



Swiss Re reports net income of CHF 0.6 billion in the second quarter 2008
Strong performance in Property & Casualty and Life & Health businesses
Earnings per share of CHF 1.70
Annualised return on equity of 8.5%

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Zurich, 5 August 2008 – Swiss Re reported net income of CHF 0.6 billion for the second quarter of 2008 despite the continuing challenging financial market environment. The Property & Casualty and Life & Health businesses continued to deliver strong performance. Earnings per share were CHF 1.70. Annualised return on equity was 8.5%. Swiss Re is very strongly capitalised with a significant excess over the capital required for a AA rating.

Jacques Aigrain, Swiss Re's Chief Executive Officer, said: "The continued strong performance of Property & Casualty and Life & Health demonstrates our ability to generate healthy operating earnings, even in challenging market conditions. The financial market turbulence continues, but, despite this, we are strongly capitalised and our investment portfolio remains sound."

Swiss Re reported net income of CHF 0.6 billion or CHF 1.70 per share for the second quarter of 2008. Return on equity was equivalent to an annualised rate of 8.5% for the quarter and 8.4% for the half year. The unrealised mark-to-market loss on the structured credit default swaps in run-off was CHF 362 million for the quarter. While this business is in run-off, Swiss Re continues to be exposed to market value fluctuations on the underlying securities and estimates mark-to-market losses on the structured credit default swaps in run-off of CHF 163 million for the month of July 2008.

Compared to the first quarter of 2008, shareholders' equity decreased 8% in the second quarter to CHF 25.6 billion due to valuation effects on the investment portfolio of CHF 1.7 billion, resulting from interest rate moves and dividends paid of CHF 1.3 billion. At the end of July 2008, the Group had completed 49% of its CHF 7.75 billion share buy-back programme target, ahead of schedule and reflecting Swiss Re's solid capital base. Book value per share was CHF 77.65 at the end of June, compared to CHF 83.26 at the end of March 2008.

Swiss Re's businesses continued to generate strong results. Property & Casualty once again delivered strong performance with an excellent combined ratio of 92.3%, demonstrating Swiss Re's

effective cycle management. Against a background of a softening pricing cycle, the Group's focus on underwriting quality and careful risk selection enabled Property & Casualty to deliver operating income of CHF 0.8 billion, despite sharply lower investment return allocation in the quarter.

Life & Health operating income was CHF 0.6 billion, an increase of 1% compared to the second quarter of 2007, benefiting from significantly improved mortality and morbidity experience. Relative to the first quarter of 2008, Admin Re[®] business was impacted by lower investment gains.

Financial Markets delivered operating income of CHF 1.3 billion, excluding the mark-to-market loss on the structured credit default swaps in run-off, reflecting a solid investment yield of 5.2%. Annualised return on investments (which excludes the impact of the structured credit default swaps in run-off) was 3.0% for the quarter. The decrease in the return on investments was mainly due to the impact of the Group's hedging programmes. The programmes are effective as they protect the portfolio against the risk of impairments, but lead, in the shorter term, to volatility in Swiss Re's return on investments on an accounting basis. The Group's investment portfolio quality continues to be high, with only minor impairments totalling CHF 175 million and low net exposure to listed equities.

Jacques Aigrain said: "The difficult market environment also creates new opportunities. Underpinned by its strict underwriting discipline, expansion in emerging markets and new product offerings, Swiss Re has the execution capability and capital strength to seize these opportunities."

As a case in point, on 5 August 2008, Swiss Re agreed to acquire Barclays Life Assurance Company Ltd for a cash purchase price of GBP 753 million. Swiss Re will acquire approximately 760 000 life insurance and pension policies, as well as annuity contracts, representing approximately GBP 6.8 billion in invested assets. The transaction is accretive to economic and US GAAP earnings and is expected to achieve an ROE in excess of Swiss Re's over-the-cycle target of 14%. This transaction has no effect on Swiss Re's previously announced share buy-back programme – the buy-back of CHF 7.75 billion of shares is expected to be completed as scheduled by April 2010.

Swiss Re anticipates additional demand for life and non-life run-off solutions, which will allow the Group to further grow its Admin Re[®] business in the United Kingdom and North America, and to venture into new markets as opportunities arise. Swiss Re's latest securitisation, the USD 150 million of multi-peril natural catastrophe

protection through the Vega capital programme, affirms Swiss Re's leading role in insurance-linked securities product innovation.

Swiss Re 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 first 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 9674
From Germany:	+49 (0)69 9897 2623
From France:	+33 (0)1 70 99 4283
From UK:	+44 (0)20 7138 0845

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:

From Switzerland:	+41 (0)44 800 9659
From Germany:	+49 (0)69 9897 2622
From France	+33 (0)1 7099 4270
From UK:	+44 (0)20 7138 0809
From US:	+1 718 354 1158

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 are typically 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;
- 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 or claims-paying ratings of one or more of Swiss Re's subsidiaries;
- 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.