



Swiss Re's net income increases 54% to CHF 1.3 billion in the 1<sup>st</sup> quarter 2007  
Annualised return on equity increases to 17.1%  
Earnings per share rise 38% to CHF 3.85 per share

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**Zurich, 8 May 2007 – Swiss Re recorded earnings of CHF 1.3 billion in the first quarter 2007, an increase of 54% over the prior year's first quarter based on continuing good performance across all business segments. Earnings per share rose 38% to CHF 3.85. The annualised return on equity also improved to 17.1% compared to 14.1% in the first quarter 2006.**

"Swiss Re had a good start to 2007," said Jacques Aigrain, Swiss Re's Chief Executive Officer. "All our business segments contributed to Swiss Re's solid performance, which also benefited from the contributions of former Insurance Solutions units and a strong investment result."

Premiums earned increased 23% to CHF 8.1 billion, benefiting significantly from the Insurance Solutions acquisition. Shareholders' equity decreased by 1% to CHF 30.4 billion, due to the first step in the share buy-back programme of CHF 1.7 billion. Annualised return on equity increased to 17.1% in 2007 from 14.1% in 2006.

The investment result was CHF 2.3 billion, a 44% increase over the prior year's quarter, benefiting from effective protection of Swiss Re's equity position during the market downturn in March. The return on investments was a strong 5.9%, up from 5.4% in the first quarter 2006. Net realised investments gains increased by 61% to CHF 445 million in the first quarter of 2007, mainly due to equities and the sale of Swiss Re's London office building.

Property & Casualty continued its strong performance despite European winter storm Kyrill. Premiums earned increased by 18% to CHF 4.6 billion. Operating income grew by 4% to CHF 1.2 billion. Swiss Re's combined ratio increased to 94.8% (92.9% excluding the unwind of discount). Kyrill claims had only a modest impact on the combined ratio.

Life & Health operating revenues increased by 26% to CHF 4.4 billion. The operating result rose to CHF 372 million, an increase of 25%, including the acquisitions of Insurance Solutions and GE Life UK. The return on operating revenues was down slightly from the prior year to 8.5% from 8.6% in the first quarter 2006.

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Financial Services operating income rose 209% to CHF 235 million and the return on total revenues was 32.8%, due to strong underwriting performance in credit reinsurance and the inclusion of the Bank Trade Finance business from Insurance Solutions.

### **Outlook**

Swiss Re will continue to build on its leading position in the rapidly-growing area of insurance risk transfer to capital markets and continue to seek further opportunities to put its capital to work at attractive rates through Admin Re<sup>®</sup> transactions.

Swiss Re maintains its targets of earnings per share growth of 10% and return on equity of 13% over the cycle.

### **Media conference call**

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

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

### **Analysts' conference call**

Swiss Re will hold an Analysts' conference call this afternoon at 14.00 (CET). You are kindly requested to dial in 10 minutes prior to the start using the following numbers:

From Europe (excluding UK)	+41 91 610 5605
From UK	+44 20 7107 0613
From US (toll-free)	+1 866 865 5144

### **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;
- cyclical nature 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.