Investors' Day 2007
Financial Services

Swiss Re

London

11 December 2007

Swiss Re

Today's agenda

- Welcome
- Introduction
- Capital management
- **Financial Services**
  - **Key priorities and risk management** — **Roger Ferguson**
  - Proprietary asset management — Benjamin Meuli
  - Insurance and capital markets — David Godfrey
  - Financial market and credit risk — George Quinn
  - Conclusions and outlook
- Questions & answers

Key priorities

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Swiss Re's key priorities for Financial Services

- Generate superior returns from asset management
- Play a leading role in the development of solutions for earnings volatility and capital efficiency such as Insurance Linked Securities, Industry Loss Warranty products
- Develop new products to meet client demand in fast growing areas such as variable annuities and longevity
- Use environmental and commodity risk taking capabilities to develop new client solutions
- Continue the profitable trade credit and surety reinsurance business
- Extend the Group's specialised third party asset management

Key priorities

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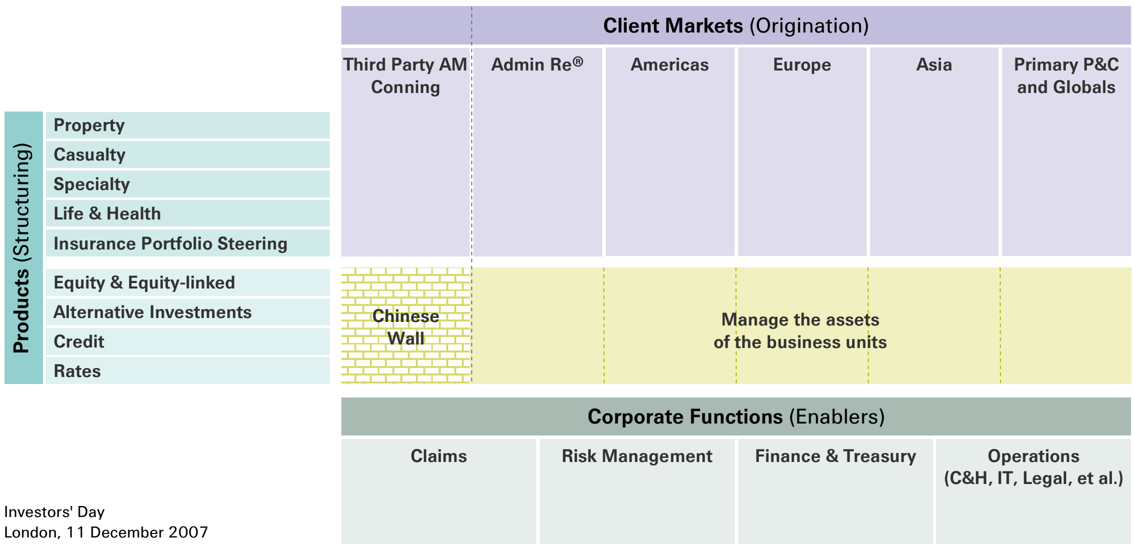
An integrated approach



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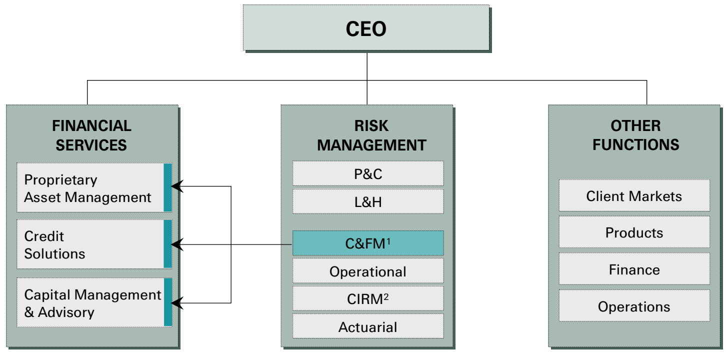
Risk management

Independent risk management embedded but credit risk taken in multiple areas of the firm...

Organisation chart shows state before the recent reorganisation



- Credit and Financial Market risk management team dealing with multiple independent product units
- Did not provide oversight by risk type both during the initial evaluation and monitoring stages

[1] Credit and Financial Markets (C&FM)
[2] Corporate Integrated Risk Management (CIRM)

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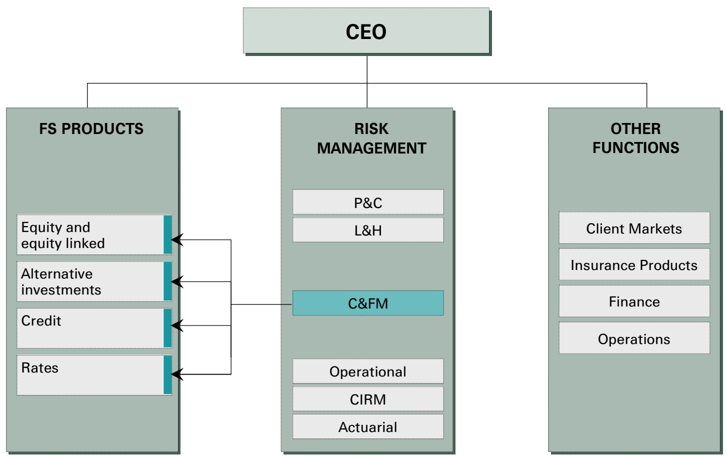
Risk management

. . . credit and all other financial market risks now aligned by product

Organisation chart shows state after the recent reorganisation

The risk management organisation remains independent of the business

- Follows the existing structure for P&C and L&H reinsurance and significantly reduces the possibility that similar risks rejected by one part of the firm are accepted by another



Risk management

Swiss Re

Swiss Re's top-down limit setting framework and process designed to control risk at all levels appropriately

Corporate body	Type of limit	Monitoring and reporting
Board of Directors	Group target for internal capital adequacy ratio of 175–200% for 99% annual aggregate TVaR (shortfall)	Quarterly Group integrated Risk Reports
Group Capital and Capacity Allocation Committee (GCAC)[1]	Aggregate limits (VaR and stress test) including sub-limits by risk class (e.g. equity, interest rate, credit, etc.)	Monthly Credit & Financial Market Risk Report
FS Products, Financial Limits Committee	Limits for business areas allocated by ■ investment portfolio ■ trading desk ■ risk class	Risk committee weekly review Daily interaction between business and risk management

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[1] Membership of GCAC includes CEO, CFO and CRO

Risk management

Swiss Re

Summary of financial market exposures

Swiss Re's financial market positions are exposed to market risk and this can result in losses

Where we consider it necessary we have hedged risks in the portfolio

Our exposure to loss in the structured CDS remains, but we believe that the overall investment portfolio offers a good balance between risk and reward

- Fixed income interest rate risk is managed via overlay strategy
- Fixed income structured investments are predominantly agency/Aaa
- Corporate bond portfolio is partially protected by CDS and other protection
- Equities are protected by an overlay to reduce downside risk
- Credit in the trading/structured credit book is net short
- ABS in the trading book is net long but high quality and partially hedged
- Portfolio CDS are predominantly short duration with loss mitigation
- Structured CDS is unhedged and remains exposed to market changes
- Financial Guarantee Re is mainly municipals and excludes CDOs/CLOs
- Wrapped exposures include RMBS but underlying is performing

→ More detail on individual exposures are provided later in the presentation

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Swiss Re

Investment strategy

- Proprietary investment and trading activities have always been a core driver in Swiss Re's value creation
- The objective is to generate economic profit growth by actively managing & trading the investments of the business units
  - with reference to a liability driven benchmark
  - within a comprehensive risk limit framework
- Particular consideration is given to earnings volatility management within a US GAAP framework
- Attention is paid at all times to the impact on rating agency and regulatory capital adequacy
- Returns are generated across all of the risk elements in our current and acquired portfolios: Equities, Fixed Income (Rates & Credit), and Alternative Investments

Swiss Re

Building blocks

Our approach has been re-designed to capitalize on Swiss Re's institutional strengths:

Core Portfolio Management

- Immunise liabilities as far as possible to minimise regulatory capital usage
- Minimize core traded market beta exposure to reduce economic capital concentration
- Extract liquidity premium
- Exploit proprietary institutional expertise (e.g. insurance, sustainability)

Hedging & Trading

- Earnings volatility management (e.g. equity hedging)
- Active repositioning to exploit market dislocations
- Hedging financial market risks embedded in liabilities
- Pro-actively manage market risks of acquired portfolios
- Relative value trading strategies

→ Our approach extends well beyond that of a traditional asset manager

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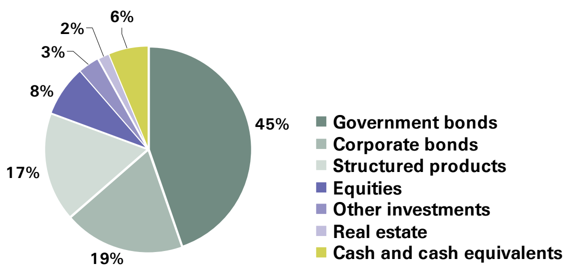
Investment portfolio

CHF bn	Q3 **2007**
Balance sheet values	192.6
Unit-linked investments	-23.5
Balance sheet values (excl. unit-linked)	**169.1**



Split excludes unit-linked securities

Proprietary asset management

Fixed income

Introduction

Swiss Re

- Swiss Re continues to hold a sizeable government bond portfolio both as a liquidity reserve and reflecting low risk premia in recent years (45% of total investment portfolio as of 30 September 2007)
- Swiss Re's corporate bond portfolio has been built largely through acquisition. Additions from newly acquired portfolios in the last 12 months was CHF 10.3bn
- A sizable portion of the corporate bond portfolio has been hedged through purchase of both single-name and index CDS with a total notional of CHF 15.7bn
- We continue to actively manage the overall portfolio to exploit market dislocations. Recent purchases of high grade structured product have offered a significant yield pick up for minimal additional credit risk

Proprietary asset management

Fixed income

Interest Rate Risk Exposure

Swiss Re

- Proprietary Asset Management's interest rate exposure is based on the difference between the interest rate sensitivity of the assets relative to the liability based Benchmark
- The interest rate risk limit usage of Proprietary Asset Management is at 29% of the Stress Test limit and at 26% of the VaR limit
- The current positioning profits from an interest rate curve steepening

Proprietary asset managment - Interest Rate Risk Exposure

CHF m	USD	CAD	AUD	EUR	GBP	Others	Total
Net PVBP	2.66	-0.14	0.12	0.13	1.25	0.46	**4.47**
Duration (yrs)	-0.38	0.19	-0.41	-0.06	-0.44	-2.48	**-0.34**
Interest Rate Stress Test							**-894**
Interest Rate VaR (10day, 99%)							**143**

As of 30 November 2007

Proprietary asset management

Swiss Re

Fixed income

Corporate credit hedging

CHF bn	AAA	AA	A	BBB	< BBB-	Total
Total	2 431	4 227	11 058	7 365	1 402	26 483
Hedging	-289	-1 768	-3 954	-5 112	-4 600	-15 723
Net total	2 142	2 459	7 104	2 253	-3 198	10 760

- Hedging of corporate bonds via index and single-name CDS protection
- Most of the hedges were put on when the credit market was benign, thus reaping the benefits from the recent spread widening
- Hedging strategy employs techniques similar to the trading portfolio

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As of 30 November 2007

Proprietary asset management

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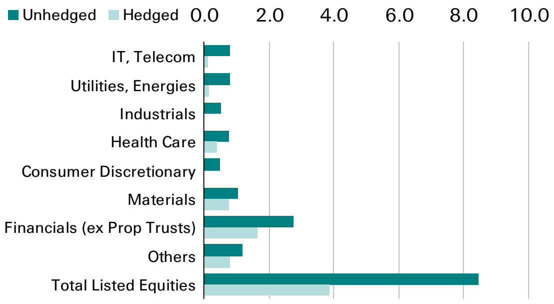
Equities

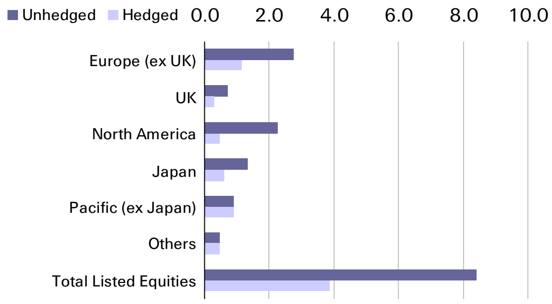
Overview

Listed equities exposures[1]

(CHF bn; sector breakdown)



(CHF bn; region breakdown)



- The core equity portfolio is a well diversified portfolio of individual names, both long and short, selected based on fundamental analysis
- Exposure is taken in cash as well as in derivative form
- Single stock portfolio is coupled with relative value strategies
- Exposure to systematic market risk is reduced through an overlay program

[1] Delta equivalents as of 30 November 2007; incl. listed equities managed within Alternative Investments

Proprietary asset management

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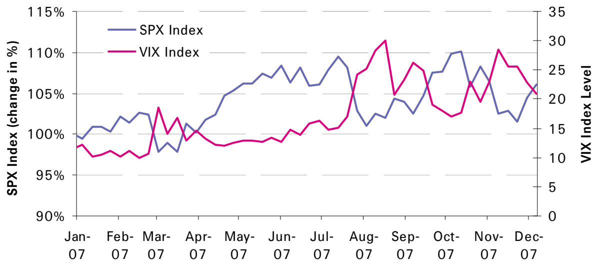
Equities

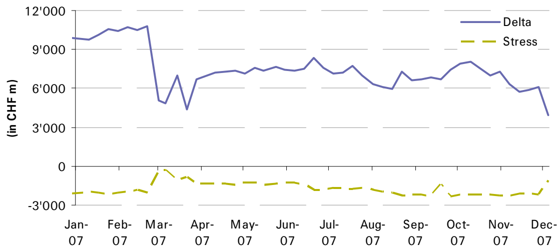
Active management of beta exposure

- The overlay program to protect the downside risk is dynamically adjusted based on market and portfolio developments
- During the periods of market weakness in Feb/March, July/Aug and Oct/Nov, the overlay program was well positioned and improved overall portfolio performance
- Protection has been kept at high levels. At the end of November, net delta exposure was further reduced through put options
- Equity derivative capability is also used to hedge equity risk in the insurance liabilities (e.g. variable annuity)

Development of S&P 500 Index and VIX Index YTD 2007



Listed Equity Delta and Stress Exposures YTD 2007 - Investment Portfolio[1]



[1] Includes listed equities managed within Alternative Investments

Proprietary asset management

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Alternative investments

- Investments in alternative asset classes further diversify the investment portfolio returns and offer attractive liquidity premium

Private Equity	CHF 3.2bn	Top quality private equity funds Direct investments where Swiss Re has expertise, mix of listed and unlisted
Real Estate	CHF 3.2bn	Both direct portfolio and indirect investments through funds
Hedge Funds	CHF 1.6bn	Investments into a broad range of funds Selected partnerships with top players

The bulk of the alternative investment positions are carried under "Other invested assets", but a part is also carried under "Investment real estate" and "Equity securities"

As of 30 September 2007

Swiss Re

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Insurance and capital markets

Swiss Re

Swiss Re's insurance and capital markets client activities

- Swiss Re utilises its expertise at the intersection of the insurance and capital markets to manage our own capital and earnings volatility more effectively and to develop innovative solutions for our clients
- This enhances the growth opportunities for Swiss Re, e.g.
  - Write larger lines in P&C based on ability to securitise some or all of the risks
  - Write variable annuity reinsurance and other investment/pensions related business
  - Capitalise on increased demand to cover environmental, weather and related risks
- Core competencies in underlying insurance risks enable Swiss Re to manage basis risk effectively

Insurance and capital markets

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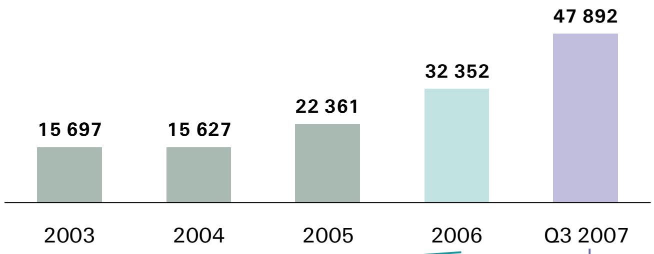
Growth of Financial Services Assets

Main drivers of growth are the Group's strategic priorities – credit driven growth tends to be offset by off-balance sheet derivative positions

Financial Services assets
(CHF m)



Drivers of balance sheet usage

2006	Q3 2007
Growth in demand for Credit products	Growth in demand for Credit products
Introduction of variable annuity product	Significant expansion of variable annuity product
	Entry into longevity market
	Increased use of trading platform by asset management for hedging/ overlay
Increasing scale of all businesses	Increasing scale of all businesses

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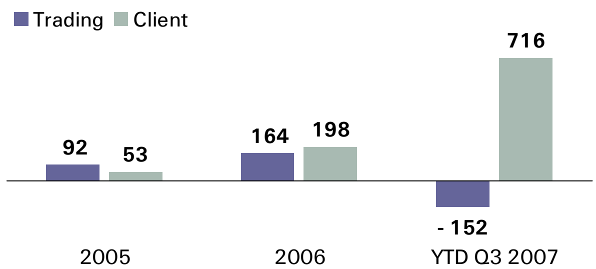
Historical analysis of net revenues[1] for current trading business

This is a historical analysis of ILS/ABS, credit and equity derivatives. It excludes business lines that have been discontinued (e.g. FPK)

Client includes ILS/ABS structuring, credit structuring and the equity derivatives business

Net revenues
(CHF m)



- As the capital markets business has matured, the focus on client-driven activity has increased. Note that trading risks can often be driven by positions taken on client transactions
- This view excludes the revenues generated in P&C, L&H and Asset Management as a result of FS's capabilities

[1] Net revenues are economic revenues before administrative expenses and tax

Insurance and capital markets

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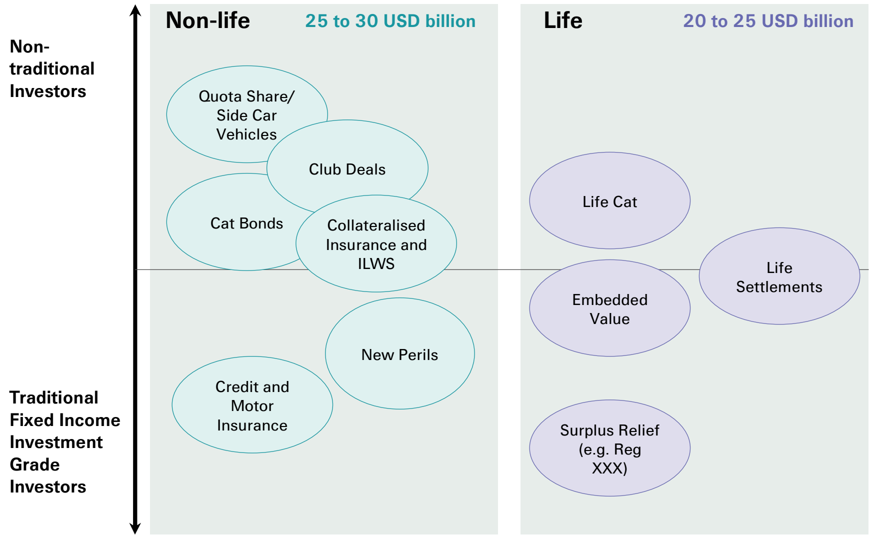
ILS market key trends

Market segmentation and size

The Capital Markets currently engage with the insurance sector through a number of instruments:

- **Securities**
- **Derivatives**
- **ILWs**
- **Side Cars**



Insurance and capital markets

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Securitisation

ILS / ILW

ILS Transformation Process

Acquire insurance risks → Define and manage cash flows → Transform into securities → Sell Insurance Linked Securities

Growth	↗
RoE	↗
Volatility	↘
Sustainability	↗

- ILS help reinsurers improve the capital efficiency of their balance sheets
- Swiss Re built a structuring and distribution capability that allows us and our clients to transfer insurance risks to the capital markets for both risk and capital management purposes in a variety of forms
- Over the past 2 years Swiss Re has sold over USD 7 billion of insurance risk in bond, derivative and ILW formats. Swiss Re remains the market leader in P&C securitisations
- Swiss Re is able to transfer insurance risk to the capital markets either on a principal or agency basis
- Swiss Re provides liquidity in the form of secondary trading to its investors, helping to facilitate growth of the sector
- Demand for cat bonds has continued to grow and spreads are stable

Managing the risks of climate change

Environmental and Commodity Markets portfolio process

Client with climate risk, i.e. warm/dry winter Utility, Agro, Hydro → **ECM absorbs** → **Warehouse and structure** → **Portfolio diversification and sell to capital markets**

Growth (new transactions)	↗
Portfolio div.	↗
Volatility	↘
Sustainability	↗

- Manages risks associated with short-term weather patterns as well as longer term climate change — weather, emmissions, commodity price and volume risk
- Weather market-estimated impact 30% of world economy, weather risk market grew from USD 4.5 billion notional at March 2004 to USD 20 billion at March 2007
- Offsetting weather risks allows innovative solutions (e.g. utility warm winter risk naturally offset with construction cold risk)
- Swiss Re has ~30% market share of weather and electricity outage related structured transactions
- Carbon emmissions market grew to an estimated USD 30 billion in 2006 and forecast to grow to around USD 50 billion in 2007

Savings and pension linked

Core Needs	Capability Development	Business Activities
• **Client Needs:** Risk transfer in equity and fixed income linked insurance products (e.g. variable annuities, equity-indexed annuities, etc.) • **Swiss Re Needs:** Hedging expertise in equity and fixed income for own account and specific liabilities	• Equity and fixed income derivatives expertise • Infrastructure for hybrid insurance/ capital market risks • Expertise in complex equity and fund risks • Quantitative and fundamental equity research • Actuarial skills and knowledge base	• Variable annuity reinsurance • Hedging for own account and other liabilities • Equity and fund linked investment products for investors

- Core to meeting the needs of life reinsurance clients active in variable annuities, as well managing our own exposures, e.g. Admin Re® portfolios
- Reinsurance of VAs plays to Swiss Re's strengths at the intersection of insurance and the capital markets and requires skills in equity and fixed income derivatives. VAs are a leading driver of growth for the primary insurers

Insurance and capital markets

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Variable annuities transaction example

Lincoln Financial Group

- August 2007 – Reinsurance arrangement with Lincoln Financial Group for their lifetime guaranteed minimum withdrawal benefit (GMWB) rider on variable annuity (VA) products
- Transaction details:
  - 50% quota share co-insurance of GMWB extended business written in 2007/08, base VA contracts excluded
  - Ceiling of a total of USD 4.5 billion in rider sales for in-force and future business
  - Full risk transfer reinsurance applied as element of a comprehensive strategy for VA business
  - Using actuarial assumptions (e.g. mortality, lapse rates) Swiss Re is able to model cash flows and volatilities to create capital markets hedging strategy
- Risk limits set as part of overall risk framework
- Hedge performance tracked and monitored by Risk Management

Insurance and capital markets

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Longevity transaction example

Friends Provident

- Acquisition of GBP 1.7 billion of annuities in payment from Friends Provident ("FP")
- 78 000 policies with current average age of 65 and total annuity per annum of GBP 122 million
- Includes substantially all immediate annuities written since FP demutualised in July 2001 until 31 December 2006
- Divestiture driven by FP's desire to reduce longevity risk
- Reinsurance treaty provides FP with longevity protection for annuities-in-payment via a swap structure
- Asset swap structure secures future premium payments
- Innovative reinsurance and capital markets structure for longevity risk

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Credit

Credit reinsurance

- Swiss Re's credit reinsurance business comprises trade credit and surety, political risks, bank trade finance and financial guarantee reinsurance
- Underwriting performance has been strong

CHF m	Fiscal year 2002	2003	2004	2005	2006	9M 2007
Profit before tax	-80.4	114.2	200.6	210.5	229.7	277.2
Net premiums earned	728.4	839.8	882.7	883.2	1 066.1	820.2
Combined ratio (in %)	115.6	93.8	85.7	85.2	87.7	78.3

- This excludes the impact of business written in P&C and transferred to Credit Solutions for run-off

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Credit

Financial guarantee reinsurance

- Swiss Re reinsures leading Financial Guarantee (FG) monoline insurers for public finance (e.g. municipal bonds) and structured finance (e.g. RMBS, other ABS) transactions
- Risk mitigation features include:
  - proportional risk sharing captures the diversity of the underlying portfolio
  - significant mandatory self-retention by bond insurer in all ceded policies reduces adverse selection
  - risk concentration limits such as notional limits per issuer (e.g. General Obligation for a specific US state USD 75m); per servicer (e.g. a US finance company USD 100m); country limits (e.g. Brazil USD 75m)
- Exclusions from reinsurance contracts:
  - CDO and CLO transactions
  - specific asset classes, e.g. direct corporate credit risk

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Key points – Financial Services

Balance sheet is a scarce resource and is allocated and managed like capital

- Balance sheet disclosure for Financial Services Assets & Liabilities is rating agency related and is more than Financial Services business unit or "trading" activity
- Exposure analysis needs to consider counterparty netting and off-balance sheet derivative exposures
- Balance sheet growth is driven by credit, variable annuity, longevity and increased hedging
- Revenue growth is mainly client driven rather than pure trading activity
- Trading book is spread exposed but this is mitigated by high credit quality and hedging

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Financial Services Assets and Liabilities

CHF m	30 Sep 2007	Eliminate counterparty netting	Gross
Financial Services assets			
Fixed income securities, trading	32 255		
Other financial services assets	15 637		
Total Financial Services assets	**47 892**	**+6 325**	**54 217**
Financial Services liabilities			
Short-term debt	9 787		
Long-term	12 781		
Other liabilities	25 324		
Total Financial Services liabilities	**47 892**	**+6 325**	**54 217**

Separate funding from liabilities

CHF m	30 Sep 2007
Financial Services assets	
Fixed income securities, trading	32 255
Other financial services assets	21 962
Total Financial Services assets	**54 217**
Financial Services liabilities	-19 615
Financial Services net assets	**34 602**
Financial Services funding	**28 277**

- This analysis is the basis for the balance sheet product splits both here and in the appendix

As of 30 September 2007

Financial market and credit risk

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Use of balance sheet

CHF m	ILS/ABS	Credit	Equity	Rates	Treasury/ SRAM	Other	Total
Financial Services assets							
Fixed income securities, trading	7 642	13 264	3 189	174	7 780	206	32 255
Other Financial Services assets	284	5 375	4 704	3 877	7 476	245	21 962
Total Financial Services assets	**7 926**	**18 639**	**7 893**	**4 051**	**15 256**	**451**	**54 217**
Financial Services liabilities	-1 478	-5 396	-3 425	-4 512	-4 550	244	19 615
Financial Services net assets	**6 448**	**13 243**	**4 458**	**-461**	**10 706**	**695**	**34 602**
Net derivative notional positions	**N/M**	**-13 956**	**N/M**	**N/M**			
Net derivative m-t-m	**-92**	**809**	**428**				

- Net derivative notionals for ABS, equity derivatives and rates are distorted by futures positions and as such not meaningful
- ABS exposures on and off balance sheet included in following slides
- Equity derivatives sensitivity equal to approximately CHF 65 million for a 20% fall in equities
- Balance sheet usage (excl. Treasury and SRAM) amounts to CHF 24.9bn. Within this, credit amounts to CHF 13.2 billion but this is balanced against a short derivative position off-balance sheet

As of 30 September 2007

Financial market and credit risk

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Fixed income

Structured products RMBS proprietary investment

Sector	**Market value by rating**					
CHF m	Agency	Aaa	Aa-A	Below A	NR	Total MV
RMBS (USD)	**15 727**	**2 050**	**85**	**49**	**52**	**17 964**
Agency	15 727					15 728
Non-agency Prime		1 622	3	1		1 626
Alt-A		354	6	2	4	366
Sub-prime (Cash/CDS)		74	76	46	48	245
Sub-prime (Wrapped)						
RMBS (CAD)		**213**				**213**
Agency						
Non-agency Prime		213				213
Alt-A						
Sub-prime (Cash/CDS)						
Sub-prime (Wrapped)						
RMBS (ROW)		**3 815**	**2 154**	**495**	**72**	**6 535**
Prime		1 667	1 441	271		3 378
Non-conforming		1 481	447	150	72	2 150
Buy to let		666	267	74		1 008
Total	**15 727**	**6 078**	**2 239**	**543**	**124**	**24 713**

- 63% of RMBS exposure is agency and a further 25% is Aaa rated

As of 30 November 2007

Financial market and credit risk

Swiss Re

Fixed income

Structured products Other proprietary investment

Sector	**Market value by rating**					
CHF m	Agency	Aaa	Aa-A	Below A	NR	Total MV
CMBS		**5 700**	**644**	**81**	**271**	**6 696**
CMBS (USD)		3 421	124	34		3 578
CMBS (CAD)		347	68			414
CMBS (ROW)		1 932	453	47	271	2 704
ABS		**3 990**	**320**	**109**	**56**	**4 475**
ABS (USD)		2 621	122	29	56	2 827
ABS (CAD)		62				62
ABS (ROW)		1 308	199	80		1 586
Project loans		**503**				**503**
Project loans (USD)		503				503
CLO		**391**	**213**	**263**	**44**	**911**
CLO (ROW)		391	213	263	44	911
CDO		**133**	**91**	**11**	**17**	**251**
CDO (USD)			45		1	46
CDO (ROW)		133	45	11	16	205
Other structured		**55**	**9**	**23**		**86**
Other structured (USD)		33				33
Other structured (ROW)		22	9	23		53
Total	**0**	**10 772**	**1 277**	**487**	**388**	**12 922**

- 83% of “Other structured exposures” are rated Aaa

As of 30 November 2007

Financial market and credit risk

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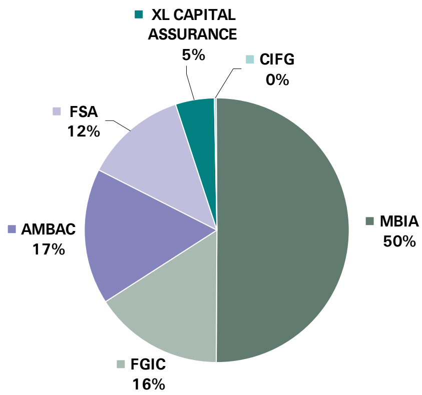
Breakdown of Structured Securities[1]

Wrapped assets total

Bonds held by percentage

Insurer	CHFm
AMBAC	475
CIFG	7
FGIC	447
FSA	353
MBIA	1 412
XL Capital Assurance	135
Total	**2 828**



[1] RMBS, CMBS, ABS, CLO, CDO

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Financial market and credit risk

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Fixed income

Structured products RMBS FS Markets net of hedging

Sector	Market value by rating					
CHF m	Agency	Aaa	Aa-A	Below A	NR	Total MV
RMBS (USD)		**3 591**				**3 591**
Agency						
Non-agency Prime		628				628
Alt-A		1 308				1 308
Sub-prime (Cash/CDS)						
Wrapped		1 655				1 655
RMBS (CAD)						**0**
RMBS (ROW)		**1 476**	**478**	**299**		**2 252**
Prime		1 098	128	298		1 523
Non-conforming		378	350	1		729
Total	**0**	**5 067**	**478**	**299**	**0**	**5 843**

- The Group has hedged subprime exposures within the trading portfolio. Gross notional exposure is CHF 4.5 billion and is hedged using ABX index products. This hedge is designed to further minimise the risk of loss and the effects of mark to market volatility

As of 30 November 2007

Financial market and credit risk

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Fixed income

Structured products Other FS Markets

Sector CHF m	Market value by rating Agency	Aaa	Aa-A	Below A	NR	Total MV
CMBS		**2 128**	**298**	**14**		**2 439**
CMBS (USD)		1 744	42	14		1 800
CMBS (ROW)		384	256			639
ABS		**1 604**				**1 604**
ABS (USD)		1 604				1 604
Project loans						**0**
CLO		**25**				**25**
CLO (USD)		25				25
CDO						**0**
Other structured						**0**
Total		**3 757**	**298**	**14**		**4 068**

- The total structured portfolio has suffered only seven downgrades as of 30 November 2007 on positions totalling CHF 153 million out of CHF 14.4 billion. All seven are currently split rated with one agency giving Aaa ratings, the other giving six at Aa3 or better and one at A1. Downgrades have had minimal impact on the portfolio

As of 30 November 2007

Financial market and credit risk

Swiss Re

Credit

Financial guarantee reinsurance – exposure breakdown

Financial Guarantee Re exposure

	AAA	AA	A	BBB	< BBB-	Total	Total, CHFm	In % of TNE
Total notional exposure (TNE)	**2.6%**	**23.6%**	**36.0%**	**35.4%**	**2.3%**	**100%**	**16 137**	**100%**
Public finance	**0.1%**	**28.7%**	**42.4%**	**28.4%**	**0.4%**	**100%**	**12 582**	**78%**
Structured finance	**11.6%**	**5.5%**	**13.5%**	**60.1%**	**9.3%**	**100%**	**3 555**	**22%**
- thereof RMBS	20.1%	3.5%	11.2%	52.6%	12.6%	100%	1 124	32%
Future flow receivables	0.0%	5.3%	3.5%	91.3%	0.0%	100%	429	12%
Operating assets	12.9%	2.7%	13.8%	68.4%	2.2%	100%	428	12%
Auto rental fleet securitisations	10.3%	0.0%	0.0%	35.2%	54.5%	100%	332	9%
Auto loans	2.2%	0.0%	0.0%	97.8%	0.0%	100%	331	9%
Student loans	19.9%	33.8%	31.0%	15.4%	0.0%	100%	159	4%
Other – US	14.1%	0.0%	27.6%	58.3%	0.0%	100%	307	9%
Other – International	3.1%	15.1%	33.3%	48.5%	0.0%	100%	445	13%

- No significant losses reported to date and stress loss estimated at USD 100-200m

RMBS – Detailed breakdown

CHF m	Total
US RMBS – Subprime	**163**
US RMBS – Midprime/Alt-A	**222**
US RMBS – Prime	**244**
US RMBS – HELOC	**489**
RMBS – Other	**7**
Total	**1 124**

- Categories based on cedent classification
- Exposure as per latest reporting by cedents as of 30 September 2007

Financial market and credit risk

Swiss Re

Credit

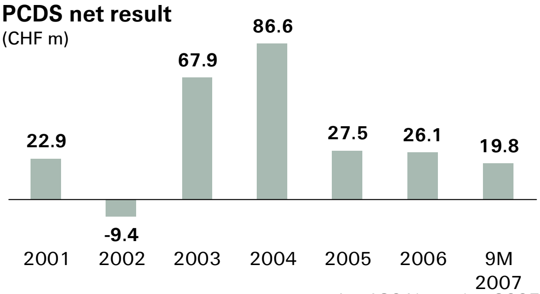
Corporate Portfolio CDS transaction structures

	Notional exposure (CHF bn)	Current weighted avg. subordination	Weighted avg. number of obligors	Weighted avg. expected maturity	Weighted avg. legal maturity	Number of transactions
Reference portfolio primarily to						
Large corporate	45.1	10%	281	1.6	4.7	16
SME corporate	7.6	7%	2 793	0.6	5.3	4
Total	**52.7**	**10%**	**N/M**	**1.5**	**4.8**	**20**

Expected maturity accounting for structural elements and client call provisions driven by Basel II implementation for originating banks starting January 2008

- Current transactions referencing large corporate credits have not experienced portfolio losses to date since deal inception. Subordination not impacted
- Realised portfolio losses in SME deals to date show insignificant impact on subordination, leaving over 97.5% of original available subordination

PCDS net result
(CHF m)



As of 30 November 2007

Financial market and credit risk

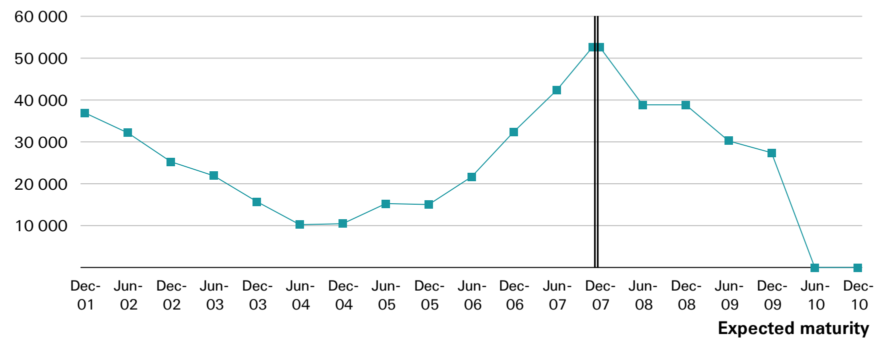
Swiss Re

Credit

Corporate Portfolio CDS – Basel II leads to natural run-off

Expected maturity profile accounting for structural elements and client call provisions driven by Basel II implementation for originating banks starting January 2008

Notional exposure
(CHF m)



- Portfolio CDS referencing predominantly large investment grade and SME corporate credit; senior / super-senior risk position
- Structural elements such as concentration limits to maintain diversification and quality of Swiss Re's risk position; some transactions include portfolio selection rights, premium adjustment clauses and first-loss subordination top-up provisions

Swiss Re

Today's agenda

- Welcome
- Introduction
- Capital management
- **Financial Services**
  - Key priorities and risk management — Roger Ferguson
  - Proprietary asset management — Benjamin Meuli
  - Insurance and capital markets — David Godfrey
  - Financial market and credit risk — George Quinn
  - **Conclusions and outlook**
- Questions & answers

Swiss Re

Conclusions and outlook

- Swiss Re remains committed to its Financial Services business
- The capital market skills and tools are integral not only to our traditional reinsurance business, via proprietary asset management
- Capital markets techniques and expertise enable us to better manage earnings volatility and improve our capital efficiency
- We continue to develop innovative solutions for our clients which intersect the insurance and capital markets
- Risk Management organisationally aligned with the risk taking activities of FS Products and Investments provides independent oversight monitoring and reporting

Swiss Re

Questions & answers

Swiss Re

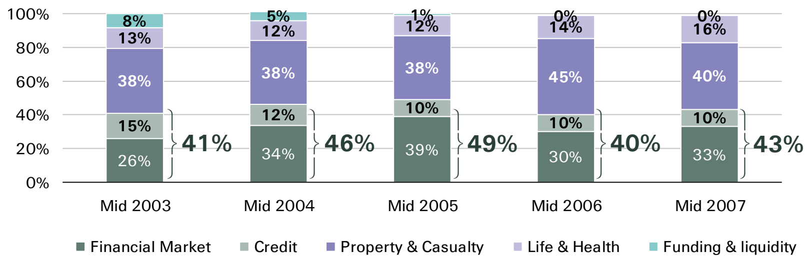
Appendix

Swiss Re

Financial market and credit risk were always important in Swiss Re's risk landscape

- Insurance companies take financial market risks as part of the insurance business model
- The underwriting of Credit & Surety reinsurance business started over 50 years ago and became a substantial contributor over 20 years ago

Shares of Financial Market and Credit risk of total Group risk[1,2]
(1-year, 99% Value-at-Risk)



1 Figures for 2003-2006 based on Swiss Re's annual reports
2 99% VaR for Group excluding diversification benefit

Swiss Re

Credit and financial market risk limits set by the GCAC for 2007

Stress test limits have been set to control the potential adverse impact on the capital position of the Group:

The aggregate stress test assumes simultaneous adverse changes in all financial market risk factors and aggregates the combined loss impact across all portfolios of Swiss Re.

10-day 99% VaR limits have been set to control the potential adverse impact on the earnings power of the Group:

99%, 10 day VaR measures the portfolio loss that is exceeded over a 2 week period only once every 4 years.

Financial risk limits

CHF bn	2007 **Stress Test Limits**	2007 **10-day VaR Limits**
Equity market risk	4.0	0.65
Hedge fund risk	0.45	
Interest rate risk	3.1	0.55
Credit spread risk	3.1	0.55
Real estate price risk	1.1	
FX risk[1]	4.4	0.25
Aggregate	**8.8**	**0.95**

Credit risk limits

CHF bn	2007 **Shortfall Limits**
Aggregate	**2.7**

Country credit risk limits

- Single Total Potential Loss Contribution (TPLC) country limit threshold of CHF 100 million is applied to all non-OECD and/or all non-investment-grade countries with two exceptions:
  Argentina (CHF 250m) and **Columbia** (CHF 125m)

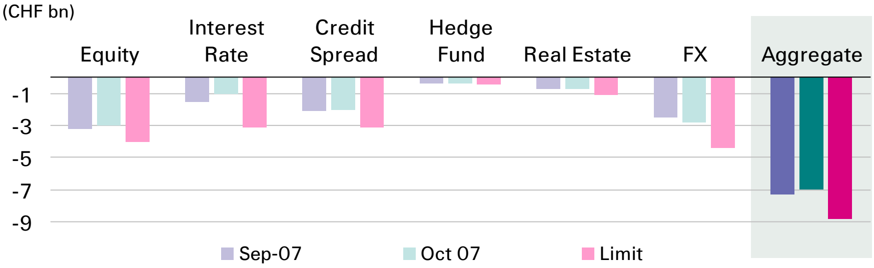
1 FX mainly relates to translational differences

Swiss Re

Stress test risk limit and usage

CHF bn	Sep 07	Oct 07	Change	Limit	Usage
Equity	-3.19	-3	-6.0%	-4	75%
Interest Rate	-1.5	-1.05	-30.0%	-3.1	34%
Credit Spread	-2.11	-2.03	-3.9%	-3.1	66%
Hedge Fund	-0.37	-0.4	8.3%	-0.45	88%
Real Estate	-0.69	-0.7	0.6%	-1.1	63%
FX	-2.48	-2.78	12.0%	-4.4	63%
Aggregate	**-7.27**	**-6.96**	**-4.4%**	**-8.8**	**79%**

Stress test risk limit and usage
(CHF bn)

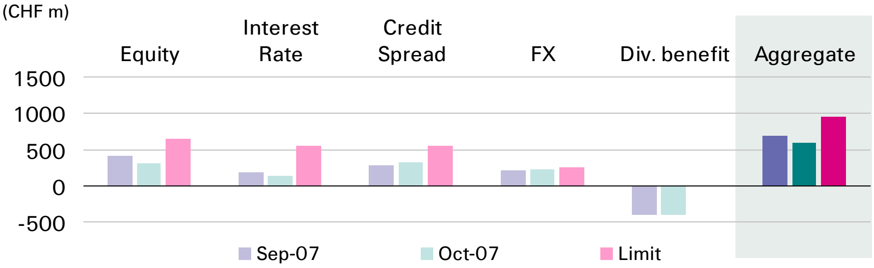


Swiss Re

VaR limits

CHF bn	Sep 07	Oct 07	Change	Limit	Usage
Equity	414	313	-24.0%	650	48%
Interest Rate	180	143	-21.0%	550	26%
Credit Spread	282	320	13.0%	550	58%
FX	212	219	3.2%	250	87%
Div. benefit	-403	-404	0.3%		
Aggregate	**685**	**590**	**-14.0%**	**950**	**62%**

VaR limits
(CHF m)



Swiss Re

Fixed income

Structured products RMBS total

Sector	Market value by rating					
CHF m	Agency	Aaa	Aa-A	Below A	NR	Total MV
RMBS (USD)	**15 727**	**5 642**	**85**	**49**	**52**	**21 556**
Agency	15 727					15 728
Non-agency Prime		2 250	3	1		2 254
Alt-A		1 662	6	2	4	1 674
Sub-prime (Cash/CDS)		74	76	46	48	245
Sub-prime (Wrapped)		1 655				1 655
RMBS (CAD)		**213**				**213**
Agency						
Non-agency Prime		213				213
Alt-A						
Sub-prime (Cash/CDS)						
Sub-prime (Wrapped)						
RMBS (ROW)		**5 290**	**2 632**	**794**	**72**	**8 788**
Prime		2 765	1 569	568		4 902
Non-conforming		1 859	797	151	72	2 879
Buy to let		666	267	74		1 008
Total	**15 727**	**11 145**	**2 717**	**842**	**124**	**30 556**

As of 30 November 2007

Swiss Re

Fixed income

Structured products Other total

Sector	Market value by rating					
CHF m	Agency	Aaa	Aa-A	Below A	NR	Total MV
CMBS		**7 828**	**942**	**94**	**271**	**9 135**
CMBS (USD)		5 165	166	47		5 378
CMBS (CAD)		347	68			414
CMBS (ROW)		2 316	709	47	271	3 343
ABS		**5 594**	**320**	**109**	**56**	**6 079**
ABS (USD)		4 224	122	29	56	4 431
ABS (CAD)		62				62
ABS (ROW)		1 308	199	80		1 586
Project loans		**503**				**503**
Project loans (USD)		503				503
CLO		**416**	**213**	**263**	**44**	**936**
CLO (USD)		25				25
CLO (ROW)		391	213	263	44	911
CDO		**1 934**	**1 869**	**34**	**17**	**3 854**
CDO (USD)		1 801	1 823	23	1	3 649
CDO (ROW)		133	45	11	16	205
Other structured		**268**	**9**	**23**		**299**
Other structured (USD)		79				79
Other structured (ROW)		188	9	23		220
Total	**0**	**16 543**	**3 353**	**523**	**388**	**20 806**

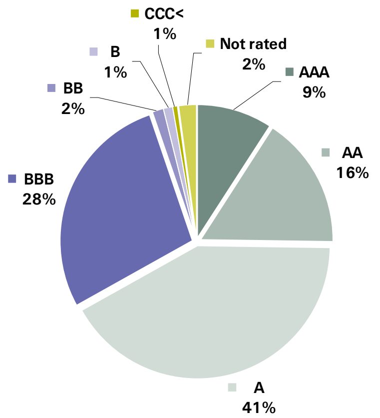
- This table includes within CDO the remaining exposure that the group has to the structured CDS

As of 30 November 2007

Swiss Re

Credit

Quality of corporate bond portfolio



CHF m	30 Nov 2007
Total	**26 483**

in CHF m		
Banks	4 426	16.7
Insurance	621	2.3
Investment Companies	549	2.1
Life Assurance	21	0.1
Real Estate	570	2.2
Speciality & Other Finance	6 675	25.2
Total Financials	**12 861**	**48.6**
Aerospace & Defence	446	1.7
Automobiles & Parts	156	0.6
Beverages	437	1.7
Chemicals	195	0.7
Construction & Building Materials	267	1.0
Diversified Industrials	3 251	12.3
Electronic & Electrical Equipment	90	0.3
Engineering & Machinery	252	1.0
Food & Drug Retailers	140	0.5
Food Producers & Processors	426	1.6
Forestry & Paper	108	0.4
General Retailers	368	1.4
Health	167	0.6
Household Goods & Textiles	67	0.3
Information Technology Hardware	4	0.0
Leisure, Entertainment & Hotels	107	0.4
Media & Photography	530	2.0
Personal Care & Household Products	344	1.3
Pharmaceuticals	269	1.0
Software & Computer Services	55	0.2
Steel & Other Metals	103	0.4
Support Services	66	0.2
Telecommunication Services	1 267	4.8
Tobacco	19	0.1
Transport	603	2.3
Total Industrials	**9 738**	**36.8**
Electricity	1 607	6.1
Gas Distribution	96	0.4
Mining	76	0.3
Oil & Gas	1 548	5.8
Utilities, Other	558	2.1
Total Utilities	**3 884**	**14.7**
TOTAL	**26 483**	**100.0**

Swiss Re

Trading assets by product type

CHF m	ILS/ABS	Credit	Equity	Rates	Treasury/ SRAM	Other	Total
Corporate bonds	132	11 567	326		26	57	12 108
ABS	2 557		5		3 525		6 087
Equities		70	2 153		297		2 520
CMO					2 298		2 298
CMBS	1 706						1 706
MBS	1 531		160				1 691
Government bonds	446	1 029		174	5		1 654
Cat bonds	587	412			770	98	1 867
Commercial paper					859		859
Convertibles			545				545
Corporate loans	1	474					475
CDOs		361					361
Other structured		34				50	84
Total	**6 960**	**13 947**	**3 189**	**174**	**7 780**	**205**	**32 255**

As of 30 September 2007

Swiss Re

Credit
Structured CDS

Category	Par (CHF m)	% of Par	Oct Mkt Value (%)	Market Value (CHF m)
CMBS	497.3	9.4	97.0	482.3
ABS CDO	953.0	18.1	0.0	0.0
Corp CDO	158.7	3.0	90.0	142.8
Prime MTG	1 568.7	29.8	97.0	1 521.7
Alt A/Alt B	367.9	7.0	83.0	305.3
Subprime	1 472.7	28.0	62.0	913.1
Euro Subprime	175.7	3.3	95.0	167.0
Wrapped ABS	74.9	1.4	94.0	70.4
TOTAL	**5 268.9**	**100.0**	**68.4**	**3 602.6**

Category	Losses (CHF m)
Portfolio mark-to-market	**1 666.3**
Subordination	-337.0
Prior mark-to-market	-103.5
TOTAL	**1 225.8**

As of 19 November 2007

Swiss Re

Credit
Structured CDS ratings migration

Percent of ABS CDO portfolio		AAA	Aa1	Aa2	Aa3	A	Baa	< inv. grade	Total notional (CHF m)
Original rating split (at inception)		61%	4%	34%	2%	0%	0%	0%	953.0
Rating migration	Aaa				+2%	+7%	+12%	+6%	
	Aa1							+3%	
	Aa2					+2%	+4%	+2%	
	Aa3	-2%							
	A	-7%		-2%					
	Baa	-12%		-4%					
	Below inv. grade	-6%	-3%	-2%					
Net rating migration		-27%	-3%	-8%	+2%	+9%	+16%	+11%	
Current rating split (as of 30 Nov)[1]		34%	1%	25%	4%	9%	16%	11%	953.0

Percent of sub-prime portfolio	AAA	Aa1	Aa2	Aa3	A	Baa	< inv. grade	Total notional (CHF m)
Original rating split (at inception)	6	43	39	12	1	0	0	1 472.1
Rating migration			(no rating migration)					
Current rating split (as of 30 Nov)[1]	6	43	39	12	1	0	0	1 472.7

[1] Watch negative: 39% of CDO portfolio, 38% of sub-prime portfolio

Portfolio Credit Default Swap (PCDS)

Overview

Swiss Re

	Deal	Notional CHF	Rating Lowest Layer	Attach	M-t-m in CHF m since inception
Corporate PCDS	1	15 194.8	SAAA	9.4%	-6.89
	2	4 430.0	SAAA	9.0%	0.01
	3	4 235.7	AAA	9.2%	-1.98
	4	4 074.7	SAAA	9.3%	-0.13
	5	2 951.0	AAA	12.9%	-0.05
	6	2 506.9	SAAA	12.2%	-0.52
	7	163.3	AAA	11.8%	-0.26
	8	4 572.5	AA+	5.2%	0.24
	9	1 425.4	SAAA	15.0%	0.12
	10	1 043.2	AAA	10.0%	0.06
	11	1 043.2	AAA	10.0%	-0.23
	12	1 043.2	AA+	10.0%	-0.68
	13	50.4	AAA	13.0%	-0.74
	14	3 325.5	AA+	4.2%	-0.27
	15	660.8	A-	5.0%	-0.08
Small and medium enterprises PCDS	16	341.2	SAAA	11.8%	-0.15
	17	2 175.8	SAAA	13.5%	-0.98
	18	1 509.3	SAAA	10.0%	-0.03
	19	3 657.5	A	1.5%	-0.19
	Total PCDS	**54 404.3**			**-12.74**

As of 31 October 2007

Investors' Day
London, 11 December 2007

Cautionary note on forward-looking statements

Swiss Re

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.