

Financial highlights: Income statement, return on equity	Three months ended March 31		Year ended Dec. 31
In US\$ million, unless noted	2005	2004	2004
Gross premiums written - change (%)	717.5 -48.1%	1,383.6	3,840.9
Net premiums written - change (%)	704.9 -45.7%	1,298.6	3,553.0
Net premiums earned - change (%)	688.8 -30.6%	993.0	3,685.1
Ongoing non-life loss ratio(3) - change in percentage points	87.4% +17.7pts	69.7%	78.7%
Ongoing non-life underwriting expense ratio(4) - change in percentage points	21.9% +1.4pts	20.5%	23.1%
Ongoing non-life administration expense ratio(5) - change in percentage points	6.4% +3.6pts	2.8%	4.0%
Ongoing non-life combined	115.7%	93.0%	105.8%

ratio(6) - change in percentage points	+22.7pts		
Life & Health technical result(7) - change (%)	6.0 n.m.	1.3	14.7
Life & Health segment income - change (%)	6.2 n.m.	1.7	
Segment (loss) income of run-off operation - change (%)	-4.6 n.m.	5.4	
Total investment results(8) - change (%)	81.5 -0.4%	81.8	358.1
Total investment income yield(9) - change in percentage points	3.9% -0.2pts	4.1%	4.4%
Total investment return(10) - change (%)	1.3% -6.0pts	7.3%	4.1%
Pre-tax operating (loss) income(11) - change (%)	-47.8 n.m.	77.9	-362.5
Net (loss) income	-61.8	65.7	-760.8

- change (%)	n.m.		
(Loss) earnings per share (US\$)	-0.42	0.83 (rest.)	-12.00
- change (%)	n.m.		
Return on equity(12)	-14.4%	12.6%	-20.3%
- change in percentage points	n.m.		

Financial highlights: Balance sheet	March 31	December 31
In US\$ million, unless noted	2005	2004
Total invested assets plus cash	8,175.0	8,469.3
- change (%)	-3.5%	
Claims supporting capital(13)	1,972.0	2,111.1
- change (%)	-6.6%	
Shareholders' equity	1,580.8	1,720.2
- change (%)	-8.1%	
Book value per share (US\$)	10.80	11.76
- change (%)	-8.2%	
Book value per share (CHF)	12.87	13.37
- change (%)	-3.7%	

Financial highlights:	Three months ended		Year ended
Investment results	March 31		Dec. 31
in US\$ million, unless noted	2005	2004	2004
Investment income - Fixed maturities	53.9	46.2	201.3
Investment income - Equity securities	1.2	2.1	11.5
Investment income - Funds Withheld Asset	16.9	20.3	75.1
Other investment income, net	10.2	4.0	23.7
Net investment income	82.2	72.6	311.6
Average annualized net investment income yield (pre-tax)	3.9%	3.7%	3.8%
Net realized capital (losses) gains	-0.7	9.2	46.5
Total investment results	81.5	81.8	358.1
Average annualized total investment income yield	3.9%	4.1%	4.4%

(pre-tax)

Change in net unrealized gains (losses) (pre-tax)	-54.2	62.3	-25.1
Total investment return (pre-tax)	27.3	144.1	333.0
Average annualized total investment return (pre-tax)	1.3%	7.3%	4.1%
Average total invested assets (including cash and cash equivalents)	8,322.2	7,906.1	8,139.4

Consolidated statements of income (Unaudited)	Three months ended March 31			Change
In US\$ million, except share information	2005	2004		(%)
Revenues				
Gross premiums written	717.5	1,383.6	-48.1%	
Less ceded premiums written	-12.6	-85.0	-85.2%	
Net premiums written	704.9	1,298.6	-45.7%	
Net change in unearned premiums	-16.1	-305.6	-94.7%	
Net premiums earned	688.8	993.0	-30.6%	
Net investment income	82.2	72.6	+13.2%	
Net realized capital (losses) gains	-0.7	9.2	n.m.	

Other loss	-7.8	-0.1	n.m.
Total revenues	762.5	1,074.7	-29.0%
Benefits, losses and expenses			
Losses, loss adjustment expenses and life benefits	-585.8	-720.9	-18.7%
Underwriting acquisition costs	-160.4	-207.9	-22.8%
Other operating and administration expenses	-56.9	-51.0	+11.6%
Interest expense	-7.9	-7.8	+1.3%
Amortization of intangible assets	-7.0	-0.7	n.m.
Restructuring costs	-10.1	-	n.m.
Total benefits, losses and expenses	-828.1	-988.3	-16.2%
(Loss) income before taxes	-65.6	86.4	n.m.
Income tax benefit (expense)	3.8	-20.7	n.m.
Net (loss) income	-61.8	65.7	n.m.
Basic (loss) earnings per share (US\$)	-0.42	0.83 (rest.)	n.m.
Diluted (loss) earnings per share (US\$)	-0.42	0.82 (rest.)	n.m.

Consolidated balance sheets

	March 31 2005	Dec. 31 2004
In US\$ million	(unaudited)	
Invested assets		
Held-to-maturity securities:		
Fixed maturities	838.8	850.4
Available-for-sale securities:		
Fixed maturities	4,906.8	4,834.8
Equity securities	434.0	408.5
Other investments	232.3	272.3
Short-term investments	154.2	133.3
Total investments	6,566.1	6,499.3

Funds Withheld Asset	1,239.3	1,305.1
Total invested assets	7,805.4	7,804.4
Other assets		
Cash and cash equivalents	369.6	664.9
Premiums receivables:		
Current	208.6	318.5
Accrued	1,693.1	1,859.5
Reinsurance assets:		
Underwriting reserves	1,147.1	1,337.8
Insurance balances receivable, net	235.1	233.5
Funds held by reinsureds	1,751.6	1,721.3
Deferred policy acquisition costs	440.0	484.7
Deferred income taxes	73.8	78.3
Other assets	470.5	439.7
Total assets	14,194.8	14,942.6
Liabilities		
Losses and loss adjustment expenses, gross	8,737.2	8,915.6
Unearned premiums, gross	1,299.4	1,312.3
Future life benefits, gross	406.6	407.1
Other reinsurance liabilities	1,154.0	1,375.3
Funds held under reinsurance contracts	243.6	379.3
Deferred income taxes	142.1	157.2
Accrued expenses and other liabilities	239.9	284.7
Debt	391.2	390.9
Total liabilities	12,614.0	13,222.4
Equity		
Common stock	554.9	554.9
Additional paid-in capital	1,424.2	1,430.6
Treasury stock	-2.8	-7.7
Unearned stock compensation	-6.0	-7.5
Accumulated other comprehensive income:		
Net unrealized gains on investments, net of taxes	59.0	116.7
Cumulative translation adjustments	167.5	187.4

Total accumulated other comprehensive income	226.5	304.1
Retained deficit	-616.0	-554.2
Total equity	1,580.8	1,720.2
Total liabilities and equity	14,194.8	14,942.6

Consolidated statements of cash flows	March 31	
(Unaudited)		
In US\$ million	2005	2004
Net (loss) income	-61.8	65.7
Net realized capital (losses) gains on investments	0.7	-9.2
Amortization of premium/discount	13.8	14.1
Depreciation and amortization	14.3	5.2
Total adjustments	28.8	10.1
Deferred policy acquisition costs	32.0	-40.5
Reinsurance assets	181.4	12.0
Funds held by reinsureds	-72.2	-333.0
Funds Withheld Asset	42.6	77.7
Premiums receivable	279.4	-314.7
Unearned premiums, gross	2.7	278.4
Losses and loss adjustment expenses, gross	-66.7	307.5
Future life benefits, gross	-4.9	12.9
Funds held under reinsurance contracts	-113.7	-1.3
Other reinsurance liabilities	-220.1	165.4
Income taxes, net	13.6	21.0
Net change in all other operational assets and liabilities	-28.0	-32.6
Total changes in operational assets and liabilities	46.1	152.8
Cash provided by operating activities	13.1	228.6
Purchases of fixed maturities held-to-maturity	-	-39.6
Proceeds from sales and maturities of fixed maturities available-for-sale	516.8	736.1
Purchases of fixed maturities available-for-sale	-783.5	-838.3
Cash flows from investing activities (fixed maturities)	-266.7	-141.8
Proceeds from sales of equity securities	-2.0	116.4

Purchases of equity securities	-42.2	-156.5
Cash flows from investing activities (equity securities)	-44.2	-40.1
Net increase in short-term investments	-22.6	-10.5
Proceeds from sales of other assets	29.2	-
Purchases of other assets	0.8	-9.3
Purchase of real estate held for investments	-5.2	-
Cash flows from investing activities (other)	2.2	-19.8
Net cash used in investing activities	-308.7	-201.7
Net purchases of common shares	-	-2.5
Net cash used in financing activities	-	-2.5
Effect of exchange rate changes on cash and cash equivalents	0.3	9.3
Change in cash and cash equivalents	-295.3	33.7
Cash and cash equivalents as of January 1	664.9	280.8
Cash and cash equivalents as of March 31	369.6	314.5

Segments (Unaudited)	Three months ended March 31		Change
In US\$ million	2005	2004	(%)
Standard Property & Casualty Reinsurance			
Gross premiums written	412.5	633.9	-34.9%
Net premiums written	402.9	599.4	-32.8%
Net premiums earned	242.0	372.0	-35.0%
Ongoing non-life loss ratio(14)	80.3%	69.6%	+10.7pts
Ongoing non-life underwriting expense ratio(15)	22.0%	19.7%	+2.3pts
Ongoing non-life administration expense ratio(16)	4.7%	3.0%	+1.7pts
Ongoing non-life combined ratio(17)	107.0%	92.3%	+14.7pts
Total investment results(18)	27.0	26.4	+2.3%
Segment income	2.4	48.2	n.m.

Retention ratio(19)	97.7%	94.6%	+3.1pts
Specialty Lines			
Gross premiums written	154.5	347.8	-55.6%
Net premiums written	155.4	323.4	-51.9%
Net premiums earned	292.4	282.0	+3.7%
Ongoing non-life loss ratio ¹⁴	93.2%	69.9%	+23.3pts
Ongoing non-life underwriting expense ratio ¹⁵	21.8%	21.6%	+0.2pts
Ongoing non-life administration expense ratio ¹⁶	10.7%	2.5%	+8.2pts
Ongoing non-life combined ratio ¹⁷	125.7%	94.0%	+31.7pts
Total investment results ¹⁸	31.0	33.3	-6.9%
Segment (loss) income	-29.6	49.3	n.m.
Retention ratio ¹⁹	n.m.	93.0	n.m.
Life & Health Reinsurance			
Gross premiums written	117.1	119.2	-1.8%
Net premiums written	113.8	111.2	+2.3%
Net premiums earned	81.1	67.7	+19.8%
Underwriting expense ratio Life & Health(20)	33.4%	17.4%	+16.0pts
Administration expense ratio Life & Health(21)	3.5%	2.7%	+0.8pts
Total investment results ¹⁸	6.0	4.7	+27.7%
Segment income	6.2	1.7	n.m.
Retention ratio ¹⁹	97.2%	93.3%	+3.9pts

Segments	Three months ended March 31			Change
(Unaudited)				
In US\$ million	2005	2004		(%)
Run-Off				

Gross premiums written	33.4	282.7	-88.2%
Net premiums written	32.8	264.6	-87.6%
Net premiums earned	73.3	271.3	-73.0%
Total investment results ¹⁸	17.5	17.4	+0.6%
Segment (loss) income	-4.6	5.4	n.m.
Corporate Center			
Operating and administration expenses	-7.2	-9.6	-25.0%

(1) Pre-tax operating (loss) income is defined as pre-tax (loss) income excluding pre-tax amortization of intangible assets and restructuring costs.

(2) Segment (loss) income of ongoing operations is defined as net premiums earned plus total loss adjustment expenses minus underwriting and acquisition costs minus operating and administrative expenses.

(3) Ongoing non-life loss ratio is defined as losses and loss adjustment expenses divided by net premiums earned.

(4) Ongoing non-life underwriting expense ratio is defined as underwriting acquisition costs divided by net premiums earned.

(5) Ongoing non-life administration expense ratio is defined as other operating and administrative expenses divided by net premiums written.

(6) Ongoing non-life combined ratio is defined as ongoing non-life loss ratio (to premiums earned) plus ongoing non-life underwriting expense ratio (to premiums earned) plus ongoing non-life administration expense ratio (to premiums written).

(7) Life & Health technical result is defined as net premiums earned minus losses, loss adjustment expenses, underwriting acquisition costs plus technical interests.

(8) Total investment results are defined as net investment income plus net realized capital gains/losses.

(9) Total investment income yield is defined as net investment income plus net realized capital gains/losses divided by total invested assets (including cash and cash equivalents), pre-tax and annualized.

(10) Total investment return is defined as net investment income plus net realized capital unrealized capital gains (losses) divided by average total invested assets (including cash annualized).

(11) Pre-tax operating (loss) income is defined as pre-tax (loss) income excluding pre-tax amortization of intangible assets and restructuring costs.

(12) Return on equity is defined as net income or loss (after-tax) divided by shareholders annualized.

(13) Claims supporting capital is defined as total equity plus debt.

(14) Ongoing non-life loss ratio is defined as losses and loss adjustment expenses divided

(15) Ongoing non-life underwriting expense ratio is defined as underwriting acquisition co

(16) Ongoing non-life administration expense ratio is defined as other operating and admin premiums written.

(17) Ongoing non-life combined ratio is defined as ongoing non-life loss ratio (to premium underwriting expense ratio (to premiums earned) plus ongoing non-life administration expen

(18) Total investment results are defined as net investment income plus net realized capit

(19) Retention ratio is defined as net premiums written divided by gross premiums written.

(20) Life & Health underwriting expense ratio is defined as underwriting expenses divided

(21) Life & Health administration expense ratio is defined as other operating and administ written.