



Swiss Re reports net income of USD 1.3 billion for the third quarter 2011

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- **Excellent Group results with contribution from all segments**
- **Very strong P&C combined ratio of 80.8%**
- **P&C premiums increase by 18.0%**
- **Conservative asset portfolio delivers very strong return**
- **S&P upgrades Swiss Re rating to AA-**

Zurich, 3 November 2011 – Swiss Re reports a net income of USD 1.3 billion in the third quarter of 2011 (vs USD 0.6 billion in the prior-year period). All segments contributed to these results, which were supported by a moderate natural catastrophe experience and positive one-offs. Return on equity was 20.5% (vs 9.5% in the prior-year period), ensuring Swiss Re remains well on track to achieving its 2011– 2015 financial targets.

Stefan Lippe, Swiss Re's Chief Executive Officer, says: "I am pleased to announce another successful quarter for Swiss Re. Third-quarter Group results were excellent with a positive contribution from all segments. Our underlying earnings power is very strong and our conservative asset management approach is proving to be appropriate in these times of heightened financial market volatility."

Excellent Group net income and increase in shareholders' equity

Swiss Re reported a 118% increase in net income to USD 1.3 billion in the third quarter. Earnings per share were USD 3.94 or CHF 3.46 (vs USD 1.80 or CHF 1.93).

Shareholders' equity rose by USD 3.0 billion compared to the second quarter to USD 27.8 billion, due to the excellent Group result and a USD 2.5 billion increase in unrealised gains, mostly driven by declining interest rates on government bonds. Book value per common share increased to USD 81.20 or CHF 73.75 at the end of September 2011, compared to USD 72.37 or CHF 60.94 at the end of June 2011.

Very strong underlying earnings power in P&C business

Property & Casualty reported an operating income of USD 1.0 billion (vs USD 1.1 billion). This result was based on a very strong underlying performance, further reserve releases and a better-than-expected natural catastrophe experience in the quarter. The combined ratio increased to 80.8%. Premiums earned increased by 18.0% or 13.1% at constant foreign exchange rates, reflecting successful renewals and new business written during 2011, particularly in Asia.



Operating income in Life & Health rose by 21.8% to a solid level of USD 145 million (vs USD 119 million). The benefit ratio improved to 83.6%. Premiums and fee income increased by 6.8% or 1.7% at constant foreign exchange rates. The increase was largely due to growth in the Asia traditional life and health businesses and the Americas traditional life business.

Asset Management delivered a very strong operating income of USD 1.2 billion (vs USD 1.2 billion) and an annualised return on investments of 6.7% (vs 2.8%), with a significant contribution from net realised investment gains of USD 354 million, mainly from government bonds. The annualised total return on investments was 20.8% (vs 10.6%), largely driven by unrealised gains of USD 3.9 billion, mainly from government bonds.

Given the heightened volatility in financial markets as a result of economic uncertainties, Swiss Re has and will continue to maintain a conservative asset management strategy. Swiss Re's exposure to sovereign debt issued by peripheral eurozone countries remains very low at USD 74 million. The exposure to Greek sovereign debt is nil.

Fourth-quarter event

The floods in Thailand are expected to have a severe impact on industrial businesses that have established manufacturing facilities locally. As the flooding is still ongoing, it is currently not possible to evaluate damage, repair times and supply chain interruptions. As a result, a reliable claims estimate cannot be determined at this time.

Change in the Executive Committee

Swiss Re also announces that Brian Gray, Chief Underwriting Officer and member of the Executive Committee, has chosen to retire early to return to Canada, as of 30 April 2012 after more than 26 years of service. His successor will be announced in the first quarter of 2012.

Financial targets are Swiss Re's most important priority

Swiss Re remains committed to achieving its 2011 – 2015 financial targets, after delivering a return on equity of 20.5% (vs 9.5%) in the third quarter, up from 15.6% in the second quarter and -10.7% in the first quarter.

Stefan Lippe says: "Our five-year financial targets announced in February 2011 are our most important priority and we are fully focused on achieving them."

Focus on capturing growth without compromising profitability

With the persistently low interest rate environment, Swiss Re believes a modest but broad market turn in the property and casualty market is underway.



Throughout 2011, Swiss Re continued to deploy capital in a responsible manner to those lines of business where expected returns are strong. In the upcoming January renewals and beyond, this disciplined approach will be maintained in order not to compromise profitability.

In October, rating agency Standard & Poor's upgraded its rating on Swiss Re to AA- from A+, confirming the company's very strong capital and market position.

Stefan Lippe says: "The ratings upgrade applies across all three of our business units – Reinsurance, Corporate Solutions and Admin Re® – and supports our excellent client franchise. Swiss Re remains focused on capturing profitable growth opportunities – putting to work our capital strength and our ability to deliver innovative solutions."



Notes to editors

Details of third-quarter performance (Q3 2011 vs Q3 2010)

		Q3 2011	Q3 2010
Group	Net income (USD millions)	1 348	618
	Return on Equity (%, annualised)	20.5	9.5
	Earnings per share (USD)	3.94	1.80
P&C	Operating income (USD millions)	1 010	1 089
	Combined ratio incl./excl. unwind of discount (%)	incl.80.8 excl.79.7	incl.76.4 excl.74.8
L&H	Operating income (USD millions)	145	119
	Benefit ratio (%)	83.6	93.3
Asset Management	Return on investments (%, annualised)	6.7	2.8

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

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 2 22 22 0593
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 2 22 22 0593
From UK:	+44 (0)203 059 58 62
From France:	+33 (0) 170 918 706
From US (toll-free):	+1 (1)866 291 41 66
From Australia (toll-free):	1 800 00 59 03



Swiss Re

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Pending delisting of the shares of Swiss Reinsurance Company Ltd from the SIX Swiss Exchange, such shares trade under the symbol RUKN. Consolidated financial information for Swiss Reinsurance Company Ltd and its subsidiaries for the third quarter of 2011, included in the Swiss Reinsurance Company Consolidated Third Quarter 2011 Report, can be accessed at: www.swissre.com/investors/financial_information/

Cautionary note on forward-looking statements

Certain statements and illustrations contained herein are forward-looking. These statements 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, performance, achievements or prospects to be materially different from any future results, performance, achievements or prospects expressed or implied by such statements. 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 eurozone 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 under derivative contracts due to actual or perceived deterioration of Swiss Re's financial strength;
- 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 financial strength or other ratings of Swiss Re companies, and developments adversely affecting Swiss Re's ability to achieve improved ratings;
- the cyclicity 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 and morbidity 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;
- legal actions or regulatory investigations or actions, including 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.