



Swiss Re reports strong earnings increase to CHF 691 million in first half 2003
Total premiums earned up 19% in original currencies
Shareholders' equity increases CHF 1.2 billion to CHF 17.9 billion

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Zurich, 29 August 2003 – Swiss Re's first half 2003 earnings increased to CHF 691 million from CHF 118 million in 2002, with positive results from all business groups. Total premiums earned increased to CHF 14 382 million, a 4% increase on 2002 or 19% in original currencies. The benefits of the hard market were realised both in Property & Casualty, with profits of CHF 822 million and 99.8% combined ratio, and in Financial Services which returned a profit of CHF 273 million. Shareholders' equity increased by CHF 1.2 billion in the first six months of 2003 to CHF 17.9 billion. Swiss Re produced a strong investment result in challenging market conditions, with an annualised return of 4.8%, despite absorbing CHF 682 million of impairment charges.

Strong operating performance and investment result

Swiss Re's operating performance of CHF 691 million or CHF 2.23 per share in the first half 2003 was significantly up from CHF 118 million or CHF 0.38 per share in 2002. This improvement was achieved despite the Swiss franc appreciating 18% against the US dollar. All three business groups contributed to the strong performance. The investment result of CHF 2 442 million, representing an annualised return of 4.8%, was achieved against a background of asset impairment charges, largely from equity market weakness in 2002, and historically low interest rates. Shareholders' equity increased CHF 1.2 billion in the first half to CHF 17.9 billion from CHF 16.7 billion at the end of 2002.

John Coomber, Swiss Re's Chief Executive Officer, comments, "We are pleased with our strong performance in the first half of 2003. Swiss Re expects the hard market to continue and with our focus firmly on profitable technical underwriting, our results should see ongoing improvement."

Property & Casualty operating income substantially up and combined ratio target of 100% achieved

Property & Casualty Business Group's operating income was significantly up at CHF 822 million compared with CHF 104 million in the first half 2002. The business group is harvesting the benefits of the hard market and has increased premium income by 18% to CHF 7 864 million. In original currencies the increase was 33%. Swiss Re remained committed to strengthening the quality of its book during the 2003 renewals. As a result, the combined ratio improved further to 99.8%, meeting the 2003 annual target at the half year point.

Life & Health improves life performance, health result lower

Life & Health's operating income was CHF 472 million in the first half, a reduction from CHF 895 million in 2002. Total return on operating revenues was 8.1%. The result reflects improved life returns, the absence of last year's one-off health gains and the impact of the 18% decline in the US dollar against the Swiss franc.

Financial Services achieves strong turnaround in profitability

Financial Services reported a profit of CHF 273 million in the first half 2003, in contrast to the loss of CHF 379 million in 2002. All sectors of both the reinsurance and fee based businesses delivered positive performance. Total revenues grew by 12% to CHF 2 124 million, representing 28% growth in original currencies. In addition, the business group has undertaken restructuring initiatives to enhance operating efficiency, the benefits of which will continue to emerge through the second half of 2003 and into 2004.

Positive outlook

The hard market conditions in non-life are set to continue. The opportunities for Life & Health's Admin ReSM product are also increasing. The recent signing of the first transaction in the United Kingdom represents an important milestone in the expansion of the Admin ReSM business outside the United States. Overall, Swiss Re's business fundamentals are excellent and continued improvements in operating performance are expected across the Group for the full year.

Media Conference and Analysts Meeting

Swiss Re will hold a Media Conference this morning at 10.30 (CET) followed by an Analysts' Meeting at 14.00 (CET) in Zurich. Dial-in facilities are available for the Analysts' Meeting - for more information visit www.swissre.com.

Notes to editors

Swiss Re

Swiss Re is a leading reinsurer and the world's largest life and health reinsurer. The company is global, operating from 70 offices in 30 countries. Since its foundation in 1863, Swiss Re has been in the reinsurance business. Swiss Re has three business groups: Property & Casualty, Life & Health and Financial Services. Swiss Re offers a wide range of traditional reinsurance products and related services, which are complemented by insurance-based corporate finance solutions and supplementary services. Swiss Re is rated "AA" by Standard & Poor's, "Aa1" by Moody's and "A++" by A.M. Best.

Cautionary note on forward-looking statements

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 our 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:

- cyclicity of the reinsurance industry;
- changes in general economic conditions, particularly in our core markets;
- uncertainties in estimating reserves;
- risks and uncertainties relating to our estimates of the losses arising from the 11 September 2001 terrorist attack in the United States;
- 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;
- changes in rating agency policies or practices;
- mortality and morbidity experience;
- policy renewal and lapse rates;
- the lowering or loss of one of the financial or claims-paying ratings of one or more of our Group companies;
- 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
- increases 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 our 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.