



Swiss Re reports net profit of USD 960 million for the second quarter 2011 and return on equity of 15.6%

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- **Strong financial results across all segments**
- **Excellent P&C combined ratio of 78.4%**
- **Strong July renewals, leading to earnings growth**
- **Very good investment performance, despite volatile financial market environment**
- **Achieving five-year targets remains highest priority**

Zurich, 4 August 2011 – Swiss Re reports a Group net income of USD 960 million in the second quarter of 2011, compared to income of USD 812 million in the same period of 2010. All segments contributed to these positive results, which translate into a return on equity of 15.6%.

Stefan Lippe, Swiss Re's Chief Executive Officer, says: "The Group performance in the second quarter was strong. All segments – Property & Casualty, Life & Health and Asset Management – contributed to the result. Furthermore, Swiss Re's future growth prospects have been underscored by our strong July 2011 renewals, during which we benefited from the gradual firming of pricing in Property & Casualty."

Shareholders' equity increased to USD 24.8 billion

Swiss Re reported an 18% increase in Group net income to USD 960 million in the second quarter. Earnings per share were USD 2.80 (CHF 2.55), compared with USD 2.37 (CHF 2.56) for the second quarter of 2010.

Shareholders' equity rose USD 0.4 billion to USD 24.8 billion, more than offsetting the dividend payout to shareholders during the second quarter of approximately USD 1.0 billion. Return on equity (RoE) increased to 15.6%, compared to 13.4% in the year-ago period. Book value per common share was USD 72.37 (CHF 60.94) at the end of June 2011, compared to USD 71.26 (CHF 65.19) at the end of March 2011.

All segments contributed to financial results, excellent combined ratio

Property & Casualty delivered excellent operating income of USD 993 million, compared to USD 455 million in the prior-year period, and an excellent combined ratio of 78.4%, compared to 102.0%. The increase in operating income was driven by disciplined underwriting, a favourable net development of prior accident years



and lower large loss experience in the second quarter. Premiums earned increased 12.6% (or 7.1% at constant foreign exchange rates), reflecting strong renewals and also new business written in the first half of 2011.

Operating income in Life & Health rose by 13.4% to USD 161 million in the second quarter, driven by favourable morbidity trends. This was partly offset by additional Admin Re[®] expenses of USD 57 million, including costs from the restructuring. The benefit ratio was 87.0% in the second quarter of 2011.

Asset Management performed very well in a volatile market. The operating income of USD 1.3 billion compares with USD 1.2 billion in the year-ago period and was driven by higher investment income from government and corporate bonds and mark-to-market gains in equity and alternative investments. The annualised return-on-investment (RoI) was 4.3% (down from 5.8% in the prior-year period) and annualised total return on investments was 8.1% (compared to 13.2%).

The volatility of financial markets in the wake of recent sovereign debt issues in Europe remains a concern. After starting to take resolute steps from late 2009 to reduce sovereign debt exposure to non-AAA rated European government bonds, Swiss Re now holds only USD 78 million in sovereign debt issued by peripheral eurozone countries. The company's exposure to Greek sovereign debt is nil.

Strong July 2011 renewals, leading to earnings growth

While enjoying improved market conditions and a firming price environment, Swiss Re continues to focus on disciplined underwriting. In July renewals, which covered approximately 18% of Swiss Re's Property & Casualty treaty book, top-line growth was 8%. Risk-adjusted price adequacy for business renewed in July improved by 5 percentage points. Swiss Re was able to increase volume and prices mainly as a result of higher demand for natural catastrophe cover in Australia, New Zealand and the United States. Swiss Re was also able to complete Property & Casualty run-off transactions at attractive rates, but remained defensive on Casualty business whenever prices did not meet the company's requirements.

In the course of 2011 renewals to date, Swiss Re has maintained the high quality of its portfolio. Year-to-date, Swiss Re's total treaty portfolio rose by USD 2.0 billion or 20% to USD 12.2 billion. Strongest growth originated in Asia.

The reinsurance market has started to turn, and Swiss Re expects further improvements over the next 6 -18 months.



Progress made on financial targets, continued focus on tailor-made and innovative solutions

In February 2011, Swiss Re announced new five-year financial targets. The company made good progress in the second quarter towards achieving these goals. Swiss Re's return on equity (RoE) for the period was 15.6%.

Stefan Lippe says: "These financial targets are the company's most important priority and Swiss Re is fully focused on achieving them."

In a rapidly changing world, customer needs evolve. Swiss Re strives to develop innovative solutions for clients in order to support them in refocusing their activities. In the second quarter, the company was able to conclude successful Admin Re[®] and P&C run-off transactions.

Seizing opportunities despite volatile environment

Amid ongoing volatility and the moderate nature of the global economic recovery, Swiss Re is seizing opportunities for growth in its chosen areas of focus. The company expects significant potential in emerging markets such as China, Brazil and Vietnam. China is already Swiss Re's third-largest market (measured in gross premiums written during the first half of the year). Within 10 years, Swiss Re economists predict that China will be the world's second-largest insurance market.

Broader demographic developments relating to the ageing population of many countries also present an opportunity for reinsurance companies like Swiss Re. As a market leader in longevity, Swiss Re helps pension fund providers and insurance companies with the associated risks.

Stefan Lippe says: "By seizing opportunities in emerging markets and longevity in addition to pursuing traditional opportunities, Swiss Re is well-positioned and we can fully focus on achieving our 2011-2015 financial targets."



Notes to editors

Details of second-quarter performance (Q2 2011 vs Q2 2010)

| | | Q2 2011 | Q2 2010 |
|--------------------------|---|------------------------|--------------------------|
| Group | Net income (USD millions) | 960 | 812 |
| | Earnings per share (USD) | 2.80 | 2.37 |
| P&C | Operating income (USD millions) | 993 | 455 |
| | Combined ratio incl./excl. unwind of discount (%) | incl.78.4 excl.77.0 | incl.102.0 excl.100.2 |
| L&H | Operating income (USD millions) | 161 | 142 |
| | Benefit ratio (%) | 87.0 | 88.3 |
| Asset Management | Return on investments (%) | 4.3 | 5.8 |
| Financial targets | RoE 700 bps above risk free average over 5 years (%) | 15.6 | N/A |
| | EPS Growth – 10% average annual growth rate over 5 years in USD | 2.80 | N/A |
| | ENW per share growth plus dividend – 10% average annual growth rate over 5 years in USD | N/A | N/A |

Media conference

Swiss Re will hold a media conference this morning at 10.30 am (CET) at Mythenquai 50/60, Zurich. Journalists who cannot participate in person may dial in 10 minutes prior to the start as follows:

| | |
|-----------------------------|----------------------|
| From Switzerland: | +41 (0)91 612 81 05 |
| From Germany - Toll-Free: | 0800 588 92 97 |
| From UK: | +44 (0)203 059 58 63 |
| From France: | +33 (0)170 918 707 |
| From USA - Toll-Free: | +1 (1)866 865 51 44 |
| From Australia - Toll-Free: | 1 800 00 56 04 |
| From Hong Kong - Toll-Free: | 800 966 414 |

Investors and analysts' conference call

Swiss Re will hold an investors and analysts' conference call this afternoon at 2.00 pm (CET). You are kindly requested to dial in 10 minutes prior to the start using the following numbers:

| | |
|-----------------------------|----------------------|
| From Europe: | +41 (0)91 610 56 00 |
| From UK: | +44 (0)203 059 58 62 |
| From US (toll-free): | +1 866 291 41 66 |
| From Australia (toll-free): | 1 800 00 59 03 |

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



Swiss Re Ltd

Swiss Re Ltd is the holding company for the Swiss Re Group. Its shares are listed on the SIX Swiss Exchange and trade under the symbol SREN. Consolidated financial information for Swiss Re Ltd and its subsidiaries for the second quarter of 2011, included in the Swiss Re Group Second Quarter 2011 Report, can be accessed at: www.swissre.com/investors/financial_information/

Swiss Reinsurance Company Ltd

Swiss Reinsurance Company Ltd is a leading and highly diversified global reinsurer and part of the Swiss Re group of companies. 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 Reinsurance Company Ltd is rated "A+" by Standard & Poor's, "A1" by Moody's and "A" by A.M. Best.

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 second quarter of 2011, included in the Swiss Reinsurance Company Consolidated Second 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:

- the direct and indirect impact of the continuing deterioration in the financial markets and the efficacy of efforts to strengthen financial institutions and stabilise the credit markets and the broader financial system;
- changes in global economic conditions and the effects of the global economic downturn;
- the occurrence of other unanticipated market developments or trends;
- 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 Swiss Re's 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 carry forwards 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 companies in the Group;
- risks associated with implementing Swiss Re's business strategies;
- the cyclical nature of the reinsurance industry;
- uncertainties in estimating reserves;
- the frequency, severity and development of insured claim events;
- acts of terrorism and acts of war;

These factors are not exhaustive. We operate in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. We undertake no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.