



Swiss Re reports net income of CHF 1.5 billion  
Shareholders equity increases 20% to CHF 22.9 billion  
Dividend up 56% at CHF 2.50 per share

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**Zurich, 2 March 2006: Swiss Re reported net income of CHF 1.5 billion for 2005. In a year characterised by record natural catastrophe events, the underlying business performed well, including an excellent return on investment of 5.7%.**

Jacques Aigrain, Swiss Re's Chief Executive Officer said: "2005 has been a year of contrasts. Swiss Re has benefited from its well diversified business to absorb an unparalleled sequence of exceptionally large natural catastrophe events."

In 2005, Swiss Re digested CHF 3.0 billion in large natural catastrophe claims, up from CHF 1.2 billion in 2004. The combined ratio for Swiss Re's entire non-life business was 108.7%. Premiums earned declined 6% to CHF 27.8 billion, as Swiss Re continued to focus on profitability rather than volume growth. The investment result increased 11% to CHF 6.6. billion, achieving an excellent 5.7% return on investment.

The increased impact in 2005 of natural catastrophe claims, after releases from equalisation reserves, was CHF 1.1 billion after tax. Net income was CHF 1.5 billion compared with CHF 2.5 billion in 2004. Despite the largest claims on record for natural catastrophe events, shareholders' equity increased 20% to CHF 22.9 billion, underlining the benefits of Swiss Re's large and well diversified business. Reflecting both lower net income and increased shareholders' equity, return on equity declined to 6.7%.

**Underlying business performing well despite large NatCat events**

The performance of the Property & Casualty business reflected the extraordinary year for natural catastrophes claims. Consequently, the operating income declined to CHF 1.0 billion. Premiums earned declined 11% to CHF 16.4 billion. The reduction in volume was due both to Swiss Re's actions to cut business not meeting its pricing requirements as well as to clients retaining more of their business in 2005.

The Life & Health business increased its return on operating revenues to 9.6%. The operating result increased by 9% to

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CHF 1.3 billion, benefiting from continuing good mortality experience. Premiums earned grew 3% to CHF 10.5 billion, reflecting lower growth in the mature markets and strong growth in Asia.

As announced in June 2005, Risk Solutions has been transferred to Property & Casualty. Financial Services, including Credit Solutions, Capital Management & Advisory and Asset Management, grew its operating income by 15% to CHF 366 million. Credit Solutions performed particularly well with an excellent combined ratio of 81.1% in 2005. Total revenues were flat at CHF 1.7 billion.

Swiss Re's excellent investment performance was achieved across all asset classes. Overall the investment result increased 11% to CHF 6.6 billion, with strong returns from the fixed income portfolio and a 12% increase in net realised gains on both the fixed income and equity portfolios.

#### **Acquisition of GE Insurance Solutions well on track**

The regulatory and antitrust approval process for the acquisition of GE Insurance Solutions is progressing towards closing by midyear 2006. The financing for the transaction received shareholder approval at the Extraordinary General Meeting on 27 February 2006.

#### **Outlook: Swiss Re affirms its targets**

Swiss Re affirms its targets over the cycle: it expects to achieve earnings per share growth of 10% per annum and a return on equity average of 13% over the cycle.

As 2005 has proven, size and diversification are crucial for absorbing insurance risk volatility. With the acquisition of GE Insurance Solutions, Swiss Re will become the largest and best diversified reinsurer, building on an excellent base to sustainably grow earnings.

#### **Dividend increase by 56%**

The Board of Directors will recommend to the Annual General Meeting on 21 April 2006 a 56% increase in dividend to CHF 2.50 per share, reflecting the Group's financial strength and the Board's confidence in Swiss Re's future earnings.

#### **Media conference and Analysts' meeting**

Swiss Re will hold a Media conference this morning at 10.30 (CET) and will later hold an Analysts' meeting at 14.00 (CET).

## Notes to editors

### Swiss Re

Swiss Re is one of the world's leading reinsurers and the world's largest life and health reinsurer. The company operates through more than 70 offices in over 30 countries. Swiss Re has been in the reinsurance business since its foundation in Zurich, Switzerland, in 1863. Swiss Re offers a wide variety of products to manage capital and risk. Traditional reinsurance products, including a broad range of property and casualty as well as life and health covers and related services, are complemented by insurance-based corporate finance solutions and supplementary services for comprehensive risk management. Swiss Re currently has the following ratings: (i) from Standard & Poor's: long-term counterparty credit, financial strength and senior unsecured debt ratings of "AA (CreditWatch negative)", and a short-term counterparty credit rating of "A-1+", (ii) from Moody's: insurance financial strength and senior debt ratings of "Aa2" (on review for possible downgrade), and a short-term rating of "P-1" and (iii) from A.M. Best: a financial strength rating of A+ (superior) (under review with negative implications).

### Cautionary note on forward-looking statements

No statements made herein regarding earnings enhancements or otherwise are profit forecasts, and no statements made herein should be interpreted to mean that Swiss Re's earnings or earnings per share for 2006, 2007 or any subsequent period will necessarily match or exceed the historical published earnings per share of Swiss Re.

Certain statements contained herein are forward-looking. These statements 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 impact of future investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transaction, including the ability to efficiently and effectively integrate the GE Insurance Solutions operations into our own;
- cyclicalities of the reinsurance industry;
- changes in general economic conditions, particularly in our core markets;
- uncertainties in estimating reserves;
- the performance of financial markets;
- expected changes in our investment results as a result of the changed composition of our investment assets or changes in our investment policy;
- 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 withdrawal of one or more of the financial strength or credit ratings of one or more of our subsidiaries;
- changes in levels of interest rates;
- political risks in the countries in which we operate or in which we insure risks;
- extraordinary events affecting our clients, such as bankruptcies and liquidations;
- risks associated with implementing our business strategies;
- changes in currency exchange rates;
- changes in laws and regulations, including changes in accounting standards and taxation requirements; and
- changes in competitive pressures.

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.