News release

Swiss Re

Swiss Re reports net income of CHF 4.2 billion
Return on equity of 13.5%
Dividend increases to CHF 4.00 per share
January 2008 renewals focused on disciplined underwriting

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Zurich, 29 February 2008 – Today, Swiss Re reported a strong net income for 2007 of CHF 4.2 billion and a return on equity of 13.5%, despite the isolated mark-to-market loss from credit underwriting activities announced in November. Net income for the fourth quarter was modest at CHF 170 million.

Jacques Aigrain, Swiss Re's Chief Executive Officer, said, "Driven by an outstanding performance across our key businesses, we delivered the second-best result in Swiss Re's 144-year-history. Property & Casualty had its best performance ever and Life & Health improved on an already very strong prior year result. Investment activities developed positively, despite a generally difficult market environment. As a result, the Board of Directors is proposing to increase the cash dividend to CHF 4.00 per share, underlining our confidence in the future earnings of the firm."

For the full year 2007, Swiss Re reported a 9% decrease in net income to CHF 4.2 billion compared with 2006. Earnings per share were down 11% to CHF 11.95. Premiums earned increased 7.3% to CHF 31.7 billion. Return on equity was 13.5%, compared to 16.3% in 2006. Shareholders' equity rose by CHF 1.0 billion to CHF 31.9 billion. Book value per share increased 7% to CHF 92.00, despite the return of CHF 3.7 billion to shareholders in the form of dividends and through Swiss Re's share buy-back programmes.

Swiss Re's fourth quarter result was impacted by the isolated, yet significant, mark-to-market loss from credit underwriting activities announced in November. As of 31 December 2007, the mark-to-market loss had not changed materially. Jacques Aigrain explained, "We took immediate action to strengthen the risk taking and supervision processes, and have ceased writing new structured credit derivative transactions, putting the existing portfolio into run-off. Swiss Re's very strong capitalisation, leading business position, financial flexibility and outstanding franchise are confirmed by superior financial strength ratings, which are among the highest in the industry and consequently allows us to pursue an active capital management approach."

Based on market movements as of 20 February 2008, Swiss Re estimates a further structured credit default swap mark-to-market loss of CHF 240 million. This change in value has been offset by positive developments in Swiss Re's investment portfolio.

Swiss Re confirmed that a putative securities class action complaint had been filed in the US District Court for the Southern District of New York against Swiss Re and various of its executive officers alleging false and misleading statements in connection with the structured credit default swap mark-to-market loss. It intends to vigorously defend itself against the action.

Outstanding results across the key business

In 2007, Swiss Re changed its segment reporting due to the integration of Financial Services activities into the Products function (please refer to the notes to editors section for more information on new segment reporting*).

Property & Casualty had an excellent performance, achieving a combined ratio of 90.2% (or 88.9% before unwind of discount). This resulted in an operating income of CHF 5.9 billion. Premiums earned grew 2% to CHF 19.0 billion. The main drivers were a strong performance, particularly in the property and specialty lines of business, as well as the first full-year inclusion of GE Insurance Solutions business. These results reflect the quality of Swiss Re's insurance underwriting despite the increased frequency of weather events in 2007.

Life & Health improved on an already very strong prior-year result. The return on revenues increased from 9.2% to 14.7%, as Swiss Re leveraged its position as a leading reinsurer in this segment. The operating income grew to CHF 2.7 billion, a 76% increase over 2006. New mortality and critical illness business was slightly lower as a result of increased competition, but this was more than offset by growth in the Admin Re® segment, as well as the excellent development of the variable annuity and longevity businesses.

Investment activities developed positively, despite a generally difficult market environment. In 2007, the investment portfolio grew 12% from CHF 194.5 billion to CHF 217.3, mainly due to Admin Re® transactions. On this portfolio, Swiss Re generated a solid return on investments of 4.9% net of mark-to-market adjustments on trading assets.

Outlook for 2008 and beyond

Swiss Re expects property and casualty market conditions to remain challenging in the short term. The January renewal season confirmed this trend, as almost all sectors showed signs of softening. In these conditions, Swiss Re will not pursue volume growth, but will instead continue to apply strict underwriting discipline. The January renewals account for 69% of Swiss Re's traditional treaty reinsunrance portfolio. Across the total traditional portfolio, premium volume for renewed business was reduced by 12%, including a slight decline in prices of 3%, with total premiums decreasing to CHF 8.8 billion.

In January 2008, Swiss Re entered into a significant quota share arrangement to increase the company's operational leverage by ceding a 20% share in new and renewed P&C business to Berkshire Hathaway. The agreement provides for a ceding commission that covers ongoing acquisition costs and a further fixed 14%. Overall, the agreement provides Swiss Re with both downside protection and upside flexibility, enabling the company to further advance its capital management. Depending on the future development of the cycle, Swiss Re anticipates a positive impact on both return on equity and earnings per share.

In Life & Health, rapid growth in new lines of business, such as longevity and variable annuity solutions, will offer further opportunities for attractive capital returns. The Admin Re® segment is expected to continue to develop strongly, as primary insurers seek capital- and cost-efficient solutions for managing closed blocks of business. Also, Swiss Re continues to see strong growth potential for its medical insurance business in Asia, primarily in India and China.

"With these opportunities in mind, we are confident in Swiss Re's growth prospects. We remain focused on our medium-term objective of 10% growth in earnings per share and have increased our return on equity target to 14% over the cycle. Our earnings power is strong and we look to the future with confidence", said Jacques Aigrain, Swiss Re's CEO.

At the Annual General Meeting on 18 April 2008, Raymond K.F. Ch'ien and Mathis Cabiallavetta will be proposed for election to the Board of Directors. Mr Ch'ien is chairman of CDC Corporation and chairman of the board of Hang Seng Bank. Among others, he also serves on the board of directors of the Hongkong and Shanghai Banking Corporation. Mr Cabiallavetta is vice chairman of Marsh & McLennan Companies and chairman of Marsh & McLennan International. He is also a former chairman of the board of UBS AG.

Media conference call

Swiss Re will hold a media conference this morning at 10.30 am (CET). You are kindly requested to dial in 10 minutes prior to the start:
Switzerland: +41 (0)44 800 9658
Germany: +49 (0)69 9897 2631

France:	+33 (0)1 70 99 42 70
UK:	+44 (0)20 7138 0815
USA:	+1 718 354 1359

The slides and key information for the annual results are available on www.swissre.com. In addition, photos from the media conference are available on www.photopress.ch free of charge.

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:

Switzerland:	+41 (0)44 800 9659
UK:	+44 (0)20 7138 0810
France:	+33 (0)1 70 99 42 77
Germany:	+49 (0)69 5007 1079
USA:	+1 718 354 1357

Notes to editors

Segmental Reporting
Following the implementation of the integrated structure communicated on 11 December 2007, business in relation to financial market activities is re-classified to the respective product lines, affecting 2007 segmental reporting:

- Financial Services activities have been integrated into the Products function.
- Returns from risk taking in proprietary assets are included in the investment result, while securitisation-related income and insurance or reinsurance revenues are reclassified to the relevant product line in Property & Casualty and Life & Health.
- The Financial Markets segment contains all asset management activities, as well as the structured and portfolio CDS (both in run-off).

Swiss Re
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 capital markets;
- the cyclicality 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 ;
- 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 loss of one of the financial or claims-paying ratings of one or more of our subsidiaries;
- political risks in the countries in which we operate or in which we insure risks;
- extraordinary events affecting our clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- risks associated with implementing our 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. 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.