

Swiss Re



UBS

Global Financial Services Conference

M & A: Curse or Cure?

Jacques Aigrain

Chief Executive Officer

New York, 14 May 2007

Swiss Re



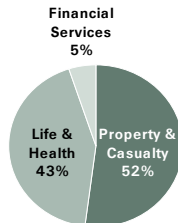
Agenda

-
- **Swiss Re at a glance**
 - Our strategic direction
 - Enlarge market scope: M & A transactions
 - Enlarge market scope: Organic growth
 - Conclusion and outlook
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Swiss Re at a glance

Revenues by business (Total 2006: CHF 40.3bn)



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Slide 3

Swiss Re is the world's leading and most diversified global reinsurer, founded in Zurich (Switzerland) in 1863

The company offers traditional reinsurance products and related services for property and casualty, as well as for life and health businesses

These traditional products are complemented by insurance-based corporate finance solutions and supplementary services for comprehensive risk management under financial services

Swiss Re is the industry leader in insurance-linked securities

Swiss Re is rated "AA-" (stable outlook) by Standard & Poor's, "Aa2" (negative outlook) by Moody's and "A+" (stable outlook) by A.M. Best

Key statistics 2006:	CHF bn	Change	USD bn
- Premiums earned:	29.5	+ 10%	23.5
- Net income:	4.6	+ 98%	3.6
- Shareholders' equity:	30.9	+ 27%	24.6
	Percentage	Change	
- P&C combined ratio:	90.4%	- 23.7pts.	



2006 and 1Q 2007 results Summary

Performance

Results 2006

- Net income CHF 4.6 bn, up 98%, EPS of CHF 13.49

Results 1Q 2007

- Net income of CHF 1.3 bn, up 54%, EPS of CHF 3.85

Continuing good performance across all business segments

Quality

- P&C: operating income CHF 5bn, strong combined ratio of 90.4%
- L&H: 14% profit growth to CHF 1.5bn
- FS: 21% profit growth to CHF 0.5 bn
- Investment performance: RoI 5.3%

- P&C: operating income up 4% despite Kyrill to CHF 1.2bn, combined ratio 94.8%
- L&H: 25% profit growth to CHF 0.4bn
- FS: 209% profit growth to CHF 0.2bn
- Good investment performance, RoI 5.9%

Shareholders' equity, returns, Buyback

- Shareholders' equity up 27% to CHF 30.9 bn
- Share buyback plan of up to CHF 6bn over a 3 year period; CHF 1.7bn done on March 1, 2007
- RoE 16.3%, up from 10.3% in 2005

- Shareholders' equity down 1% to CHF 30.4 bn due to first step in share buyback programme
- Book value per share up 3% to CHF 89.0
- Annualised RoE 17.1%, up from 14.1% in 1Q 2006

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Slide 4

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Strategic direction

Our aspiration

To be the leading force in the risk transfer industry, combining professional resources and skills with customer focus to deliver economic profit growth

Generate economic profit growth

through
 Intelligent cycle management and efficient capital allocation

Reduce earnings volatility

through
 Our capital markets expertise, scale and diversification

Enlarge market scope

through
 Organic and transaction-related activities to address the needs of our clients

Advance organisational excellence

through
 Efficient processes, innovative skills and professional expertise

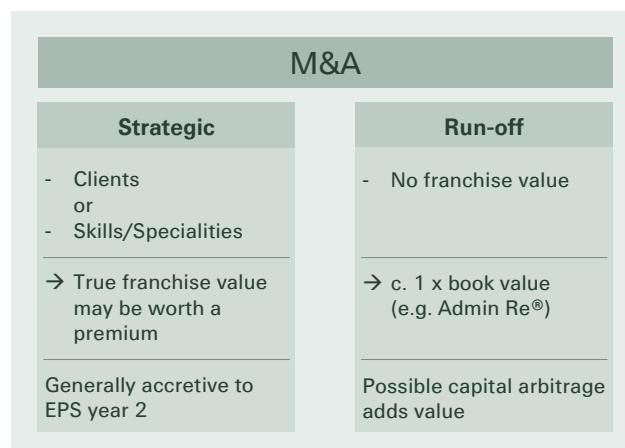
Higher sustainable shareholder returns

Best-in-class customer service

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M&A strategy





Enlarge market scope Our successful M&A track record

Build Financial Services:

NCM

Conning

Grow L&H:

Alhermij

M&G

Life Re

Lincoln Re

Ins. Solutions

Zurich Life

Windsor Life

over 40 other US / UK Admin Re®

GE UK Life

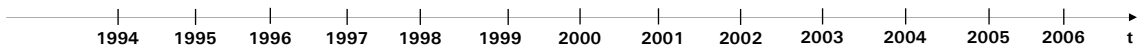
Expand global reach in P&C:

Uniorias

Alianza

Underwriters Re

Ins. Solutions



M&G	Life Re	Zurich Life	Windsor Life
<ul style="list-style-type: none"> 1996 – GBP 1.7bn Became the leading global L&H reinsurer Increased SR's size by 1/3 	<ul style="list-style-type: none"> 1998 – USD 1.8bn More than 40 AdminRe® transactions (USD 4bn) since acquisition Significantly exceeded cost savings target 	<ul style="list-style-type: none"> 2003 – GBP 180m First Admin Re® transaction in the UK 	<ul style="list-style-type: none"> 2004 – GBP 333m Second Admin Re® transaction in the UK administers more than 850,000 policies Transaction provided additional scale and infrastructure (IT platform 'Alpha') for Admin Re® in UK

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Slide 9



Admin Re® Largest transactions to date in the US and UK

US, in USD millions

Year	Name	Size (USD m)	Type
2004	C.N.A.	413.6	Stock & Reins.
2002	Conseco Direct	110.9	Reinsurance
2002	Bankers Life & Casualty	171.6	Reinsurance
2001	Aurora National Life	197.2	Reinsurance
2001	Southwestern Life	218.2	Stock
2000	CIGNA RE	125.0	Reinsurance
2000	Midland Life	253.8	Stock
2000	UNUM	356.7	Reinsurance
1999	Royal Maccabees Life	279.8	Stock
1999	Allied Life	109.5	Stock

- Transactions greater than USD 100m of capital invested represented approximately 75% of capital invested and assets acquired
- No single transaction greater than USD 100m capital invested before 1999
- Approx. 3.5 million policies in force

UK, in USD millions

Year	Name	Size (GBP m)	Type
2007	Norwich Union	n/a	Admin only/reinsurance relationship expanded
2006	GE Life UK	471	Closed Book
2004	Windsor Life	333	Closed Book
2004	Virgin Money Life	37	Closed Book
2003	Zurich Life	180	Closed Book

- Approx. 7.5 million policies in force

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Slide 10

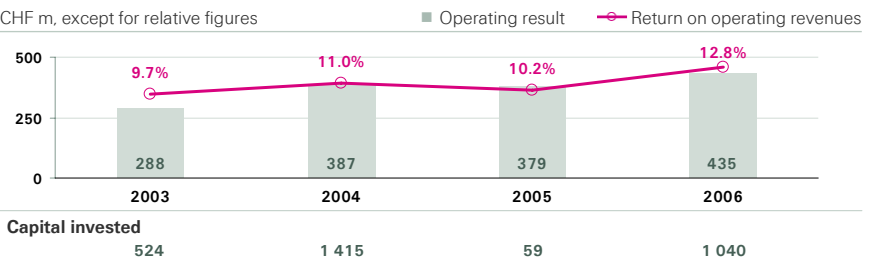
Admin Re[®]

GE Life UK – largest transaction to date

- GBP 471m acquisition of GE's direct UK life operations completed December 2006
 - largest Admin Re[®] transaction to date
 - 400 000 policies with total assets of GBP 8bn
 - annual recurring premium volume of approx. GBP 100m; in addition single premium new business volume of GBP 750m
 - provides further scale and infrastructure for Admin Re[®] in the UK
- Strong pipeline for further Admin Re[®] opportunities particularly in the US/UK

Invested assets

CHF m, except for relative figures



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Slide 11

Insurance Solutions acquisition

Approach towards a successful transaction

Strategic Relevance

- Strong franchise fits Swiss Re's business
- Attractive and complementary businesses

Careful Due Diligence

- Evaluated acquisition for number of years
- Awaited right time and motivated seller
- Swiss Re and its advisers conducted a thorough due diligence review of the business including its Property & Casualty reserves (5 months process)

Aggressive Negotiation

- GE agreed to additional reserve strengthening of ~USD 3.4bn
- Business acquired at ~1.0x transaction book value; no additional premium for the client franchise (accretive to EPS)

Aggressive Negotiation

- GE agreed to receive 55% of capital funding through equity and mandatory convertible securities of Swiss Re, no financing risk for Swiss Re

Integration

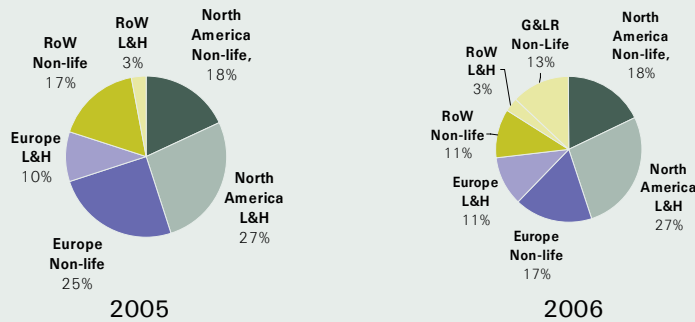
- Prepared a comprehensive and detailed integration plan to capitalize on identified cost reduction and optimisation synergies (6 months process)



Power of diversification

Swiss Re most diversified reinsurer

Geographic split of gross premiums written and fees assessed against policyholders; total of CHF 32.8bn as of end 2006



- Insurance Solutions provides further diversification of client base and portfolio
- Non-life: Near doubling of attractive US Regional & Specialty clients; high market share in specialty, e.g. aviation, marine, agro
- Life & Health: Higher market share in Europe, particularly Germany and UK



Insurance Solutions acquisition

To help Swiss Re to achieve strategic goals

United States

Diversification of client base and portfolio

- Near doubling of attractive Regional & Specialty clients, particularly with smaller companies in the Mid West
- Overlap with Swiss Re client base very limited with planned attrition rate of approx. 25% (realised 22%)
- Addition of a multi-niche Commercial Insurance book will balance Swiss Re's large corporate risk business
- US casualty facultative portfolio balanced in respect to types of risks and covered regions
- Some strong talent additions

Specialties

Portfolio expansion and new products

- Higher market share and portfolio diversification, e.g. aviation, marine and agro
- Strengthening of Swiss Re underwriting know-how in Specialties

Credit

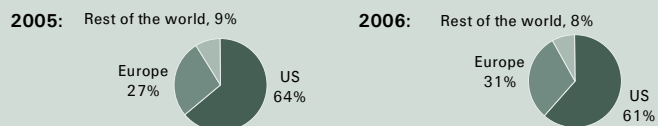
Portfolio diversification and innovation

- Access to niches and new markets, e.g. Bank Trade Finance in emerging markets

Life & Health

Enlarging array of solutions & securing leadership

- Recognised expertise in critical illness, disability and medical expenses
- Higher market share in Europe, particularly in UK and Germany



Insurance Solutions acquisition

Success story with full positive impact still to come

Fit

- 109 of 136 former IS key people (first/second management level) joined Swiss Re, including two at Executive Board level
- Complementary strengths and diversification of client base and portfolio (critical illness, health, commercial insurance, engineering, etc.)

Growth

- In 6 1/2 months, IS contributed CHF 3.5 billion to premiums earned in 2006
- 75% of non-life and 98% of life and health book retained to date

Value creation

- Stand-alone combined ratio 98.2% for period 9 June to 31 Dec 2006
- Total cost of investment USD 8.8 billion, limited goodwill of USD 1.3 billion, strong profit contribution already in 2006 (CHF 764 million operating income contribution)
- IS acquisition accretive to EPS and RoE as from 2007, the first full year after closing
- Adds CHF 2.0 billion to L&H Embedded Value (EV) increasing Swiss Re EV to CHF 22.6 billion

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Slide 15

Higher cost synergies and lower restructuring costs than planned

Estimated cost synergies and restructuring costs

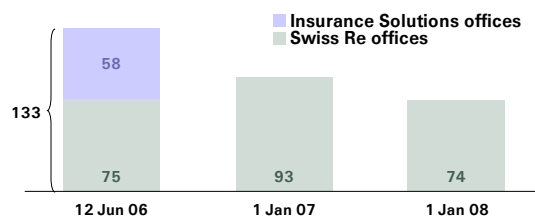
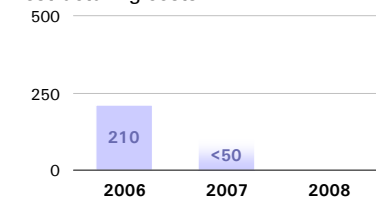
CHF m, pre-tax

Cost synergies



- Estimated cost synergies of at least CHF 460m (previously CHF 390m) pre-tax p.a. anticipated to be fully realised by end 2008
- Total one-time restructuring cost below original estimate of CHF 325m → CHF 210m in 2006, less than CHF 50m expected in 2007
- Global IT cost savings of CHF 42m: consolidation of data centres, infrastructure harmonisation, reduction of contractors, services migration
- Offices consolidated in North America, Europe and Asia:

Restructuring costs



Slide 16

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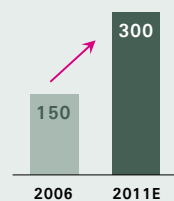
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Slide 17

Enlarge market scope: Organic growth Life & Health

Variable annuities
 US premium
 volume
 (in USD bn)

Strong growth in the
 market driven by
 demographic
 changes



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Slide 18

■ Variable annuities

Significant demand driven by demographic factors and from clients seeking to address capital efficiency, rating agency issues and internal risk management

Treaties written and requests for coverage: in Japan and the US; with potential to develop in Europe and Asia

■ Health protection in emerging markets

26% stake in TTK Healthcare Services in India acquired in December 2006

First treaties in China expected

■ Longevity

Longevity is a large opportunity which builds on our mortality expertise and has negative correlation benefits

Swiss Re has an array of hedging and risk transfer strategies at its disposal for mitigating our clients' risk exposure



Enlarge market scope: Organic growth

Swiss Re's new appetite for longevity business

- Historically Swiss Re has avoided longevity risk. Why?

Historical trends in mortality experience less understood at old age

Significantly different price expectations between buyers and sellers

→ Swiss Re's mortality strategy has 'paid off'

- What has changed?

Significantly greater awareness of changes in life expectancy by trustees, CEOs/CFOs, media, M&A professionals

Price expectations between buyers and sellers have converged; regulatory pressure helps

→ Attractive opportunities for growth going forward



Enlarge market scope: Organic growth

First-ever pure longevity transaction recently closed

- Friends Provident is transferring its longevity and investment risks on a GBP 1.7 billion block of annuities-in-payment to Swiss Re
- Attractively priced business with positive effects in European Embedded Value and EVM terms
- In addition, Swiss Re receives diversification benefits, balancing its core mortality and non-life lines

Swiss Re's unique position

Expertise
in risk transfer and
capital markets

+

Leadership in
Life & Health
reinsurance

Unique integrated
product capability



Enlarge market scope: Organic growth

Property & Casualty

- **Expansion in engineering, weather, agricultural and marine**
Combination of IS market position and Swiss Re capital markets expertise provides growth opportunity
- **Credit in emerging markets**
High demand for trade finance and credit and surety business; developed new hedging structure → Crystal Credit
- **Nat cat protection for governments and NGOs**
Swiss Re structured and placed a transaction to allow access to the capital markets and a new source of capacity for the Mexico Natural Disaster Fund



Swiss Re's capital market skills

Facilitates development in P&C and L&H

December 2000

- Board decision to endorse organic development of capital market platform

June 2001

- SRFP & SRCML set up
- Investment stage through Jan 2002 (approx. USD 60m net cost)

January 2002

- In operation:
- Develop credit desk
 - ILS/ILW desk
 - Treasury/funding function

Profit after all costs and bonuses every year

→ Self-funding

2002-2006

- ILS leadership
- Credit hedging
- Credit return enhancement
- Equity derivatives skills since 2006

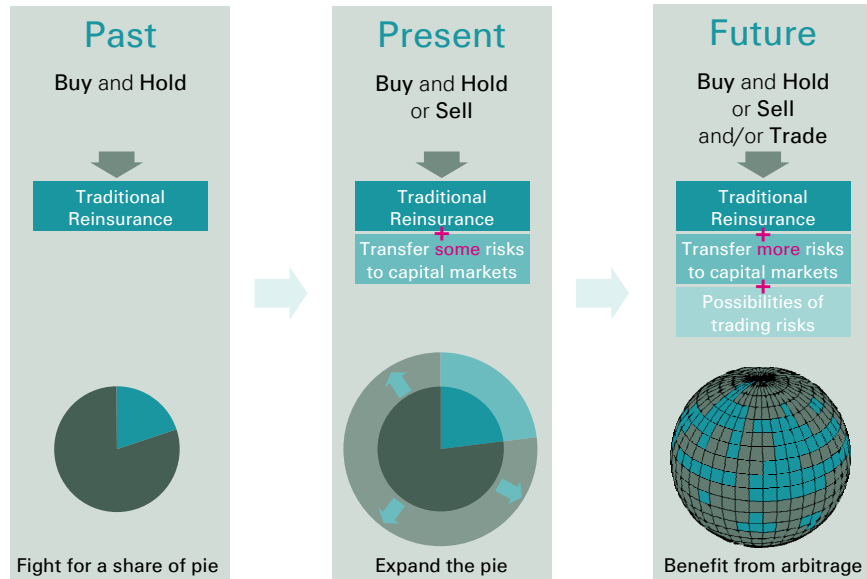
→ First variable annuities deal done

2007

- Last four quarters run-rate exceeds USD 700m of revenues

Enlarge market scope

Think in three dimensions rather than two



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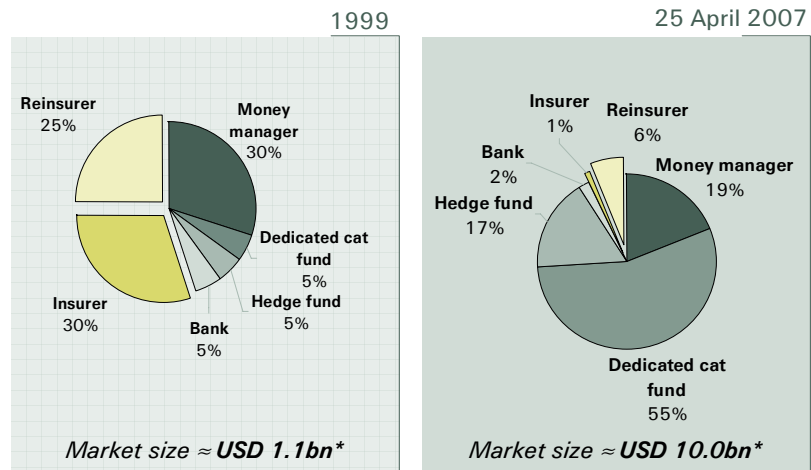
Slide 23

Insurance Linked Securities

Broader investor base

Debt capital market investors now dominate the ILS investor base, including large fixed income institutional money managers and many funds dedicated to the sector.

- Dedicated cat funds, money managers and hedge funds have increased their participation in the sector in recent years



Source: Swiss Re Capital Markets

* Cumulative figure by end April 2007 amounts to USD 27bn

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Slide 24

ILS projected growth rate

A case for creation of a substantial market

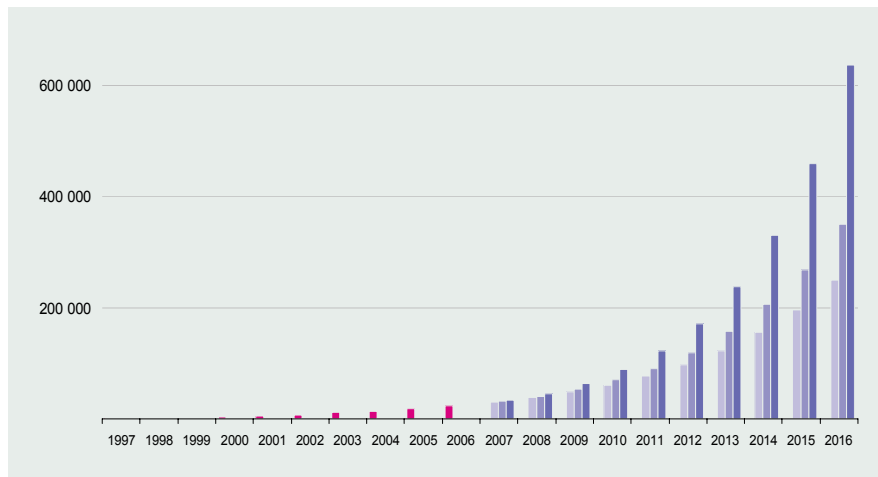
The compound annual growth rate from 1997 – 2006 is approximately 39.75%, which translates to a total outstanding amount of USD 25bn

CAGR in %	Amount Outstanding 2016
39.75	710bn
30.20	350bn
25.90	250bn

39.75	710bn
30.20	350bn
25.90	250bn

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Slide 25



*Assumed compound annual growth rate
 Source: Swiss Re Capital Markets

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 New York, 14 May 2007

Slide 26

Conclusion and outlook

Over the cycle targets

EPS growth

10%

RoE

13%

- Swiss Re's first set of quarterly results, good performance across the board, annualised RoE 17.1%
- Continued focus on underwriting quality and on reducing earnings volatility, reflected in successful April renewals and modest impact from winter storm Kyrill
- Economic profit growth in 2007 supported by first year full inclusion of Insurance Solutions and GE UK Life
- Swiss Re will continue to seize opportunities in Admin Re® (e.g. Conseco transaction, 8 May 2007)
- Reinsurance market remains favourable, prices still at attractive level coupled with structurally better claims environment

Appendix

Capital management actions

Dividend policy & share buy-back programme

Buy-back announced
1 March 2007

- Multi-year share buy-back/cancellation plan of up to CHF 6 billion within a three year period to improve capital efficiency
- Swiss Re waived the GE lock-up
- Subject to market conditions Swiss Re agreed to repurchase 50% of GE's stake in conjunction with an accelerated book building for the remainder

Step one completed
1 March 2007

- On 1st March 07 Swiss Re repurchased 50% of GE's stake at CHF102.96 per share in conjunction with an accelerated book build for the remainder of the stake (market closed at CHF 107.50)
- 1% discount to the price which GE achieved in the accelerated book building at which it sold the remainder of its stake in Swiss Re – consequently GE overhang eliminated

Step two completed
20 April 2007

- Multi-year buyback/cancellation plan of up to CHF 4.2bn within a three year period to improve capital efficiency
- Dividend of CHF 3.40 paid to shareholders on Wednesday, 25 April 2007

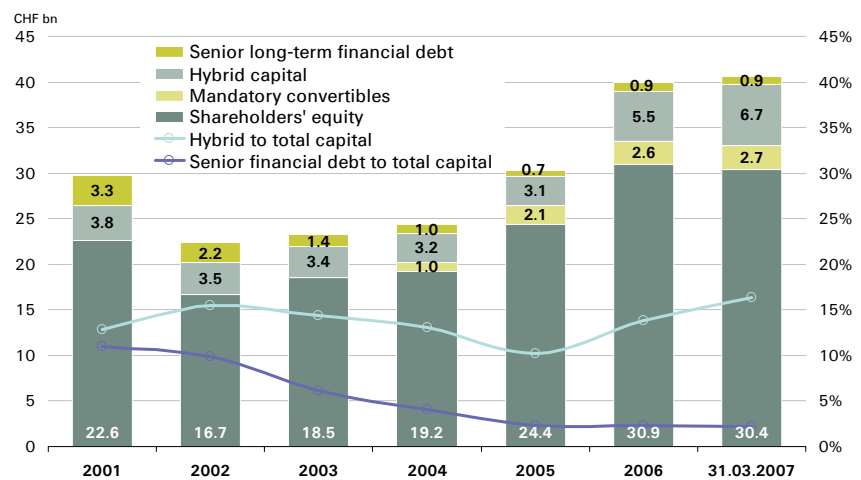
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Slide 29

Swiss Re's effective capital management

Swiss Re's value proposition includes commitment to prudent capital management

At the same time financial flexibility and capital efficiency continue to improve over time



Hybrid / total capital	12.8%	15.5%	14.4%	13.1%	10.2%	13.8%	16.4%
Senior debt / total capital	11.0%	9.9%	6.2%	4.1%	2.3%	2.3%	2.2%

Slide 30

Corporate calendar & contacts

07 August 2007	2Q 2007 results	Conference call
06 November 2007	3Q 2007 results	Conference call
11 December 2007	Investors' day	London

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Slide 31

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;
- cyclicalities 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.

Slide 32