, our future, our commitment

- 26 150 years of managing risk
- 28 Open minds
- 32 Corporate responsibility
- 35 Thought leadership
- 37 Knowledge experts
- 38 The Swiss Re Foundation
- 39 Our people

General information

- 40 Cautionary note on forward-looking statements
- 41 Business contact details
- 41 Corporate calendar

Page 06



Chairman's and CEO's messages

Swiss Re's leaders reflect on an anniversary year

Page 16



Reinsurance

Working smarter together in high growth markets

Page 20



Corporate Solutions

Committed to a future of sustainable energy

Page 24



Admin Re®

Enabling change in the life insurance sector

Page 26



150 years of managing risk

A long, proud history of supporting global economic growth and stability



Full details on financial information see **2013 Financial Report**



For information on our anniversary see **150.swissre.com**

OUR MISSION

Swiss Re aims to be the leading player in the wholesale re/insurance industry. We seek to outperform peers in core areas, combined with a smart expansion into areas where additional growth opportunities exist.

OUR BUILDING BLOCKS:

STRATEGY	GROUP STRUCTURE AND OPERATING MODEL		
<p>Our emphasis The organisation has settled well into the new Group structure created in 2011 with three distinct Business Units: Reinsurance, Corporate Solutions and Admin Re®. Higher transparency and higher accountability drive a positive business culture and allow for agility and flexibility. The Group's principal goal is to ensure optimal capital and resource allocation across diversified insurance risks and businesses in order to maximise shareholder value.</p> <p>Our strength Building on our capital strength, expertise and innovation we enable the risk-taking upon which clients and progress in society depend.</p> <p>Superior performance We aim to be the best re/insurer in the world, and to outperform our peers in the closed life book business as well as with our balanced asset management approach.</p> <p>Smart expansion We continue to expand our business where we see opportunities for sustainable growth, especially in Corporate Solutions, in high growth markets, and in funding longer lives and health.</p>	<div>Swiss Re Group</div>		
	<p>Reinsurance Reinsurance is Swiss Re's largest business in terms of income and the foundation of our strength, providing about 85% of gross premiums and fee income through two segments — Property & Casualty and Life & Health. The unit aims to extend Swiss Re's industry-leading position with disciplined underwriting, prudent portfolio management and diligent client service.</p>	<p>Corporate Solutions Corporate Solutions serves mid-sized and large corporations, with product offerings ranging from traditional property and casualty insurance to highly customised solutions. Corporate Solutions serves customers from over 40 offices worldwide and is a growth engine of the Swiss Re Group.</p>	<p>Admin Re® Admin Re® provides risk and capital management solutions by which Swiss Re acquires closed books of in-force life and health insurance business, entire lines of business, or the entire capital stock of life insurance companies. Admin Re® solutions help clients free up capital to redeploy to new business opportunities while reducing administrative burdens.</p>
	<p>Reinsurance is working smarter together with clients in Colombia see page 16</p>	<p>Corporate Solutions supports sustainable energy see page 20</p>	<p>Admin Re® helps insurers adjust to changing conditions see page 24</p>

OUR 2011–2015 FINANCIAL TARGETS

Target

2013 performance

Return on equity:

700 basis points above risk-free
(average over five years)¹

13.7%
(13.4% in 2012)

Earnings per share growth:

10% average annual growth rate
over 5 years, adjusted for special dividends² (in USD, base 2010)

9.5%³
(54.5% in 2012)

Economic net worth per share growth plus dividend:

10% average annual growth rate over
5 years (in USD, base 2010)

17.0%⁴
(19.9% in 2012)

¹ Average US gov 5 years from 31 December 2012 until 31 December 2013: 1.16%.

² EPS growth rate has been adjusted from 10% to 5% for 2014 to account for the proposed CHF 4.15 per share special dividend (approx. USD 1.6 billion) expected to be distributed in April 2014. Methodology is in line with the approach taken for the special dividend of CHF 4.00 per share paid in April 2013.

³ EPS growth rate from 31 December 2012 until 31 December 2013.

⁴ ENW growth rate from 31 December 2012 until 31 December 2013, including regular and special dividends per share paid.

About these targets

The 2011–2015 financial targets remain our top priority. In 2013 we continued to make good progress toward achieving them. We are well ahead of schedule on our return on equity, our earnings per share and our economic net worth per share targets.

The Group continues to be an industry leader in underwriting quality. In Property & Casualty Reinsurance, working smarter

together with clients, supported by a strict focus on risk selection and portfolio management, will remain a key value driver. We are determined to meet the challenge of low returns in Life & Health Reinsurance through management actions and generating profitable new business. Corporate Solutions is managing its costs and investing for growth, especially in high growth markets. Admin Re[®] continues to make progress to transform its operations and grow selectively in the UK.

At Group level measures are in place to enhance productivity. We expect to deliver USD 250–300 million in cash savings by 2015 compared to 2012. Our main focus will be on redeploying these savings to higher return opportunities.

With these actions we aim to achieve our 2011–2015 financial targets.

HOW WE OPERATE

Re/insurance creates stability. By managing risks and covering losses, we protect investments and enable economic growth.

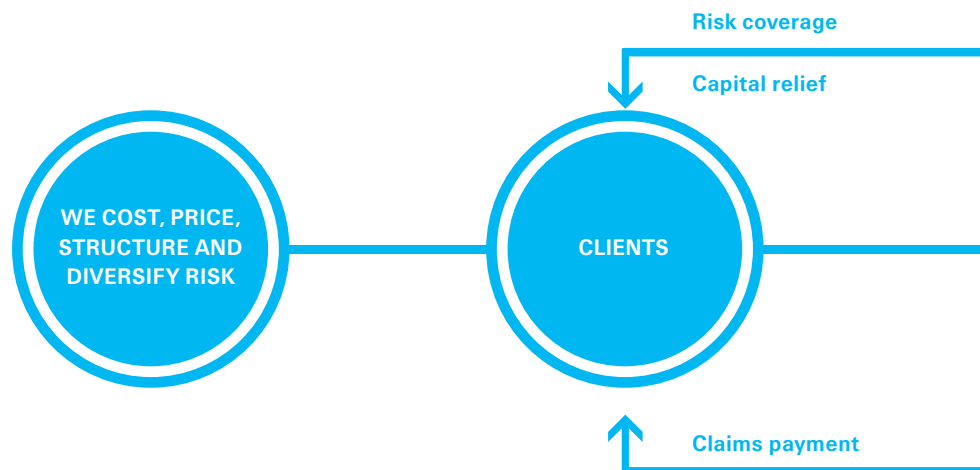
MARKET FORCES

A changing world of risk

Longevity, climate change and threats to cybersecurity are just a few of the forces altering the risk landscape.

New markets, new clients

Growth in emerging markets is driving urbanisation and drawing more and more people into a global middle class. New markets demand re/insurance solutions.



OUR APPROACH AND WHY

A knowledge company

We are a knowledge company and a thought leader. We devote substantial resources to understanding the risks we re/insure, as well as the ones just over the horizon. See pages 61 and 101 of the Financial Report for details.

Building ties

We are actively recruiting top talent to fuel our growth and build up the relationships that are essential to success. See page 16 for a success story in Colombia.

Alternative capital

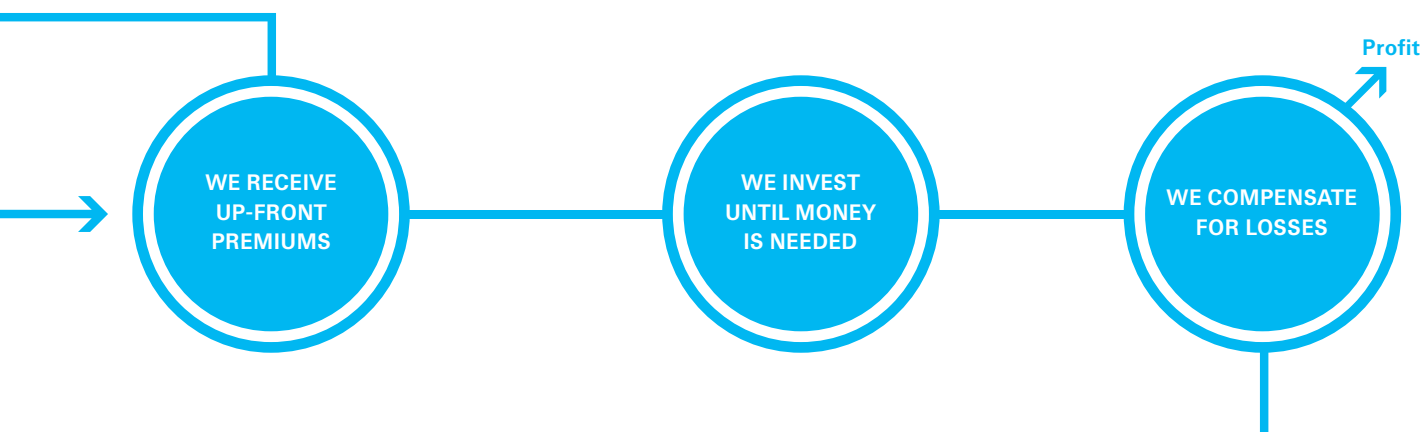
Low interest rates have driven pension funds, hedge funds and other investors into the natural catastrophe risk pool, increasing competition and capacity for property re/insurance.

Changing regulations

Regulatory reforms aiming for stability in the banking sector can also have adverse consequences for the re/insurance sector.

Shifting risk burdens

The governments of many countries are constrained and the needs of their populations are growing. Individuals are taking on more of the responsibility for risk.



A resilient business model

Over 150 years we have accumulated vast experience and expertise that we apply for the benefit of our clients. Alternative capital does not fundamentally challenge our business model. See page 17 of the Financial Report for our strategic view on alternative capital.

Supporting growth and stability

The core activities of insurance are fundamental to economic growth, and they are neither a source nor an amplifier of systemic risk. See pages 20 and 25 of the Financial Report for our view on regulatory reforms.

Protecting societies

We are proud of our long record of supporting generations when disaster strikes. That reliability — and the trust it has earned us — goes a long way toward explaining our durability. See page 26 for some highlights of Swiss Re's relevance to society over the years.

MESSAGE FROM THE CHAIRMAN

3.85

Proposed dividend in CHF for 2013*
(CHF 3.50 in 2012)

4.15

Proposed special dividend in CHF for 2013*
(CHF 4.00 in 2012)

Dear shareholders

At this time last year I wrote of my confidence in Swiss Re's prospects for 2013. That confidence has now been confirmed. Based on Swiss Re's very strong 2013 performance, the Board of Directors will recommend a regular dividend of CHF 3.85 per share at this year's Annual General Meeting. We will also propose a special dividend of CHF 4.15 per share. Altogether this represents a return of about USD 3.1 billion of capital to our shareholders.

I am pleased to propose these dividends in our 150th year. While the anniversary is an impressive testament to our endurance and strength, strong dividends are proof.

We have earned another very strong profit in 2013, but the business environment remains challenging. We face headwinds from a few sources, such as regulatory developments as well as the inflow of so-called alternative capital into re/insurance markets. I am confident that we have the right business model in place to withstand these pressures, but we need to watch these trends carefully, analyse what they mean for us and respond proactively.

Central banks have kept interest rates artificially low for several years. This policy, pursued to stimulate economic growth and lower unemployment, has undoubtedly had some success. But it comes at increasing cost. One of the costs has been financial repression, ie, depriving long-term savers and investors, such as large re/insurers and pension funds, of important returns on their shareholders' and policyholders' assets. In returning to more 'normal' interest rates, central banks will face the risk of policy error. We are monitoring developments and preparing accordingly – indeed, the strategic short duration position that we implemented was meant partly to give us the flexibility to respond to changing conditions.

*Swiss withholding tax exempt distribution out of legal reserves from capital contributions.

Walter B. Kielholz



“Based on Swiss Re’s very strong 2013 performance, the Board of Directors will recommend a regular dividend of CHF 3.85 per share at this year’s Annual General Meeting. We will also propose a special dividend of CHF 4.15. Altogether this represents a return of about USD 3.1 billion of capital to our shareholders.”

In the broader environment we saw in 2013 that the G-20 designated nine large insurers as globally systemically important insurers (G-SII). By all indications the companies named will be subject to additional reporting and higher capital requirements. The designation of reinsurers has been postponed to July 2014. We are looking at different scenarios although we continue to emphasise that our core activities are neither a source nor an amplifier of systemic risk. We believe we are well prepared for any additional requirements that would arise from such a designation.

These are major changes, and change should give us confidence. Indeed, our business depends on change. As we have often said, we enable the risk-taking on which economic progress depends. For our 150th anniversary we have celebrated under the motto “Open minds connecting generations”, examining ways to tackle some of the large-scale risks facing us today — longevity, climate change, natural disasters and food security. By highlighting ‘generations’, we looked at the long-term consequences and implications of change in these areas and discussed possible solutions.

The long term has always been the focus in our business. The reinsurance business is long-term and long-tail by nature. We look forward to helping clients and society to manage the changes they are facing on a daily basis with innovative and forward-looking solutions.

Thank you for your trust.

Zurich, 20 February 2014

Walter B. Kielholz

Chairman of the
Board of Directors

STATEMENT FROM THE GROUP CEO

Dear shareholders

I am very pleased to report that all Business Units contributed to Swiss Re's very strong 2013 net income of USD 4.4 billion. These results would be gratifying in any year, though especially so in our 150th — they reveal the dynamism that underlies our durability.

Over 2013 our strategy remained unchanged. The point was execution. Execution led foremost to our excellent net income, led by another very strong performance by Property & Casualty Reinsurance with a 2013 net income of USD 3.3 billion. Corporate Solutions delivered continued profitable growth with a profit of USD 279 million. Admin Re® added USD 423 million to the Group result. Net income for Life & Health Reinsurance was USD 356 million.

We also executed against our two capital and asset management goals published at our Investors' Day in June 2013. The first was to reduce our debt by USD 4 billion by 2016, thereby increasing return on equity and earnings per share. Here we are well ahead of schedule. The second was to rebalance our assets so that we invest in a greater share of high-quality credit and equities. This goal was achieved.

Another area of execution was to invest in profitable growth, especially in high growth markets. We continue to expect that a large share of future growth in re/insurance will be in these markets. In addition to our organic expansion in these markets, in 2013 we took a stake in SulAmérica, a well-established and successful multiline insurer in Brazil. In China we invested in New China Life and in the Hong Kong-based insurer FWD Group. We also obtained a license in Singapore for Corporate Solutions.

In Admin Re®, we will focus on the UK market for further acquisitions of closed life books going forward. There we already have a robust platform in place to take on additional business, and thus the maximum leverage for generating operational efficiencies. We have our eyes open for suitable opportunities and remain open to raising third-party capital to fund them. We may also make use of leverage for new business funding.

Internally we have started to enhance productivity. I remain firmly of the belief that we can perform and grow at the same time, and I have every confidence that we will deliver USD 250–300 million in cash savings by 2015 when compared to 2012.

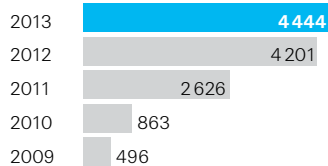
We also have the task of addressing low returns in the Life & Health segment of Reinsurance. Although we made significant progress and remain on track to achieve our 10%–12% RoE target for this segment by 2015, we saw negative developments in the Australian group disability business. These latter developments required us to add USD 369 million to reserves in 2013. We are determined to meet these challenges and generate profitable new business going forward, especially in health.

Meanwhile low interest rates have played a large role in driving pension funds, hedge funds and others toward reinsurance, where returns are perceived to be comparatively high and not correlated to other assets, while barriers to entry remain low. This inflow of so-called alternative capital intensifies competition and increases pressure on our industry's profit margins.

Michel M. Liès



Net income (USD millions)



“All Business Units contributed to Swiss Re’s very strong 2013 net income of USD 4.4 billion.”

We are not impervious to these forces. But in comparison to some small and medium-sized competitors, we believe we have more to offer than ‘just’ capacity. I am confident that we have an agile and flexible business model that will allow us to continue to profit in this challenging environment.

However, we need the best talent at hand. It is with regret that we say farewell to our Group Chief Financial Officer George Quinn, who has decided to pursue other opportunities from May 2014. We are grateful for the contribution George made over the last seven years. At the same time, I am pleased to announce that George can pass the baton to David Cole, our current Group Chief Risk Officer. With him, we could recruit an internal successor with the right skill profile for this key role, which underlines the quality of our own talent pool.

A final word on our brand. Some of you may have noticed our logo has evolved. The logo is the visual symbol of a much more powerful brand promise: We are smarter together. Our company’s success has always depended on our clients’ success — the new logo and promise are now fresh reminders of this essential relationship. As a shareholder I hope you come to see more and more how ‘smarter together’ is the mindset and common thread running through all of our thinking and behaviour, and ultimately underlying our results.

Smarter together? We’ll need to be. Conditions for 2014 look challenging but we’re ready to take them on.

Thank you for your continued support.

Zurich, 20 February 2014

Michel M. Liès

Group Chief Executive Officer

BOARD OF DIRECTORS



 Full details on Corporate Governance
see **2013 Financial Report**

- 1 Walter B. Kielholz
- 2 Mathis Cabiallavetta
- 3 Renato Fassbind
- 4 Jakob Baer
- 5 Raymund Breu
- 6 Raymond K.F. Ch'ien
- 7 John R. Coomber
- 8 Mary Francis
- 9 Rajna Gibson Brandon

- 10 C. Robert Henrikson
- 11 Malcolm D. Knight
- 12 Hans Ulrich Maerki
- 13 Carlos E. Represas
- 14 Jean-Pierre Roth

Our oversight body

As of 31 December 2013, Swiss Re's Board of Directors was composed of the 14 members shown above. Collectively they are responsible for setting the Group's strategy and overseeing management. All members of the Board of Directors meet our independence criteria.

Board changes in 2013

The General Meeting of shareholders 2013 elected Mary Francis as a new member to the Board of Directors.

GROUP EXECUTIVE COMMITTEE



Full details on Corporate Governance
see **2013 Financial Report**

- | | |
|---|--|
| 1 Michel M. Liès
Group CEO | 7 Christian Mumenthaler
CEO Reinsurance |
| 2 David Cole
Group CRO | 8 Moses Ojeisekhoba
CEO Reinsurance Asia |
| 3 John R. Dacey
Group Chief Strategy
Officer | 9 George Quinn
Group CFO |
| 4 Guido Fürer
Group CIO | 10 J. Eric Smith
CEO Swiss Re Americas |
| 5 Agostino Galvagni
CEO Corporate Solutions | 11 Matthias Weber
Group CUO |
| 6 Jean-Jacques Henchoz
CEO Reinsurance EMEA | 12 Thomas Wellauer
Group COO |

Our executive body

As of 31 December 2013, the Group Executive Committee was composed of the 12 members shown above. They are responsible for running the businesses of the Swiss Re Group.

Group EC changes in 2013/2014

In December 2013 Swiss Re announced that Group Chief Financial Officer George Quinn will step down effective 30 April 2014 to pursue other professional interests. David Cole, Swiss Re's Group Chief Risk Officer since March 2011, has been appointed as Group Chief Financial Officer, effective 1 May 2014.

OUR BUSINESS

Swiss Re is a leader in wholesale reinsurance, insurance and risk transfer solutions. Our clients include insurance companies, corporations and public sector bodies. Our knowledge and capital strength enable the risk-taking on which economies depend.

THE SWISS RE GROUP

BUSINESS UNIT		NET PREMIUMS EARNED AND FEE INCOME (USD BILLIONS)	NET INCOME (USD MILLIONS)
Reinsurance We cover reinsurance needs in the areas of Property & Casualty and Life & Health.	Reinsurance Property & Casualty	2013 14.5 2012 12.3	2013 3 292 2012 2 990
	Reinsurance Life & Health	2013 10.0 2012 9.1	2013 356 2012 739
Corporate Solutions We offer innovative, high-quality insurance capacity to mid-sized and large multinational corporations.		2013 2.9 2012 2.3	2013 279 2012 196
Admin Re® We acquire closed in-force life and health books of business, which we administer through Admin Re®.		2013 1.3 2012 1.7	2013 423 2012 183
Total (after consolidation)		2013 28.8 2012 25.4	2013 4 444 2012 4 201

RETURN ON EQUITY

26.4%

(26.7% in 2012)

5.4%

(8.9% in 2012)

OPERATING PERFORMANCE

83.3%

(80.7% in 2012)

Combined ratio

5.2%

(8.6% in 2012)

Operating margin

9.6%

(7.4% in 2012)

95.1%

(96.2% in 2012)

Combined ratio

6.8%

(2.6% in 2012)

521m

(USD 1 196m in 2012)

Gross cash generation

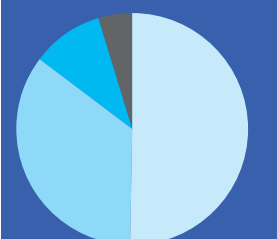
13.7%

(13.4% in 2012)

DIVERSIFIED AND GLOBAL

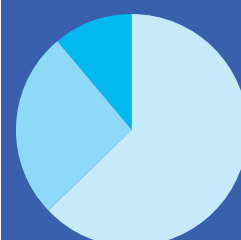
Net premiums earned in 2013

(Total: USD 28.8 billion)



- 50.5% P&C Reinsurance
- 34.8% L&H Reinsurance
- 10.1% Corporate Solutions
- 4.6% Admin Re®

Employees

(Total: 11 574 regular staff¹)


- 63% EMEA
- 26% Americas
- 11% Asia-Pacific

¹ as of 31 December 2013

For more information see the Financial Report and swissre.com

2013 IN REVIEW

The three distinct Business Units of the Swiss Re Group correspond to Swiss Re's core activities in reinsurance, insurance and risk transfer solutions.

GROUP



4.4

Net income in 2013
USD billions

We marked our 150th anniversary year by delivering a very strong net income for 2013. We launched our new brand, highlighting our long-standing commitment to working smarter together with our clients. Our fundamentals have not changed: by managing risks and covering losses, we protect investments and enable economic growth.

Our strategy also remained largely unchanged over the year. We're aiming to outperform our peers in Reinsurance and Admin Re®, as well as in our balanced asset management approach. We're also aiming for a sustainable expansion in Corporate Solutions as well as in high growth markets and in funding longer lives and health. In 2014 our focus will be on executing on this strategy and delivering on the previously communicated 2011–2015 financial targets (see page 3).

Performance

Our very strong 2013 performance was supported by solid underwriting, low levels of natural catastrophe losses and reserve releases. All Business Units contributed to this excellent result, with a particularly strong performance from Property & Casualty Reinsurance and continued profitable growth from Corporate Solutions.

We look forward to 2014 with confidence. Our focus will remain on strategy execution. Our industry-leading underwriting track record has served us well and we aim to maintain it. We are emphasising productivity and keeping management expenses under control. We also continue to re-direct capital and talent to high growth markets, where we estimate that, by 2020, up to 45% of new re/insurance business premiums will be generated.

For details of Group financial performance, please see pages 22–23 of the 2013 Financial Report.

REINSURANCE

Page 16



3 648

Net income in 2013
USD millions

We provide Property & Casualty and Life & Health clients and brokers all over the world with reinsurance products, insurance-based capital market instruments and risk management services. With our proven reputation for innovative reinsurance and risk management solutions, we understand and meet client need.

For details of the individual segment results, please see pages 30–33 of the 2013 Financial Report.

Property & Casualty performance

Net income in Property & Casualty Reinsurance climbed to USD 3.3 billion in 2013 (compared to USD 3.0 billion in 2012).

Capturing opportunities in growth markets remained a key priority across all business lines. As part of the high growth market strategy implementation we strengthened expertise by adding to our local underwriting and client

management staff in Asia and Latin America. We expect that this will enable us to deliver superior service to our existing clients and build new relationships.

We believe that active cycle management will also be key to success in the current market environment. We aim to maintain earnings quality through disciplined underwriting and superior service, and to position ourselves even more clearly as a knowledge company.

Life & Health performance

Life & Health Reinsurance delivered net income of USD 356 million for 2013 (compared to USD 739 million in 2012).

The environment for Life & Health Reinsurance continued to be challenging in 2013, with low yields pressuring reinvestment rates and investment income. Nevertheless the segment is strategically attractive. It is an integral part of Swiss Re's business model and adds to the profits and diversification of the Group, enhances the value proposition to core clients and represents an attractive growth opportunity. Due to our recognised expertise, strong balance sheet, excellent track record and dedicated teams, we believe Swiss Re is the ideal partner for product development, large capital-driven transactions, longevity deals and structured solutions tailored to client needs.

CORPORATE SOLUTIONS

Page 20



279

Net income in 2013
USD millions

Backed by 150 years of collective experience, significant capacity and the financial strength of the Swiss Re Group, our Corporate Solutions team solves the risk management and financing needs of corporations and other organisations around the globe.

Performance

Corporate Solutions' net income was 42% higher than in 2012, with the quality of its book remaining consistently high year-on-year. Corporate Solutions serves large corporations as a lean global player, with product offerings ranging from traditional property and casualty insurance to customised solutions in areas such as weather risk management.

The unique value proposition of Corporate Solutions continues to be the combination of large net capacity and innovation capabilities, underpinned by disciplined cycle management and superior underwriting.

ADMIN RE®

Page 24



423

Net income in 2013
USD millions

Admin Re® is a recognised force in the closed life business. We acquire closed books of in-force life and health insurance business, whole lines of business, or the entire capital stock of life insurance companies. This helps insurers to divest themselves of non-core business, reduce administrative costs and release capital in order to realise other opportunities.

Performance

Admin Re® delivered a very good net income of USD 423 million and gross cash generation of USD 521 million. These achievements demonstrate the success of management actions in improving the Business Unit's operational efficiency and enhancing its contribution to the Group.

Partner

"Small and medium-sized enterprises should be among the biggest beneficiaries of Colombia's free trade agreements. We want to be a part of that."

Gonzalo Pérez
CEO, Sura

Swiss Re

"We wanted to show how our expertise could be applied directly to the challenges facing Sura's clients — in this case, small and medium-sized enterprises."

Francisco Majos
Regional Head, Swiss Re Colombia

The port city of Cartagena, located on Colombia's north coast and home to nearly one million people.



A KNOWLEDGE PARTNER

for our clients

To reach our goals we need to help our clients reach theirs – leveraging 150 years' worth of expertise.

Colombian insurer Sura has been a Swiss Re client for more than fifty years. And like a lot of our clients, they have gone from being a national insurer to a regional powerhouse over that period.

Today Sura is Colombia's leading provider of both life and non-life insurance. They also operate in Panama, El Salvador and the Dominican Republic. They aim to triple the equity held at the end of 2007 by 2017.

At Swiss Re we admire Sura's ambition and are eager to help. In 2013 we invited them to Miami to explore ways to work together more closely. "Sura's the market leader, but that's not always an easy position," says Francisco Majos, head of Swiss Re's Colombian operations. "Achieving profitable growth becomes more and more challenging."

Sura shared with us a far-sighted plan: to reach out to Colombia's small and medium-sized enterprises (SMEs).

Heart of the Colombian economy

Colombian SMEs could account for at least USD 250 million in premiums per year. And with an estimated 99 of every 100 Colombian firms falling into the SME range, potential clients aren't hard to find.

One hundred people or more might work in a typical SME, working in industries like food, textiles, or auto parts. Nevertheless many are substantially underinsured against even common perils such as fire or theft. The culture of risk prevention is often absent on the shop floor.

Sura's challenge is to demonstrate to these firms that risk management is central to competitiveness, and that insurance plays a fundamental role. Their strategy is to build loyalty in the segment, one client at a time.

And there is a broader win, says Gonzalo Pérez, Sura's CEO. "Colombia has free trade agreements with Chile, Canada, the US and a number of others. The SME sector should be among the biggest beneficiaries of those agreements," he says. "And indeed the number of exporting SMEs is growing fast. We want to help these firms to integrate with the global economy.">



01

01: Inside a textile factory in Colombia



02

**02: Francisco Majos
Regional Head,
Swiss Re Colombia**

SHARE
OF COLOMBIAN FIRMS
99%
THAT ARE SMEs



Colombia's small and medium-sized enterprises work in a range of potentially export-oriented sectors, including food, textiles and auto parts.

> A knowledge company

So what does a 150-year old Swiss reinsurer know that can help a Colombian entrepreneur?

Swiss Re has a long, deep knowledge of risk and value drivers in the world economy — of international standards, product-related exposures, natural catastrophe as well as man-made catastrophe exposures, to name a few.

The challenge is to put that knowledge into a form that Sura's agents and Risk Management team can share with potential clients — quickly for the client, cost-efficiently for Sura.

We demonstrated how embedding Swiss Re's knowledge in a tablet computer can open a dialogue between Sura and prospective clients on risk management

and their insurable risks such as business interruption, worker health and safety, earthquake and flood.

To build long-term relationships in the SME sector, Sura needs to offer clear, simple products that match SME needs. The terms and coverages must be clear and predictable and the claims process must be clear.

Long-term relationships are more than just good business. By knowing their clients, Sura knows their risks, and over time this can translate to a larger relationship and more expert underwriting. They are committed to providing their clients with solutions to their primary needs.

Over our 150-year history we have largely travelled the same course, with Sura and around the world. We are eager to support clients in developing new markets, leveraging the key benefit of our long experience — a deep knowledge of risk.

The way forward

Sura is selling policies to the SME sector online. Swiss Re is continuing to explore ways to support their initiative. Meanwhile Swiss Re covers Sura's property business including natural catastrophe exposure and other non-life coverages.

Such close collaboration, leveraging our position as a knowledge company, is essential to reaching our goals — especially in generating 20%–25% of premiums in high growth markets by 2015.



Full details on financial information
see **2013 Financial Report**



For the online annual report
see **swissre.com**



Left: Recovery efforts on Tonga following Cyclone Ian in January 2014.

GLOBAL PARTNERSHIPS:

REACHING NEW SHORES

Swiss Re supports public sector clients around the world — governments, but also international development institutions and NGOs — to better manage risks. This unique business is housed in Swiss Re's Global Partnerships.

Global Partnerships started the year by supporting the Pacific Catastrophe Risk Insurance Pilot, the first sovereign catastrophe risk transfer programme in the Asia-Pacific region. The governments of Marshall Islands, Samoa, Solomon Islands, Tonga and Vanuatu — home to almost 10 million people — are all taking part. The idea is to offer a way for these catastrophe-exposed governments to get around a difficult decision — tying up funds for an event that may not occur versus finding themselves without sufficient liquidity if disaster strikes.

Then in January 2014, the project received its first test. Cyclone Ian swept across the island of Tonga, killing one person, displacing thousands and causing tremendous devastation to crops and infrastructure. Shortly afterwards Tonga's government received a payment to help recover from the disaster, just as the project was designed to do.

The payment to Tonga comes less than a year since Swiss Re paid claims to the Mexico's State Fund for Natural Disasters (Fonden), following the devastating hurricanes that hit that country both from the Atlantic and Pacific side. Swiss Re Global Partnerships is establishing a track record of reliability in helping governments to recover from such disasters. More nations are expected to join the Pacific Catastrophe Risk Insurance Pilot in 2014.

In Bangladesh Global Partnerships has joined forces with Oxfam GB and other partners to launch an index-based flood insurance product designed to lower flood risk and provide speedy insurance payout to river basin residents. Covering 1 660 families from 14 villages located in the Char areas of Sirajganj district, the families will receive a swift emergency payout if struck by floods. The pilot insurance programme will provide cash relief of up to approximately USD 100 per household.

In September Swiss Re announced its contribution to a USD 200 million fund raised by Leapfrog Investments, a specialist investor in emerging markets financial services, particularly insurance. Leapfrog typically invests in companies that bring insurance and similar financial products to people who earn less than USD 10 a day. As part of Swiss Re's strategy to support the development of insurance in high growth markets, the new investment vehicle will take stakes in companies offering insurance and related products and services to low-income consumers in Africa, South Asia and Southeast Asia.

Public entities and institutions in mature markets are also taking advantage of these solutions. Global Partnerships was able to offer a three-year programme for the Miami-Dade County Public School District's nearly USD 8 billion property programme. Such programmes provide much the same benefit to Miami-Dade officials as to the Pacific Islands — a tool for budget certainty, and an assurance of help in the event of a catastrophe.



Full details on financial information see **2013 Financial Report**



For more information on Global Partnerships see **swissre.com**

Partner

"Swiss Re Corporate Solutions is a true partner. They ask good questions. They challenge us to take a fresh look at what we're doing. In my line of work, that's invaluable."

Bernd Patzwald
Executive Vice President,
E.ON Risk Consulting GmbH

Swiss Re

"The more complex the risks, the more Swiss Re Corporate Solutions stands out. It becomes a source of competitive advantage for us. Clients can see we're sweating the details with them."

Ursula Barnett
Key Account Manager,
Swiss Re Corporate Solutions

Offshore wind is among the most promising sources of renewable energy.



A COMMITMENT

to sustainable energy

Swiss Re Corporate Solutions offers large capacity and world-class technical expertise to bringing renewable energy — like offshore wind — into reality and onto the grid.

At the end of October Cyclone Christian generated sustained winds of over 140 kilometres per hour. The storm caused around USD 2 billion in damage and left hundreds of thousands of homeowners without power in France, Denmark, Germany and the United Kingdom.

Not far off their coastlines, the operators of offshore windfarms had shut down their turbines, turning the giant blades to minimise resistance until the worst had passed. Today's windfarms generate power at windspeeds between 10 and 90 kilometres per hour. Above this speed it's safer to take the turbine offline until the wind settles.

As the storm raged Swiss Re experts were on the phone with clients and brokers. Across the entire North Sea — where nearly two-thirds of the world's supply of offshore wind power is generated — only minor damage was recorded. The turbines had performed admirably, even in the record-setting gale.

For Swiss Re Corporate Solutions, the storm enhanced our understanding of the risks to offshore wind — and thus strengthened our support for a sustainable energy future.

A commitment to wind power

Corporate Solutions is committed to sustainable energy in general, and offshore wind in particular. Offshore wind is among the most promising sources of renewable energy. It is also an area where our large capacity and technical expertise can make a real difference in bringing renewables to reality.

From an insurance perspective, the underwriting is neither simple nor easy. "These facilities present very complex risks," says Bob Pfenninger, Senior Engineering Underwriter at Swiss Re Corporate Solutions. "Compared to traditional lines like motor, or even marine, there is no long history to refer to."

"But thankfully," Bob says, "we have a lot of in-house expertise we can draw on."

Corporate Solutions' offshore specialists are continually updating their understanding of these facilities and sharing that knowledge with clients and other insurers. >



01

01: Swiss Re Corporate Solutions' Ursula Barnett and Bob Pfenninger in Swiss Re offices.



02

02: Technicians at work inside the rotor head of a wind turbine operated by E.ON.

ANNUAL
OUTPUT OF MEGAWATTS
288
BY AMRUMBANK WEST



E.ON plans to build a new offshore windfarm every 18 months through 2015.

> For example, Swiss Re chairs the European Wind Turbine Committee's "Offshore Code of Practice" Initiative, which is developing risk management standards for offshore windfarm project risks.

In addition, Swiss Re employees work in a knowledge-sharing culture, and they tend to stay with the company for a long time. This bolsters a strong underwriting result even in relatively new territory, like offshore wind. That expertise is noticed by clients from a range of industries. "Many of our clients take comfort in knowing that Swiss Re has evaluated and accepted their risks," Bob adds. "It's almost an endorsement."

A winning partnership

Corporate Solutions leverages this reputation to build deep, long-term relationships. "The more complex the risks," says Ursula Barnett, Key Account Manager, "the more Corporate Solutions stands out. It becomes

Swiss Re

"Many of our clients take comfort in knowing that Swiss Re has evaluated and accepted their risks. It's almost an endorsement."

Bob Pfenninger
Senior Engineering Underwriter,
Swiss Re Corporate Solutions

a source of competitive advantage for us. Clients can see we're as detail-oriented as they are."

This careful approach was a selling point for Bernd Patzwald, Executive Vice President for New Build & Risk Engineering at E.ON Risk Consulting GmbH. Bernd has been managing E.ON's risks for more than 20 years, now largely focusing on the direct construction and operation risks of their windfarms — a challenge for a company that's planning to commission a new windfarm every 18 months through 2015. "Swiss Re Corporate Solutions is a

true partner," says Bernd. "They ask good questions. They challenge us to take a fresh look at what we're doing. In my line of work, that's invaluable."

Such close collaboration was key to securing E.ON's business on the construction of Amrumbank West, an array of turbines scheduled to go online in 2015, when it will begin contributing 288 megawatts of energy per year. The foundations of Amrumbank West are currently being fixed into the sea floor — 24 metres below the surface, 35 kilometres from the nearest shore.

And where the risks are concerned, such details are critical. "Bob asked us what arrangements we had in place for vessel availability," Bernd recalls. "He wanted to know how we were prepared to handle a situation — even three years into the future — where we had to move people and equipment out quickly to one of our facilities. On the one hand we could prove >

> E.ON's sound approach to risks and on the other hand it helps us think through the risks from further angles.

It also helps my bottom line, because once Bob is satisfied, we can bring down the premium. I really appreciate the collaborative and expert approach."

Working with major clients like E.ON allows Corporate Solutions to leverage its full capacity and expertise.

Corporate Solutions can offer solutions along the entire value chain: from construction covers to lack of wind covers, from hull marine covers for newly acquired vessels to additional capacity for hurricane-exposed onshore windfarms along the Gulf of Mexico.

The road to sustainability

There are certain to be many surprises on the road to a sustainable energy future, for operators and insurers alike. As governments shift their support from one source to another — subsidising solar one year, for example, while decommissioning nuclear the next — the economics of sustainable energy sector will continue to sway. Meanwhile operators work on long investment horizons and have to reckon with this basic uncertainty. Swiss Re Corporate Solutions is committed to staying in the sector as a partner that can help operators manage these risks to get us to a sustainable energy future.



Full details on financial information see **2013 Financial Report**



For information on advancing sustainable energy solutions see **swissre.com**



Left: Harvest in Brazil.

FOOD FOR A GROWING WORLD

Partnering for food security is a crucial step on the path to making sure everyone has enough to eat.

Swiss Re is one of the world's leading agricultural re/insurers, offering innovative risk transfer solutions tailored to the needs of farmers — farmers like Humberto Vonsowski.

Humberto lives in the northern part of Paraná, Brazil, where June rains bring much needed water to his crops. When the rains stay away, the results can be disastrous. Two years ago an unprecedented drought in the region cost Humberto 60% of his soy bean harvest. "I could not believe it; that had never occurred," he recalls.

Thankfully Humberto had bought a farm revenue insurance policy at the same time that he had taken out a loan for the upcoming season. Both the loan and the insurance were offered by Credicoamo, the lending operation of Coamo, Latin America's largest agricultural cooperative.

Humberto says that thanks to the R\$ 224 000 he received from the insurance, there was no need to extend his loan or to sell equipment to pay his debts. "I did not make a profit on that harvest, but I did not have a loss, either," he said.

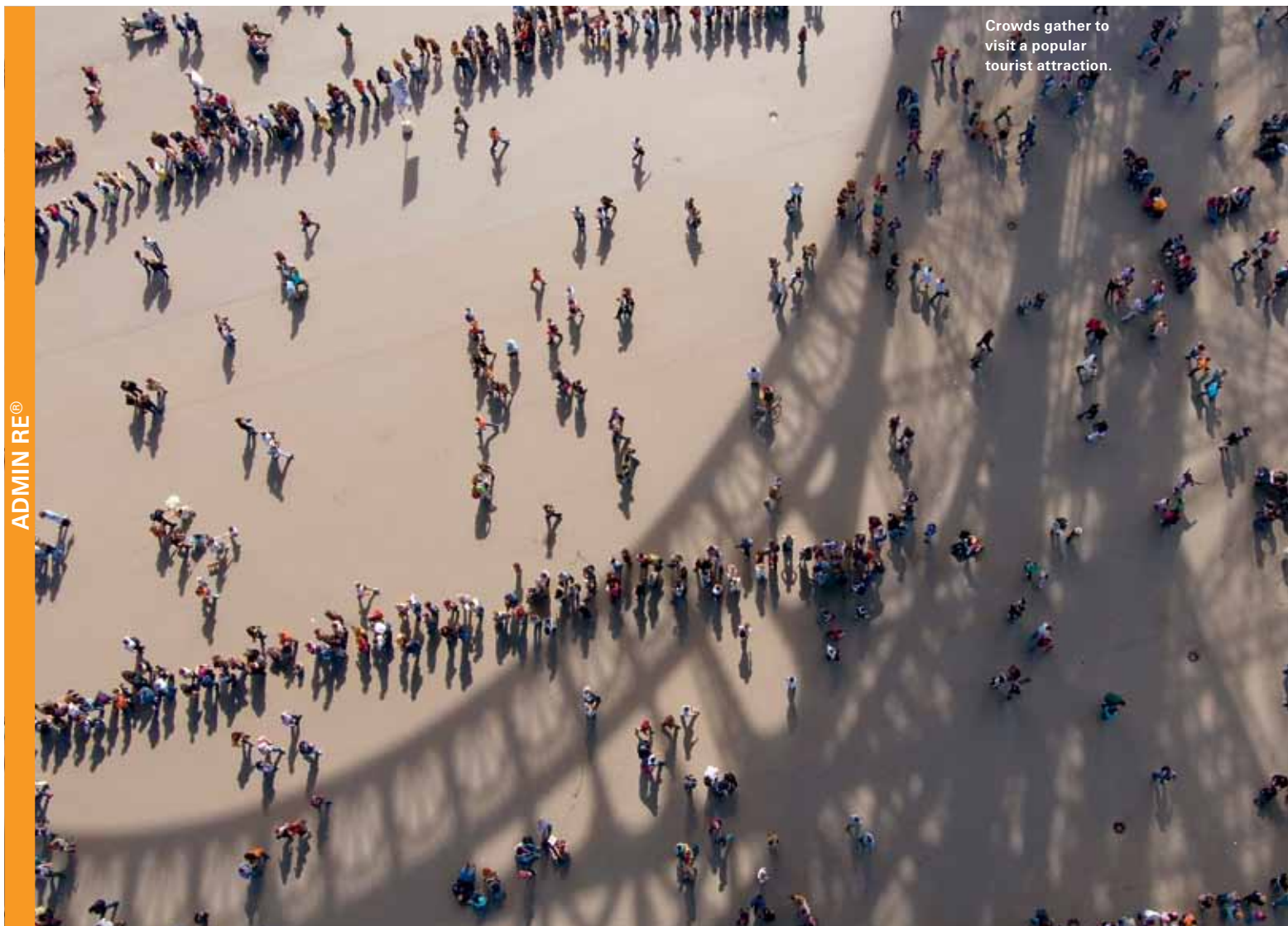
More than 3 000 members joined Humberto in buying insurance for the 2012–2013 harvest, according to Dilmar Antonio Peri of Credicoamo. This brought the insured value to R\$ 420 million.

According to Jose Cullen of Swiss Re Corporate Solutions' Agricultural division, which helped to develop the policy for Credicoamo, this type of insurance had never been sold in Brazil despite its success in other countries.

Beyond protecting individual farmers, such insurance programmes provide an overall support to society by enhancing the sustainability of farming, and thus food security.



For more on our activities regarding food security go to **swissre.com/rethinking**



Crowds gather to
visit a popular
tourist attraction.

NEW DIRECTIONS

Admin Re® stands at the busy crossroads of regulatory
and market changes in the life insurance business.



Left: With more people enjoying longer lives, it's time to consider the implications for healthcare and secure retirements.

FUNDING LONGER LIVES

When Swiss Re was founded in 1863, a person born in the USA could expect to live for 43 years. Today US life expectancy is 79 years — almost twice as long.

With more people enjoying longer lives, the means of providing healthcare and a secure retirement must also change. In 2013 we asked more than 22 000 people in 19 countries who they thought should bear the inevitable costs.

Results were illuminating. When asked to imagine a longer retirement, the greatest share of respondents (29.3%) said they would choose to rely on private savings and private pensions to ensure their financial security.

Yet when it came to healthcare, an even greater share saw this as the governments' responsibility — 43.4% thought all healthcare should be publicly funded and available to all.

So while both rising healthcare and retirement costs are consequences of longer lives, many people see them as separate concerns.



For full results of the Risk Perception Survey go to riskwindow.swissre.com

Admin Re® acquires and administers books of life insurance that are closed to new business. The business is centred on acquiring blocks of life insurance at a discount, running them off and thereby freeing up the capital invested and generating cash for the Swiss Re Group.

There are several reasons why closed life books come to the market. Regulatory changes may prompt insurance companies to rethink their capital allocation, leading some to sell parts of their closed, in-force businesses. Under Basel III regulations the insurance business may be less attractive to banks. Volatile financial markets are also forcing some companies to concentrate on their core business.

Another market driver is potential growth in emerging markets. Many European insurers would like to redeploy capital by selling a closed book in, for example, the UK, to reinvest the money into building up a market presence in, say, India.

Admin Re® can help insurers adjust to such changing conditions by acquiring their closed or non-core in-force life insurance portfolios, allowing them to be more flexible in pursuing their strategic objectives.

The Business Unit is continuing to focus on selective acquisitions in the UK. Opportunities continue to arise, though the long-term nature of the business means that management must scrutinise all possible deals very closely. And while the aim is to operate an efficient platform,

Admin Re® recognises the critical importance of meeting obligations to the policyholders underlying such transactions.

Over the last year, Admin Re® has upgraded core actuarial, finance and IT capabilities and systems across its operating platform. These initiatives have made it more efficient and more effective in managing the risks of the underlying portfolios.

Admin Re® has created a dedicated UK-based service company to improve customer service, operational stability, regulatory compliance and cost efficiency. Leveraging this streamlined and scalable platform, as well as its strong market presence in the UK, management remains focused on generating cash for reinvestment and paying dividends to the Group.



Full details on financial information see **2013 Financial Report**



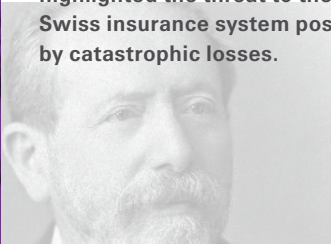
For the online annual report see swissre.com

150 YEARS OF MANAGING RISKS

Since 1863, together with our clients and partners, we've been learning and gathering the knowledge and expertise needed to manage diverse portfolios of risks all over the world.

1863

Swiss Re is founded in Zurich, prompted by the fire that had swept through the thriving town of Glarus in May 1861. The fire highlighted the threat to the Swiss insurance system posed by catastrophic losses.



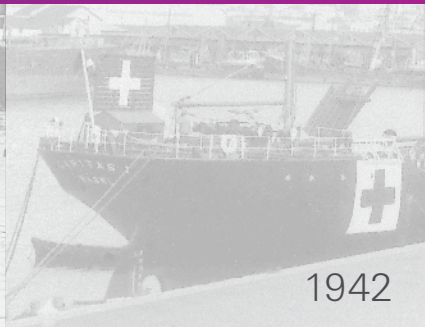
1918

Swiss Re pays out circa CHF 1 million for claims arising from the Spanish flu.



1910

Swiss Re opens an office in New York.



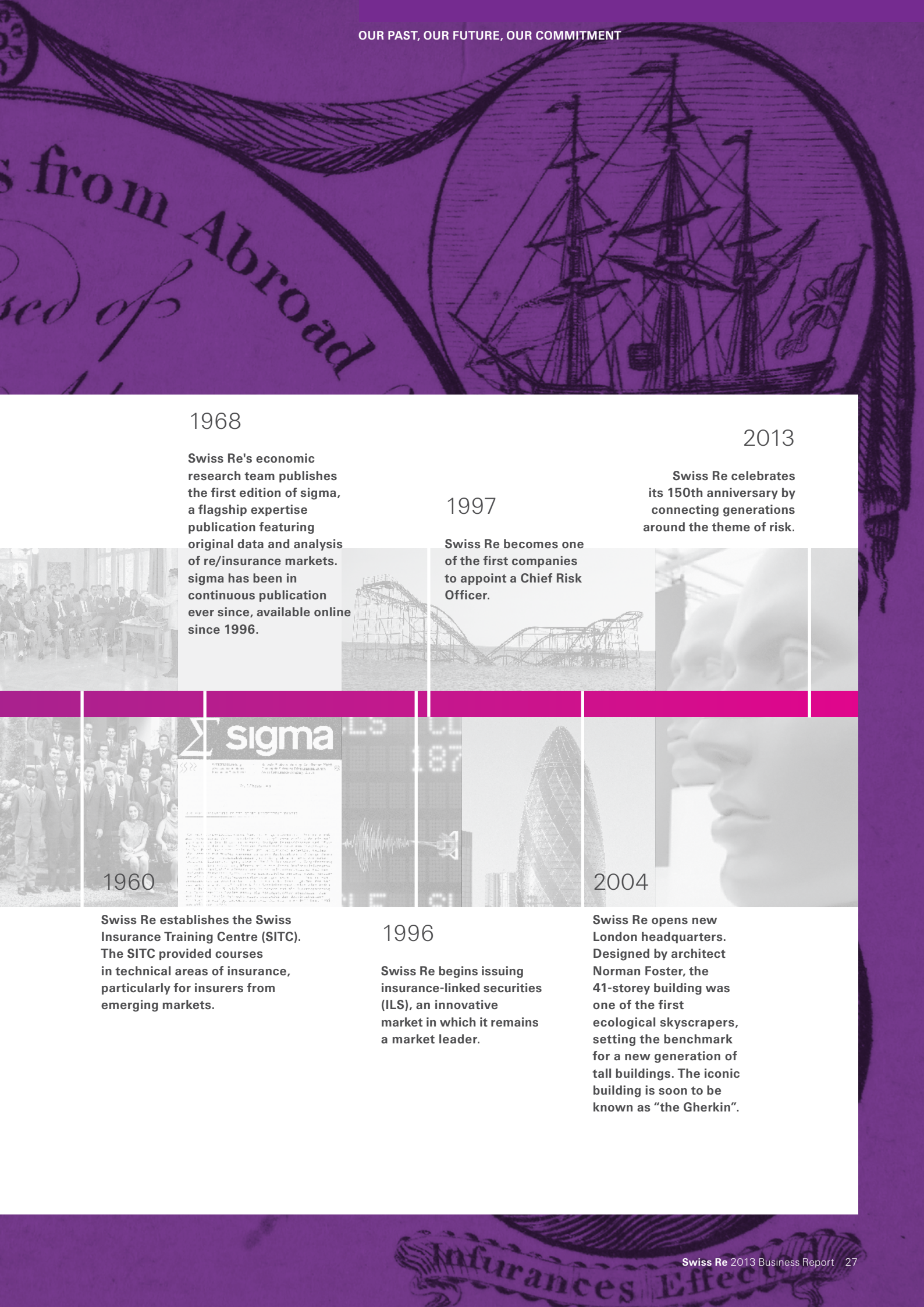
1913

Swiss Re signs its first contract in Japan: a fire reinsurance contract with Kobe Marine Transport & Fire Insurance (Kobe Kaijo Unso Kasai Hoken Kabushiki Kaisha).

1906

The San Francisco earthquake strikes, and Swiss Re steps in. Almost half of the company's annual non-life premium income goes toward claims from the catastrophe, demonstrating its capital strength and consolidating its reputation worldwide.

The Marine department of Swiss Re organises sea voyages on behalf of the Red Cross during the Second World War and enables prisoners of war throughout the world to receive Red Cross supplies.



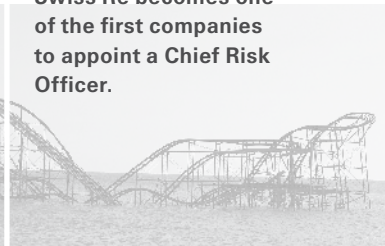
1968

Swiss Re's economic research team publishes the first edition of sigma, a flagship expertise publication featuring original data and analysis of re/insurance markets. sigma has been in continuous publication ever since, available online since 1996.



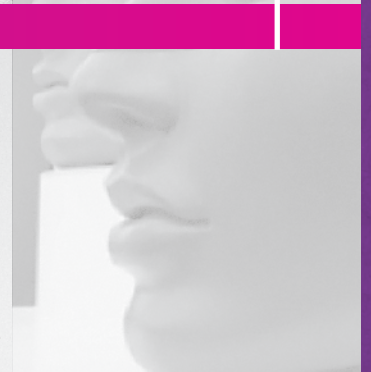
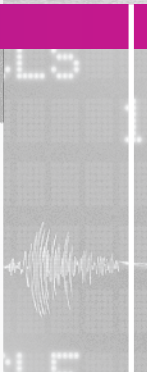
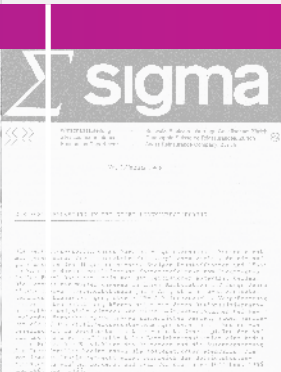
1997

Swiss Re becomes one of the first companies to appoint a Chief Risk Officer.



2013

Swiss Re celebrates its 150th anniversary by connecting generations around the theme of risk.



1960

Swiss Re establishes the Swiss Insurance Training Centre (SITC). The SITC provided courses in technical areas of insurance, particularly for insurers from emerging markets.

1996

Swiss Re begins issuing insurance-linked securities (ILS), an innovative market in which it remains a market leader.

2004

Swiss Re opens new London headquarters. Designed by architect Norman Foster, the 41-storey building was one of the first ecological skyscrapers, setting the benchmark for a new generation of tall buildings. The iconic building is soon to be known as "the Gherkin".

Partner

"Sustainable energy, funding longer lives, dealing with climate change and natural disasters, and partnering for food security are practical topics that affect all of us and that we all have a chance to affect."

Bill Emmott

Head Moderator, Open Minds Forum
Former Chief Editor, The Economist



01

OPEN MINDS

Bill Emmott reflects on the Swiss Re dialogues

Swiss Re's "Open Minds Forum" focuses
attention on the future of risk



02

01: Bill Emmott
moderating a
dialogue session
in London

02: Clients, brokers,
other partners and
Swiss Re employees
attend the Open
Minds Forum.

Swiss Re has a long tradition of hosting events for clients, brokers, other partners and employees. We'll always try to do something a bit special.

Our 150 Year Anniversary celebration is no exception. We have been holding events in many of our key locations.

At the heart of our anniversary events lies our desire to thank our stakeholders for their loyalty and partnership, and to trigger dialogue about the risks facing today's communities and generations beyond.

Through the "Open Minds Forum" we hope to open people's minds and raise awareness of what risks the future holds. And we hope to stimulate debate about how we, as an industry, can work together to find some of the answers.

BILL EMMOTT

Head Moderator, Open Minds Forum

The ambition of the Open Minds Forum looked intimidating — to envision the kind of world we want to see in 2050. Swiss Re's stakeholders in Zurich, London and New York more than rose to the challenge. >



01

Swiss Re

“How will we be more resilient in the future — especially as devastating events occur more and more frequently? Only collaborative thinking will take us further.”

Guillermo Eslava
Senior Casualty Underwriter,
Swiss Re

> Crucially, most delegates sensed that 2050 is not as far ahead as it sounds — just 37 years, within most of their potential lifetimes. The chosen topics of sustainable energy, funding longer lives, dealing with climate change and natural disasters, and partnering for food security are also practical ones that affect all of us and that we all have a chance to affect. These days have been firmly participative: no sitting back and listening, but rather a welcome opportunity for everyone present to contribute, to come up with new ideas and to form conclusions. And to carry on the thinking and the conversation beyond the day itself.

Common themes have emerged. The importance of education to improve outcomes, and technology, to make desired outcomes possible. The need to think hard about legacy issues: revolutionary ideas in energy, or funding longevity, say, are vital if we are to leap

past problems, but the legacies of existing infrastructures and of expectations need to be dealt with. Notions of conflict between generations were quickly scotched, as delegates realised that when taking a multi-decade view, distinctions between the interests of young and old become moot. There was, though, a strong sense that whatever solutions we might reach for, we must think hard about unintended consequences — after all, it is such consequences that have brought about the climate change that now preoccupies us.

A powerful theme has been the need to think internationally. All the topics under discussion are shared, and not just because we share a planet: even the ageing of demographic structures is a shared phenomenon, with China likely to get old well before it gets rich. This could be a vital starting point for the fourth Regional Day, in Beijing in March 2014.

DAVID BLOOM

Chair of Harvard University's
Department of Global Health
and Population

I was really impressed by Swiss Re's ability to convene such a diverse group of people, and to spark such engaging, constructive and forward-looking discussions. We heard a wealth of perspectives on food security, the supply of energy, human longevity and natural disasters. I can't imagine anyone left the event without a deeper appreciation of the nature of these risks and the relationships among them — along with a shot of optimism on how we're going to address them.

KALEB BELZER

Chief Development Officer,
Bunge North America

The Swiss Re event was notable for intellectual curiosity, the breadth and depth of knowledge, and above all the genuine spirit of collaboration and mutual respect. I left the forum far better informed than when I arrived and greatly heartened by the capacity of private and public sector leaders to evaluate tough issues and propose imminently practical solutions. Well done, Swiss Re.

KAREN CLARK

President and CEO,
Karen Clark & Company

I liked how one participant summed it up: we know how to do it, but the question is will we do it? We cannot prevent disasters from occurring, but we can take proactive steps to build more resilient communities for future generations. The primary challenges are not scientific but political because resiliency requires tough decisions with respect to building codes, land use planning, and who pays the costs. The Swiss Re event stimulated thinking in important areas beyond the typical insurance issues — I thoroughly enjoyed it.



02

Partner

"I can't imagine anyone left the event without a deeper appreciation of the nature of these risks and the relationships among them — along with a shot of optimism on how we're going to address them."

David Bloom

Chair, Harvard University's
Department of Global Health
and Population

MICHAEL LIEBREICH

CEO of Bloomberg New Energy Finance
I was hugely impressed by the leadership Swiss Re showed on the occasion of its 150th anniversary.

I was proud to play a part in a unique global conversation about the key long-term challenges of our time. The energy discussion highlighted three things. First, the scale and complexity involved in moving to affordable, secure, clean energy. Second, the huge opportunities and co-benefits that such a transition will create for our economy and society. Third, the extent to which an educated, articulate business constituency has become engaged in the world's clean energy transition. Swiss Re — with initiatives such as its 150th anniversary celebrations — has been at the heart of that engagement, and I salute them.

.....

ALLAN SAVORY

**President of the Savory Institute
and Chairman of the Africa
Centre for Holistic Management**

Swiss Re's 150th anniversary gathering showed a genuine ray of light at the end of the tunnel down which humanity is accelerating. We began by focusing on four vital areas for discussion. The format encouraged full participation. Two speakers zeroed in on agriculture as a grave source of vulnerability. This is something that Swiss Re, and the insurance industry in general, can act on starting now.

01: Capturing the key outcomes of our dialogue sessions in a unique fashion

02: Our dialogue sessions focused on the biggest risks faced today and by future generations.

HANS JOACHIM SCHELLNHUBER
**Director of the Potsdam Institute
for Climate Impact Research and
Chair of the German Advisory Council
on Global Change**

Swiss Re's 150th anniversary meeting in Zürich was a remarkable event.

The gathering ventured deep into largely uncharted territory like food security in an ageing world and novel regimes of extreme events on a rapidly warming planet. I found the enthusiasm and thoughtfulness of the participants especially gratifying. This combination turned the celebration into a delightful workshop — and set an agenda for a lot of hard work before Swiss Re's 200th anniversary.

Further reading:

More on our activities on developments shaping the risk landscape on swissre.com/rethinking



To join the dialogue go to
150.swissre.com





Lighting candles
in remembrance
of the first anniversary
of Hurricane Sandy
on 29 October 2013

THE MORNING AFTER

Living up to our corporate responsibility

Hurricane Sandy left a bitter impression on the City of New York. Swiss Re applied its core expertise in helping to make the city more resilient.

The memories are still vivid: on 29 October 2012, Hurricane Sandy reached New York City and neighbouring New Jersey after gradually travelling up from the Caribbean. Over the next couple of days, one of the world's most highly developed urban areas was shaken to its core by the storm's sheer force. TV viewers around the globe witnessed flood surges of up to 4 metres flooding Manhattan's Battery Park while scores of trees crashed into buildings and tore down power lines.

The damage caused by Hurricane Sandy was enormous. Over 650 000 homes were destroyed or damaged; more than eight million people lost power during the storm, of which 2.7 million were in New Jersey and 2.2 million in New York. Three nuclear power stations were shut down, 19 729 flights cancelled and the New York Stock Exchange was closed for two days. And despite all the precautions taken, 44 people were killed in New York City, 160 people in the US and more than 200 along Sandy's path.

The citizens of New York and New Jersey responded with admirable courage and solidarity. Neighbours helped neighbours; communities set up spontaneous support groups.

Yet a sense of vulnerability endured, along with a number of questions. Why was the region not better prepared? Did climate change play a role? And most importantly: what should be done to protect against such storms in the future?

Promoting resilience and understanding

According to the Special Report on Extremes (SREX) published by the Intergovernmental Panel on Climate Change (IPCC), extreme weather events have become more numerous and severe. These range from more frequent and severe storms, floods, droughts, heat waves and other natural disasters to sea level rise, crop failures, and water shortages. And while it is impossible to blame climate change for any single event, higher sea levels certainly increased the extent and magnitude of coastal flooding. Since 1900, sea levels around New York City have risen more than 33 centimetres, more than half of which is thought to be due to climate change. >



Above: Part of a modular home unit is lifted into place at the site of a home destroyed by Hurricane Sandy. Much of the damage has been repaired but some is still visible.

> It is against this background that Swiss Re worked on behalf of the City of New York to develop a “Risk Assessment for Hurricane Sandy” using the Economics of Climate Adaptation (ECA) methodology which we developed in collaboration with a range of partners. Our job was to estimate the potential cost of losses to New York City from severe weather in the current climate, how they might increase in a future climate scenario and to assess how those costs could be reduced.

An ECA assessment is set up specifically for this purpose. It estimates the impact of climate change and then identifies effective measures to prevent some of the damage that would result from a natural catastrophe. We have applied the ECA methodology to more than 20 regions since 2008, from Mali, to Miami to Maharashtra, India. These assessments have focused on a variety of perils, such as hurricanes or drought, to an equally wide range of consequences, such as to agriculture and health.

In New York’s case, the ECA study led to some stark conclusions: Hurricane Sandy caused around USD 19 billion worth of damage to New York’s five boroughs. And while a storm leading to this kind of loss can be expected to occur on average once every 70 years, climate change is expected to make them noticeably more frequent: once every 50 years by the 2050s under the climate change scenario used in the project. The study further envisioned that damage from a storm like Sandy would likely increase more than fourfold, to USD 90 billion, and that the average loss per year from windstorms and storm surge, meanwhile, could be expected to rise from around USD 1.7 billion today to USD 4.4 billion by the 2050s if no action were taken.

Engaging with various stakeholders and the Mayor’s Office of Long-Term Planning & Sustainability, we identified a range of adaptation measures to be taken, quantifying their net economic benefit. Some of the measures under consideration included beach renourishment, wetlands restoration, raising bulkheads in low-lying neighbourhoods, retrofitting public housing units and nursing homes, and hardening key electric transmission and distribution infrastructure such as vulnerable overhead lines.

Ultimately the City outlined some 250 measures that could reduce damage in the future, most of which focus on coastal

**SEA LEVEL
RISE IN NEW YORK
33.5
CM SINCE 1900**

protection, city infrastructure and the built environment. The plan laid out the need for investments of about USD 20 billion, USD 15 billion of which are already funded.

Through this process, and through consultation with hundreds of stakeholders and experts, City authorities now have a credible, long-term plan to better protect its population against the impact of natural disasters.

While efforts to reduce greenhouse gas emissions to combat climate change remain vital, Swiss Re expects that the ability to adapt to its effects will become ever more important — and we are keen to provide communities with the means to do so.

Further reading:

Swiss Re’s 2013 Corporate Responsibility Report will be published in June 2014. It will be available on swissre.com/publications.



Full details on financial information see **2013 Financial Report**



For information on managing climate and natural disaster risk see **swissre.com**



Left: People gather along the banks of the Pearl River in Guangzhou, Guangdong Province, China.

THOUGHT LEADERSHIP:

THE MIGHTY CITY

New Yorkers are proud — and rightly so — of their city's distinctiveness and prominence. At Swiss Re we are proud to work in public-private partnership to enhance the resilience of the great city.

But as a concentration of people and assets, New York is only becoming more common. In less than twenty years the list of 'megacities' like New York — meaning cities with more than 10 million inhabitants — will grow by more than half, from 23 to 37. Nearly all of the world's population growth over this period will take place in cities (both large and small). By 2050 75% of the world's population is expected to live in cities. Swiss Re is at the forefront of understanding and preparing for an urban future.

Urbanisation — insured

As detailed in our October 2013 sigma study, China and India are on the crest of the urbanisation wave. China will account for 20% of the increase in the global urban population through 2030, and India for 16%. In regional terms, Asia and Africa will experience the greatest rates of urban population growth.

The growth of cities worldwide means increasing wealth, more industrial production and a larger workforce. All of this means growth for insurance.

The development of urban-industrial clusters will drive demand for commercial insurance. Rising levels of income and asset ownership drive strong growth in motor and homeowner insurance — a trend already well underway.

Urban lifestyles lead to more 'urban' diseases such as cardiovascular illness and lung cancer. The risk of transmission of communicable diseases is also greater in cities, where dense urban environments can give rise to pandemics. All these factors will drive growth in health insurance.

Cities concentrate not only people, but wealth. Urbanisation leads to enormous concentrations of property values. Given low insurance penetration in many of those markets, a natural disaster can expose a massive gap between economic losses and what insurance will cover.

Swiss Re is eager to meet the urban challenge head-on. Primarily we do this by helping insurers manage their capital and risk exposure. We also work directly with public authorities in cities like New York and Miami (see pages 19 and 32).

Networking for resilience

Urban resilience is a challenge that concerns us all, and so we are reaching outside of our usual networks to advance the cause. In 2013 we joined the Rockefeller Foundation to lead the 100 Resilient Cities Centennial Challenge. The Challenge will support at least 100 cities in hiring a Chief Resilience Officer and creating a resilience strategy.

The aim is to strengthen cities' ability to prepare for and bounce back more quickly from natural disasters, pandemics or even terrorism. Successful interventions will save lives and protect property, speed up recovery and lessen the impact on public and private budgets.

We aim to offer participating cities access to innovative finance to fund their resilience strategies. Through the Challenge we also look forward to bringing our expertise to the aid of Chief Resilience Officers, supporting the development of the Chief Resilience Officer network and contributing our own risk management insights and tools. >

SHARE
OF THE WORLD'S POPULATION
75%
LIVING IN CITIES BY 2050

Right: Asia will lead urban growth in the decades ahead.



> Applied expertise

One of those tools is CatNet®. At a glance it seems simple — hazard information laid over Google Maps™. CatNet® is highly visual and easy to understand.

But it's more than just an online atlas of natural hazards. The tool distills years of historical data — the same data that underpins our natural catastrophe underwriting. CatNet® is an ideal tool to transfer our in-house expertise not only to Chief Resilience Officers, but to stimulate dialogue and debate on urban resilience among the public at large.

Our 2013 publication "Mind the Risk" used CatNet® to identify and quantify the natural catastrophe risk facing 616 urban areas globally in human and economic terms. The report covers 1.7 billion people and about USD 34 trillion in economic value — or approximately a quarter of the global population and half of the gross world product. As the report found and 2013 loss figures would attest, flooding

"River floods could affect 380 million people living in cities today, while some 280 million people could be impacted by severe earthquakes."

Matthias Weber
Group Chief Underwriting Officer,
Swiss Re

puts more people in danger than any other natural peril. The cities most exposed to natural catastrophes (in both human and economic terms) are located in Asia — the region that will also account for the lion's share of urban growth in the decades ahead.

The time is now

Our work in understanding the intersection of urbanisation, resilience and risk is protecting lives and assets today. This summer CatNet® was critical in supporting our insurance partners working in flood-affected towns and cities in Canada and Central Europe. They could see the extent of the flood damage and anticipate incoming claims on a real-time basis. Once the storms passed, it became all the clearer what affected cities should do to mitigate the impact of flooding in the future.

We look forward to establishing that same level of engagement with the world's cities as they grow and thrive.

Swiss Re



Further reading:
More on our commitment to urban resilience
on swissre.com/rethinking



Full details on financial information
see **2013 Financial Report**



For the online annual report
see swissre.com



Above: Severine Rion,
who leads Swiss Re's
dedicated L&H
research team, at her
offices in Zurich

Swiss Re

"At SwissRe Life & Health R&D we are a global, multi-disciplinary team. We collaborate with thought leaders around the world to understand both individual and population risk, as well as the interaction between risk and behaviour. Our innovative research aims to predict future trends and supports the development of new re/insurance products."

Severine Rion
Head, Life & Health R&D Europe
Swiss Re

KNOWLEDGE EXPERTS:

LONGER, HEALTHIER LIVES

How long will you live? For Life & Health Reinsurance (L&H), the ability to understand and model life expectancy is at the very centre of managing risk. Even small moves in the average life expectancy can cause large shifts in the costs of funding people's retirements. A one-year increase in life expectancy could raise a pension fund's liabilities by 5%, or USD 50 million for every USD 1 billion in liabilities.

Ageing is not just about the length of life. We also want people to be healthier longer. The insurance industry has a key role in ensuring appropriate funding for medical services, long-term care facilities and medication.

In order to fund healthier, longer lives, it is essential that Swiss Re's models are up-to-date, or even ahead of the curve.

In 2013, Swiss Re's dedicated L&H research team developed different forward-looking scenarios as to how

we will manage cancer in the future. The researchers looked at potential improvements in survival rates for a range of cancers due to new "high-potential" drugs, improved diagnosis and screening techniques, and even changes in lifestyle and diet. The project drew upon Swiss Re's own in-house expertise in oncology, medicine, nursing, pharmaceuticals, genetics, underwriting and claims, as well as insights from external experts around the world.

The team's conclusions will enhance the predictive value of our life and health models, improving our understanding of the future financial responsibilities that our clients will shoulder.



For more on our activities regarding longevity
go to swissre.com/rethinking



Left: Residents of Bajo Lempa, the delta region of El Salvador's Lempa River, receive training from the Swiss Red Cross in emergency evacuation.

THE SWISS RE FOUNDATION: PROTECTING COMMUNITIES

By helping people make effective long-term use of improved skills and resources, the Swiss Re Foundation sets out to empower the community. Its grants address social, humanitarian and environmental problems and build local capacity to face them.

In the communities where Swiss Re has offices the Foundation contributes to projects that protect the environment and promote social welfare. It also promotes volunteering initiatives for Swiss Re staff around the world.

Swiss Re's 150th anniversary

The Foundation is supporting an exceptional set of projects for Swiss Re's 150th anniversary year, demonstrating a shared commitment to improving risk resilience. The Foundation teamed up with partners, clients and Swiss Re employees to launch 16 initiatives, broadly following the anniversary theme of generations.

The social and emotional needs of older generations in the UK are being met through a project that provides vital support services. Children's basic needs for health and welfare are being met through different projects around the world. The Foundation also looks ahead to future generations by funding basic research that may one day contribute to enhanced resilience for all.

Engaged in the business of change

The Foundation supports projects that build knowledge and capacity, paving the way for change. It also partners with academic institutions and social entrepreneurs to drive research and innovation in social and risk-related challenges.

The Foundation's partnership with social entrepreneur Honey Care Africa is a good example. Honey Care Africa helps poor farming communities diversify their incomes by making honey. Under its "Business in a Beehive" programme, communities are organised into clusters, enabling access to a commercial honey value chain. With support from the Foundation, Honey Care is further extending its activities, setting up two new clusters for about 2 000 poor families. Each cluster

should be economically sustainable and self-sufficient after about 18 months and families can begin to count on this supplement to their annual income. Honey Care Africa ensures a return on investment for all participating families by guaranteeing the market for all honey produced.

Partnering for effective action

All of the Foundation's projects and activities rely on external partners. Together we are working to promote sustainable ways of living that can empower the community.

Further reading:

More on the Foundation's partnerships and programmes in **The Swiss Re Foundation in 2013**



Download **The Swiss Re Foundation in 2013** on swissrefoundation.org



01: Claudia Cordioli, the new CFO for Reinsurance EMEA

02: Mentor and mentee Daniel Jaeger and Valentina Donnarumma exchange ideas.

"The EMEA management team leads by example and rewards performance in a very fair and transparent way. This motivates the team and creates a passion to perform at all levels."

Jean-Jacques Henchoz, CEO of Reinsurance EMEA, won the "Inspirational Leader of the Year" award at the 2013 European Diversity Awards for this work.

Connecting generations

Mentoring is par for the course at Swiss Re. As an innovator and knowledge company we rely heavily not only on diversity, but on expertise — the kind of expertise that can help us model earthquakes, project lifespans and invest to meet liabilities far into the future.

This sort of expertise is not acquired overnight. However it can be transferred by matching experienced staff with new joiners — in other words, through mentoring.

One of our mentors is Daniel Jaeger, a Managing Director and our Head of Enterprise Architecture. Daniel has been a mentor to Valentina Donnarumma for the last year. Valentina joined Swiss Re as an Analyst in our Group CFO Office after finishing her MA in 2012. "Mentoring helps me set and meet realistic goals within the organisation," says Valentina. And what was in it for Daniel? "Mentoring goes both ways: helping a graduate find her way into the organisation gives me a completely different perspective on how my behaviour and the organisation could be improved," says Daniel.

Mentoring is just one of the advantages we give our people to succeed — there's also formal training, clear career paths and global opportunities. Open-minded candidates are encouraged to apply.

OUR PEOPLE:

SUCCESS ACROSS THE GENERATIONS

Open minds connecting generations. This is the theme of our 150th anniversary, and it could also apply to our people management approach at Swiss Re.

Open minds

Open minds are a minimum requirement for maintaining our competitive advantage. As a knowledge company, diverse views and opinions are one of the few reliable sources of our success. Our leaders recognise this and are working to make sure those views are brought forward.

Beginning in 2012 the Reinsurance team for Europe, Middle East & Africa (or EMEA, which accounts for a substantial share of both employees and premiums) was reorganising and didn't want to miss the opportunity to bring out fresh views and new ideas. The goal was to support the business strategy and to find diverse candidates, with different experiences and points of view. Our belief was that by explicitly encouraging diversity we could increase the quality of decision-making and spark creativity and innovation. In addition, hiring managers undertook training to identify and root out unconscious biases that might influence their recruitment decisions.



Swiss Re

"Daniel's years of experience are a huge benefit to me — especially in helping me set and meet my goals."

Valentina Donnarumma
Business Analyst
Swiss Re

The result? A refreshed team with a far higher proportion of women in management roles, for one thing, and a culture which has become even more positive and productivity-driven. Talented people were treated to a powerful demonstration of why they should think big and be ambitious, chipping away at their own unconscious biases about the jobs they could and should apply for.

Claudia Cordioli is one of the members of the new management team. Previously Head of External Reporting in Group Accounting, she moved over to become EMEA's CFO. "I am proud to be part of a team that promotes such an open and inclusive culture," Claudia said.



Browse open positions on
[swissre.com/careers](https://www.swissre.com/careers)

GENERAL INFORMATION

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 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:

- instability affecting the global financial system and developments related thereto;
- 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 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 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.

BUSINESS CONTACT DETAILS

Swiss Re has over 60 office locations in more than 20 countries. For a full list of our office locations and service offerings, please visit www.swissre.com.

Head Office

Swiss Re Ltd
Mythenquai 50/60, P.O. Box,
8022 Zurich, Switzerland
Telephone +41 43 285 2121

Investor Relations

Telephone +41 43 285 4444
Fax +41 43 282 4444
investor_relations@swissre.com

Media Relations

Telephone +41 43 285 7171
Fax +41 43 282 7171
media_relations@swissre.com

Share Register

Telephone +41 43 285 6810
Fax +41 43 282 6810
share_register@swissre.com

Americas**Armonk**

175 King Street
Armonk, New York 10504
Telephone +1 914 828 8000

Overland Park

5200 Metcalf Avenue
Overland Park, KS 66202
Telephone +1 913 676 5200

New York

55 East 52nd Street
New York, NY 10055
Telephone +1 212 317 5400

Toronto

150 King Street West
Toronto, Ontario M5H 1J9
Telephone +1 416 408 0272

Mexico City

Insurgentes Sur 1898, Piso 8
Torre Siglum
Colonia Florida
México, D.F. 01030
Telephone +52 55 5322 8400

Calabasas

26050 Mureau Road
Calabasas, CA 91302
Telephone +1 818 878 9500

São Paulo

Avenida Paulista, 500
Bela Vista
São Paulo, SP 01310-000
Telephone +55 11 3371 6570

**Europe
(incl. Middle East and Africa)****Zurich**

Mythenquai 50/60
8022 Zurich
Telephone +41 43 285 2121

London

30 St Mary Axe
London
EC3A 8EP
Telephone +44 20 7933 3000

Munich

Dieselstraße 11
85774 Unterföhring bei München
Telephone +49 89 3844-0

Cape Town

2nd Floor
Beechwood House
The Boulevard
Searle Street
Cape Town, 7925
Telephone +27 21 469 8400

Madrid

Paseo de la Castellana, 95 planta 18
Edificio Torre Europa
28046 Madrid
Telephone +34 91 598 1726

Paris

11–15, rue Saint-Georges
75009 Paris
Telephone +33 1 43 18 30 00

Rome

Via dei Giuochi Istmici, 40
00135 Rome
Telephone +39 063 239 3652
Telephone +39 335 792 0697

Asia-Pacific**Hong Kong**

61/F Central Plaza
18 Harbour Road
G.P.O. Box 2221
Wanchai, HK
Telephone +852 2827 4345

Sydney

Level 29, 363 George Street
Sydney NSW 2000
Telephone +61 2 8295 9500

Singapore

1 Raffles Place
OUB Centre
Singapore 048616
Telephone +65 6532 2161

Beijing

23rd Floor, East Tower, Twin Towers,
No. B12, Jian Guo Men Wai Avenue
Chao Yang District
Beijing 100022
Telephone +86 10 6563 8888

Tokyo

Otemachi First Square 9F
5–1 Otemachi 1 chome
Chiyoda-ku
Tokyo 100-0004
Telephone +81 3 3272 287

Mumbai

Unit 701–702, 7th Floor Tower 'A'
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013
Telephone +91 22 6661 2121

CORPORATE CALENDAR

Key dates**11 April 2014**

150th Annual General Meeting

6 August 2014

Second quarter 2014 results

7 May 2014

First quarter 2014 results

7 November 2014

Third quarter 2014 results



Full details on financial information
see **2013 Financial Report**



For the complete events calendar
see **swissre.com**

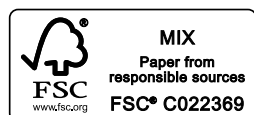
© 2014 Swiss Re. All rights reserved.

Title:
2013 Business Report

Design:
Addison Corporate Marketing, London
Swiss Re Corporate Real Estate & Logistics/
Media Production, Zurich

Photography:
Getty Images (pgs 1/02, 03, 04, 05, 14/02, 03,
04, 17, 18/01, 19, 20, 22/02, 23–25, 32–36)
Geri Krischker (pgs 1/01, 7, 9, 10, 11, 37/02)
National Archives (165-WW-269B-25) (pg 26/03)
Stiftung Swiss Ships (pg 26/04)
Swiss Re (cover, pgs 1/05, 14/01, 18/02, 26/01,
02, 27/01–06, 28–31)
Swiss Red Cross (pg 38)
© Victoria and Albert Museum, London
(pgs 26 – 27 (background))
Andy Wilson (pg 22/01, 39 01/02)

Printing:
Multicolor Print AG, Baar



This report is printed on sustainably produced paper and climate neutral. The wood used comes from forests certified to 100% by the Forest Stewardship Council (FSC).

Original version in English.

The 2013 Annual Report is also available in German.

The web version of the 2013 Annual Report is available at: www.swissre.com/annualreport

Order no: 1490793_14_en

3/14, 6000 en

