News release

Swiss Re

Swiss Re reports loss of USD 665 million for the first quarter 2011, impacted by very high level of natural catastrophes; April 2011 renewals successful

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- **Due to very high level of natural catastrophe claims, Swiss Re reports net loss of USD 665 million in first quarter of 2011**
- **Strong Asset Management performance**
- **Successful April 2011 renewals, outlook on P&C pricing improved**
- **Swiss Re well positioned to take advantage of market opportunities**

Zurich, 5 May 2011 – Swiss Re reports a net loss of USD 665 million for the first quarter of 2011, compared to a profit of USD 158 million in the same period of 2010. Property & Casualty was impacted by a very high level of natural catastrophe claims, including the earthquakes in Japan and New Zealand and the floods in Australia.

Stefan Lippe, Swiss Re's Chief Executive Officer, says: "In the first quarter of 2011, we experienced exceptionally high losses from natural catastrophes. In the renewals following these events, we maintained our focused and disciplined underwriting approach. We were able to grow our P&C treaty book by 13% year to date and to outperform the market in terms of pricing adequacy."

Shareholders' equity down slightly to USD 24.4 billion

Swiss Re reported a net loss of USD 665 million for the first quarter of 2011, compared to a net profit of USD 158 million in the same period of the previous year. Annualised return on equity decreased to -10.7% in comparison to 2.7% for the first quarter of 2010. Earnings per share also decreased to CHF -1.84 (USD -1.94), compared with CHF 0.49 (USD 0.46) for the first quarter of 2010.

Shareholders' equity declined slightly by USD 0.9 billion to USD 24.4 billion. Book value per common share was CHF 65.19 (USD 71.26) at the end of March 2011, compared to CHF 68.99 (USD 74.02) at the end of December 2010.

Large natural catastrophe losses, strong performance in Asset Management

Property & Casualty reported an operating loss of USD 1.2 billion, compared to an operating income of USD 259 million in the first quarter of 2010. This result was largely driven by natural catastrophe pre-tax losses of USD 2.3 billion. The combined ratio for Property & Casualty rose to 163.7% in the first quarter of 2011, compared to

109.4% in the prior-year period. The net impact from natural catastrophes on the combined ratio was 89.4 percentage points, which was 79.8 percentage points above the expected level.

Life & Health reported an operating income of USD 144 million in the first quarter of 2011, compared to USD 245 million in the prior-year period. The change in operating performance was driven by less favourable mortality and variable annuity results, only partially offset by favourable morbidity experience. The benefit ratio increased to 89.4% in the first quarter of 2011.

Asset Management delivered a strong operating income of USD 1.2 billion in the reporting period, compared to USD 0.9 billion in the first quarter of 2010. The annualised return on investments was 4.0% in the first quarter of 2011, compared to 2.8% in the first quarter of 2010.

Successful April 2011 renewals, outlook on P&C pricing improved
Swiss Re maintained its focused and disciplined underwriting approach in the April 2011 renewals, which covered approximately 10% of Swiss Re's Property & Casualty treaty book. April renewals take place in Japan, Korea and India, and to a lesser extent in Europe, Americas and the rest of Asia.

Swiss Re's Property & Casualty treaty business written premiums grew by 5% year-on-year in the April renewals, or by 13% year to date. Historically, large losses from natural disasters have been followed by price increases and stronger demand in the Property & Casualty market. Swiss Re believes the combination of the recent natural catastrophes, very low interest rates, and years of price declines are likely to bring forward the turn in the cycle.

Well positioned to take advantage of market opportunities
The first quarter of 2011 represented a test of strength for the insurance and reinsurance industry. The accumulation of natural catastrophe events is expected to turn 2011 into a year with one of the highest historical natural catastrophe claims burdens. Swiss Re has weathered this test well thanks to the following factors:

- Its exceptional capital strength: Swiss Re is in a strong position to underwrite large and complex risks;
- Its global diversification over types of risk and regions: a key factor in its resilience;
- Its outstanding re/insurance expertise and innovation power: core to its ability to help clients and societies deal with such challenges.

Stefan Lippe concludes: "We remain committed to our five-year targets and are confident that we can deliver. The impact of natural catastrophe losses in the first quarter creates an additional challenge but it will also accelerate the market turn we had previously expected in 2012/2013."

Notes to editors

Details of first-quarter performance (Q1 2011 vs Q1 2010)

		Q1 2011	Q1 2010
Group	Net income (USD millions)	-665	158
	Earnings per share (USD)	-1.94	0.46
	Return on equity (%, annualised)	-10.7	2.7
P&C	Operating income (USD millions)	-1233	259
	Combined ratio incl./excl. unwind of discount (%)	163.7/162.2	109.4/107.8
L&H	Operating income (USD millions)	144	245
	Benefit ratio (%)	89.4	89.1
Asset Management	Return on investments (%)	4.0	2.8

Media conference call
Swiss Re will hold a media conference call this morning at 10.30 am (CET). You are kindly requested to dial in 10 minutes prior to the start using the following numbers:

From Switzerland:	+41 (0)44 580 3216
From Germany:	+49 (0)69 9897 2622
From France:	+33(0)1 70 99 42 71
From UK:	+44(0)20 7138 0809
From US:	+1 718 354 1158
From Hong Kong:	+852 3009 5112

Investors and analysts' conference call
Swiss Re will hold an analysts' conference call this afternoon at 2.30 pm (CET). You are kindly requested to dial in 10 minutes prior to the start using the following numbers:

From Switzerland:	+41 (0)43 456 9155
From Germany:	+49 (0)69 5007 1079
From France	+33 (0)1 70 99 42 69
From UK:	+44 (0)20 7138 0810
From US:	+1 718 354 1357
From Australia:	+61 (0)2 8223 9235

The presentation slides for media and analysts are available on www.swissre.com.

Swiss Re
Swiss Re is a leading and highly diversified global reinsurer. The company operates through offices in more than 20 countries. Founded in Zurich, Switzerland, in 1863, Swiss Re offers financial services products that enable risk-taking essential to enterprise and progress. The company's traditional reinsurance products and related services for property and casualty, as well as the life and health business are complemented by insurance-based corporate finance solutions and supplementary services for comprehensive risk management. Swiss Re is rated "A+" by Standard & Poor's, "A1" by Moody's and "A" by A.M. Best.

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;
- changes 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 its 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 hedging arrangements may not be effective;
- the lowering or loss of financial strength or other ratings of one or more of the companies in the Group or developments adversely affecting the ability to achieve improved ratings;
- the cyclicality of the reinsurance industry;
- uncertainties in estimating reserves;
- uncertainties in estimating future claims for purposes of financial reporting, particularly with respect to large natural catastrophes, as significant uncertainties may be involved in estimating losses from such events and preliminary estimates may be subject to change as new information becomes available;
- the frequency, severity and development of insured claim events;
- acts of terrorism and acts of war;
- mortality 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, and regulatory or legal actions;
- changes in accounting standards;
- significant investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transactions, including, in the case of acquisitions, issues arising in connection with integrating acquired operations;
- changing levels of competition;
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks; and
- challenges in implementation, adverse responses of counterparties, regulators or rating agencies, or other issues arising from, or otherwise relating to, the changes in our corporate structure.

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.