News release

Swiss Re

Swiss Re delivers strong net income of CHF 1.5 billion in the third quarter 2007. Annualised return on equity is 18.8% for the quarter and 17.2% for the first nine months. Earnings per share for the third quarter declines 3.0% to CHF 4.20 per share.

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Zurich, 6 November 2007 – Swiss Re today announced continuing strong performance for the third quarter of 2007 based on several years of diligent underwriting. Despite a turbulent quarter in the financial markets, Swiss Re delivered strong earnings of CHF 1.5 billion for the third quarter of 2007. Compared with an outstanding equivalent quarter in the prior year, the net income decreased by 5% but increased by 23% for the first nine months of 2007. These earnings translate into an excellent annualised return on equity of 18.8% for the quarter and 17.2% for the first nine months of 2007. Earnings per share for the quarter declined marginally by 3% to CHF 4.20, and increased strongly by 17% for the first nine months of 2007.

"Swiss Re continues to perform strongly. The results of our Property & Casualty and of our Life & Health businesses are excellent. The performance is driven by disciplined underwriting, although we also benefited from low natural catastrophe claims during the quarter. Swiss Re will remain resolute in its focus on quality underwriting and active cycle management, and on deploying capital to maximise returns and generate strong earnings growth," commented Jacques Aigrain, Swiss Re's Chief Executive Officer.

Swiss Re reported a net income of CHF 1.5 billion for the third quarter of 2007, a 5% decrease compared with the third quarter of 2006 but resulting in an increase of 23% for the first nine months of 2007. Quarterly earnings per share were 3% lower at CHF 4.20. Annualised return on equity of 18.8% for the third quarter of 2007 or 17.2% for the first nine months continued to be well above Swiss Re's 13% target over the cycle. Compared with the end of 2006, shareholders' equity grew by 5% to CHF 32.4 billion due to strong earnings, partly offset by Swiss Re's ongoing share buy-back programme, dividends paid in the second quarter and the weakening of the US dollar against the Swiss franc. Book value per share increased to CHF 92.35, compared to CHF 86.21 on 31 December 2006.

Swiss Re's total investment result was a solid CHF 1.7 billion (excluding linked business), an annualised return on investments of

4.6% for the third quarter and 5.3% for the first nine months. Swiss Re's cautious stance on its investment portfolio prevented it from sustaining any material negative impact from the financial market turbulence. Instead, Swiss Re's net unrealised gains increased strongly from CHF 2.0 billion to CHF 4.2 billion, as the equity portfolio performed well and lower interest rates more than compensated for the wider spreads on fixed-income portfolios.

Performance in Property & Casualty was excellent. The business delivered a combined ratio of 83.4% for the third quarter – one of the lowest ever reported by Swiss Re – or 89.7% for the first nine months. This clearly reflects the diligent and focused underwriting approach taken in recent years. The results also benefited from benign natural catastrophe claims and a modest release of reserves. Operating income was CHF 1.5 billion, an increase of 12% from CHF 1.4 billion in the previous year. On a year-to-date basis, the operating income was CHF 4.5 billion, an increase of 25% from CHF 3.6 billion in 2006.

Life & Health is on track for a successful year. Traditional business performed well, with better than expected mortality for the quarter and in line for year to date. The business delivered an increase in operating income of 60% to CHF 701 million compared to the prior-year period, partly due to the quality of the former Insurance Solutions business and the GE Life UK Admin Re® transaction. On a year-to-date basis, the operating income was CHF 1.4 billion, an increase of 7% from CHF 1.3 billion in 2006.

Financial Services reported an operating loss of CHF 113 million in the quarter compared to an excellent performance during the third quarter of 2006. As a result, operating performance for the year to date is 13% lower than for the same period in 2006. All Financial Services trading activities are marked to market through the profit and loss account and thus any deterioration in its activities are reported immediately in operating performance. In substance, the trading activities complement the proprietary asset performance, and the trading loss is equivalent to a relatively small impact on the return on investments for the third quarter.

Outlook

"Overall, Swiss Re's earnings of CHF 4.0 billion for the year to date, which represents an increase of 23% year on year, points towards a successful full year, assuming an average level of natural catastrophes." said Jacques Aigrain, Swiss Re's CEO.

Focusing on quality underwriting and active cycle management, Swiss Re is prepared to reallocate capital across business lines or return it to shareholders through a share buy-back programme and dividends. Admin Re® opportunities continue to present themselves, while Swiss Re's investments in new product lines, such as variable annuity and longevity, have delivered the first successes and continue to offer great potential.

Telephone conference
Swiss Re will hold a telephone conference this morning at 10.30 (CET). Please join the conference using the phone numbers below. You are kindly requested to dial in 10 minutes prior to the start:

From Switzerland:	+41 91 610 5600
From Germany:	+49 69 2 2222 0593
From France:	+33 1 7070 0543
From the UK:	+44 20 7107 0611

Key figures

CHF m, except for EPS	Q3 **2006**	Q3 **2007**	**Change**	YTD **2007**
Premiums earned	8 112	7 813	-4%	23 859
Net income	1 550	1 469	-5%	3 992
Earnings per share (EPS)	4.33	4.20	-3%	11.47

%	Q3 **2006**	Q3 **2007**	**Change**	YTD **2007**
Property & Casualty combined ratio, traditional	86.5%	83.4%	-3.1pts.	89.7%
excluding unwind of discount	85.2%	81.4%	-3.8pts.	88.5%
Life & Health return on operating revenues	10.0%	16.4%	+6.4pts.	10.6%
Financial Services return on total revenues	43.3%	-105.7%	-149.0pts.	17.3%
Return on investments	5.2%	4.6%	-0.6pts.	5.3%
Return on equity	21.7%	18.8%	-2.9pts.	17.2%

CHF	FY **2006**	Q2 **2007**	Q3 **2007**
Book value per share (BVPS)	86.21	86.35	92.35

Notes to editors

Swiss Re
Swiss Re is the world's leading and most 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:

- 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;
- cyclicality 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 invested 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.