



Swiss Re reports a net loss of CHF 304 million for the third quarter of 2008
Net operating income of CHF 884 million for the first nine months of 2008
Book value per share of CHF 74.16

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Zurich, 4 November 2008 – Swiss Re reports a net loss of CHF 304 million for the third quarter of 2008. Despite unprecedented turmoil in the global financial markets, net operating income for the first nine months of 2008 was CHF 884 million. Book value per share was CHF 74.16 at the end of September 2008. Swiss Re's balance sheet is strong, and the company's capital adequacy remains at very high levels.

Swiss Re reports a net loss of CHF 304 million for the third quarter of 2008. Despite the severe market circumstances, Swiss Re earned CHF 884 million during the first nine months of 2008. Earnings per share were CHF –0.93 for the third quarter and CHF 2.66 for the first nine months of 2008. Return on equity was equivalent to an annualised rate of –4.9%* for the quarter and 4.3%* for the first nine months of 2008.

As a result of the company's prudent investment approach, shareholders' equity decreased only 6% in the third quarter to CHF 24.1 billion compared to the second quarter of 2008. Book value per share decreased modestly to CHF 74.16 at the end of September 2008, compared to CHF 77.65 at the end of June 2008.

As a consequence of the high volatility in the financial markets and a significant increase in client demand for reinsurance, Swiss Re has suspended its share buy-back programme. At the end of October 2008, the Group had completed 51.2% of its CHF 7.75 billion share buy-back programme. Swiss Re can still meet the completion of the programme by April 2010, but this will depend on some stability returning to the capital markets and the business opportunities arising for the Property & Casualty and Life & Health divisions.

Operating income in Property & Casualty decreased to CHF 99 million, mainly as a result of lower investment returns, selective underwriting as well as materially higher natural catastrophe claims. Excluding realised gains and losses, the operating result

* revised

declined to CHF 710 million in the third quarter of 2008 compared to CHF 1.8 billion in the second quarter of 2008. The combined ratio was 99.8% for the quarter (97.6% excluding the unwind of discount) and 96.4% for the first nine months of 2008 (94.4% excluding the unwind of discount) despite a higher natural catastrophe burden. Swiss Re's effective protection successfully mitigated the impact of increased natural catastrophe claims. Swiss Re remains focused on underwriting quality versus quantity to ensure shareholder value is maximised. Should the early indicators of market hardening be confirmed, Swiss Re will redirect capital to Property & Casualty.

On 23 September 2008, Swiss Re communicated a preliminary net claims estimate for hurricane Ike of USD 250 million. Swiss Re now estimates these net claims to be USD 315 million due to indications of higher insured claims in the U.S. Midwest, and offshore energy. Estimates for hurricane Gustav remain unchanged. Swiss Re expects its aggregated net claims for hurricanes Gustav and Ike to be approximately USD 365 million.

In Life & Health, operating income decreased to CHF -614 million in the third quarter of 2008. The main drivers were net realised investment losses of CHF 572 million due to financial market turmoil and higher mortality in North America. Overall, mortality developments in the first nine months of 2008 were in line with expectations. During the same period, operating income was CHF 392 million. Excluding realised investment losses, the operating result for the quarter declined to CHF 22 million from CHF 868 million in the second quarter of 2008.

Annualised return on investments was 1.6% for the quarter and 3.4% for the first nine months of 2008. The return on investments was mainly impacted by realised and unrealised mark-to-market losses, as well as the cost of hedging. Swiss Re's investment portfolio is of high quality and well diversified with over 50% in cash, short-term deposits, treasury bills or government-backed instruments. During the third quarter of 2008, the Group significantly reduced its exposure to corporate credit through hedging. Similarly, the traded equity portfolio was reduced through disposals and hedges.

The unrealised mark-to-market loss on the structured credit default swaps was CHF 289 million for the quarter.

Jacques Aigrain, Swiss Re's Chief Executive Officer, said: "Swiss Re's strong capital base together with our high level of diversification and the longstanding expertise of our people place us in a competitive position to benefit from the current market developments."

He added: "Our financial strength and stability allow us to provide solutions to our clients, whether they are seeking opportunities created by today's financial market dislocation or looking for further assistance and reinsurance support. Clients are turning to us, and we are responding."

The Group maintains its targets of earnings per share growth of 10% and return on equity of 14% over the cycle.

Media conference call

Swiss Re will hold a media conference call this morning at 10.30 am (CET). The slides for the third quarter results are available on www.swissre.com. You are kindly requested to dial in 10 minutes prior to the start using the following numbers:

From Switzerland:	+41 (0)44 800 9658
From Germany:	+49 (0)69 9897 2630
From France:	+33 (0)1 70 99 42 70
From UK:	+44 (0)20 7138 0815
From USA:	+1 718 354 1359
From Australia:	+61 (0)2 8223 9235
From Hong Kong:	+852 3002 1616
From India:	+91 4066 970 321
From Singapore:	+65 6823 2152

Analysts' conference call

Swiss Re will hold an analysts' conference call this afternoon at 2 pm (CET). You are kindly requested to dial in 10 minutes prior to the start using the following numbers (listen only):

From Switzerland:	+41 (0)44 800 9658
From Germany:	+49 (0)69 9897 2622
From France:	+33 (0)1 70 99 42 76
From UK:	+44 (0)20 7138 0810
From US:	+1 718 354 1357

Notes to editors

Swiss Reinsurance Company Ltd

Swiss Re is a leading and highly diversified global reinsurer. The company operates through offices in more than 25 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 "AA-" by Standard & Poor's, "Aa2" 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:

- changes in global economic conditions and the risk of a global economic downturn;
- direct and indirect impact of continuing deterioration in the credit markets, and further adverse rating actions by credit rating agencies in respect of structured credit products or other credit-related exposures and of monoline insurance companies;
- the occurrence of other unanticipated market developments or trends;
- the ability to maintain sufficient liquidity and access to capital markets;
- the cyclical nature of the reinsurance industry;
- uncertainties in estimating reserves;
- the effect of market conditions, including the global equity and credit markets, and the level and volatility of equity prices, interest rates, currency values and other market indices;
- changes in Swiss Re’s investment results;
- uncertainties in valuing credit default swaps and other credit-related instruments;
- possible inability to realise amount on sales of securities in the Group’s investment portfolio equivalent to their mark-to-market values recorded for accounting purposes;
- the possibility that Swiss Re’s hedging arrangements may not be effective;
- 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;
- changes in rating agency policies or practices;
- the lowering or loss of one of the financial strength or other ratings of one or more companies in the Group;
- political risks in the countries in which Swiss Re operates or in which it insures risks;
- extraordinary events affecting Swiss Re’s clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- risks associated with implementing Swiss Re’s business strategies;
- the impact of current, pending and future legislation, regulation and regulatory and legal actions;
- the impact of 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; 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.