Swiss Re

Investors' Day 2008

Zurich

25 September 2008

Swiss Re

Update on market exposures
Agenda

- **Strategic introduction**
  David Blumer, Head of Financial Markets
- **Update on investment portfolio**
- **Update on market exposures**
- **Capital and liquidity**
  George Quinn, CFO
- **Questions & answers**

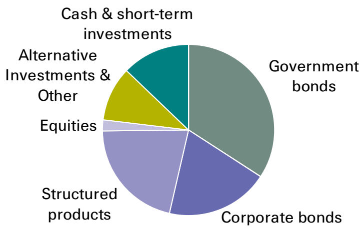
Swiss Re

Financial Markets strictly focused on core strategic mandates

Investments

- Generate stable risk adjusted investment returns on assets generated through re/insurance activities
- Adhere to ALM framework and corresponding risk limit structure
- Lean organisation focused on selected core investment management strategies

Investment Portfolio



CHF 186bn[1]

Financial Markets Products

- Facilitate underwriting client solutions in coordination with re/insurance Divisions in P&C (e.g. ILS) and L&H (e.g. VA, longevity)

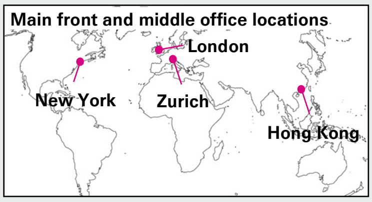
[1] as of 31 August 2008; excludes unit-linked/participating

Swiss Re

Simplified organisation ensures dedicated focus

Focused organisational set-up

- Investment management of Swiss Re's proprietary assets:
  - **Rates** – core team for duration matching in ALM
  - **Credit** – strengthened credit coverage
  - **Equity** – focus on absolute return strategies
  - **Alternative Investments** – select, diversified holdings
- Teams continue to be strengthened and focus on selected investment strategies
- Governance structure aligned with Swiss Re Group ensures strict evaluation and decision making



Continued focus on investment quality and ALM in difficult market conditions

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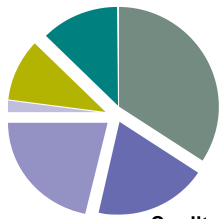
Rates – Government bonds and short-term investments
- Continued strong focus on asset-liability matching
- New cash flows allocated to cash, short term investments and government bonds, increasing the respective share

Equity & AI
- Equity exposure continuously reduced since the beginning of the year
- Well diversified AI portfolio



Credit – Structured Products
- Structured products portfolio highly rated

Credit – Corporate Bonds
- Corporate credit book increasingly weighted towards higher rated assets
- Increasing protection reducing default risk and spread sensitivities

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Swiss Re

Introduction

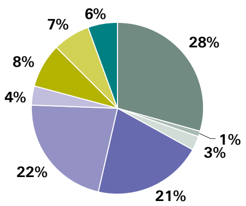
- The information in the slides that follow and the related presentation are provided generally in response to the significant level of questions we have been receiving
- This information focuses on selected assets and is not intended to be complete, nor is it intended to convey any information with respect to our results of operations or our overall financial condition
- This information may change between now and the end of our upcoming quarter-end. We disclaim any obligation to update this information or to provide interim updates other than as part of our regular fiscal period-end reporting
- Mid-quarter and mid-month figures are not subject to our usual financial reporting processes and we have used estimates where appropriate
- Please see the cautionary note on forward looking statements

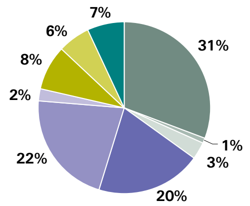
Swiss Re

Overall investment portfolio

CHF bn	End Q2 **2008**	31 August **2008**
Balance sheet values	**200.7**	**208.2**
Unit-linked investments	-17.2	-17.2
Participating business	-4.8	-4.8
Balance sheet values (excl. unit-linked and participating business)	**178.7**	**186.2**

- Government bonds
- Mortgages
- Loans (incl. Policy loans)
- Corporate bonds
- Structured products
- Equities
- Other investments (incl. real estate)
- Short-term investments
- Cash and cash equivalents





→ 44% invested assets in cash, short-term investments and government bonds
→ Increase primarily due to FX movements

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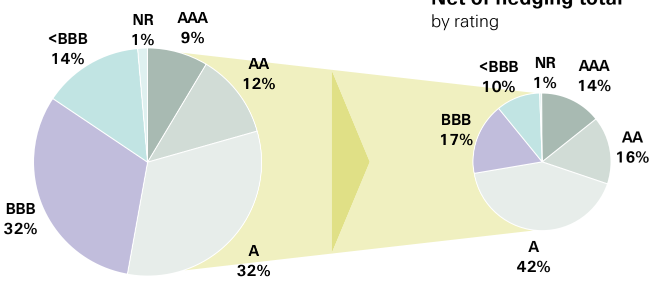
Corporate bonds

Focus on balance sheet protection - increased hedging

Total corporate bonds
by rating

Net of hedging total
by rating



In CHF mio	31 August 2008	% of Total
Resources	1 424	4%
Basic Industries	879	3%
Cyclical Consumer Goods	950	3%
Cyclical Services	1 865	5%
Energy, Utilities & Mining	3 245	9%
Financials	18 654	52%
General Industrials	2 816	8%
Information Technology	1 562	4%
Non Cyclical Consumer Goods	2 602	7%
Non Cyclical Services	1 646	5%
Total	**35 643**	**100%**

CHF m	AAA	AA	A	BBB	< BBB	NR	Total
Total	3 052	4 249	11 479	11 332	5 004	527	35 643
Hedging notional	-613	-1 574	-4 401	-8 442	-3 293	-428	-18 751
Net total	2 439	2 675	7 078	2 890	1 711	99	16 892

Hedging is presented on a notional basis; however, when viewed on an economic risk basis, hedging may have a greater impact on the portfolio
Categories have been adjusted based on detailed review of underlying

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Corporate bonds

Update since 31 August 2008 and sensitivities

31 August 2008

CHF m	Total	Sensitivity (CR01)
Market value	35 643	19.0
Hedging notional	-18 751	-14.0
Net total	16 892	5.0

19 September 2008

CHF m	Total	Sensitivity (CR01)
Market value	34 805	18.4
Hedging notional	-33 417	-19.0
Net total	1 388	-0.6

Key points

- Positive impact from FX movements partially offset by lower market values due to spread widening
- Hedging increased, mainly in the lower rated categories

→ Corporate bond portfolio continues to be actively managed, adjusting derivative hedges with market movements

Sensitivity

CR01 is the sensitivity of Swiss Re's investment portfolio per basis point move in credit spreads. As of 19 September the value of the corporate bond portfolio increases by CHF 0.6m for each basis point credit spreads widen

→ Swiss Re reduced its credit spread sensitivity by CHF 5.6m since 31 August

Hedging is presented on a notional basis; however, when viewed on an economic risk basis, hedging may have a greater impact on the portfolio

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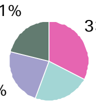
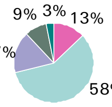
Corporate bonds - Financials

Well diversified

Financials split
gross by geography

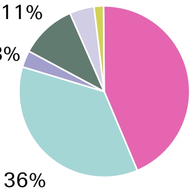


Financials split
gross by ratings



Financials split
by sub-segments

Total gross CHF 18.7bn



Key points

- Top 10 names account for less than 20% of total
- Portfolio well diversified
- Largest gross holding is CHF 410m, average CHF 345m

As of 31 August 2008

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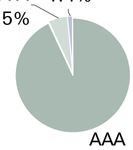
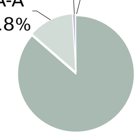
Structured products

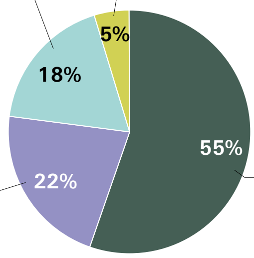
30% is Agency and further 56% is AAA

Other ABS (CHF 7.1bn; 96% par)



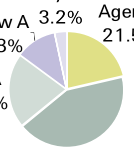
CMBS (CHF 8.5bn; 91% par)



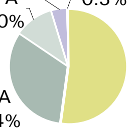


Total: CHF **39.2**bn
(92% par)

Other structured (CHF 1.9bn; 85% par)



RMBS (CHF 21.7bn; 92% par)



Includes invested assets and net off balance sheet exposures, excludes cat bonds and SCDS
As of 31 August 2008. Decision to place GSEs into conservatorship announced on 7 September 2008

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Structured products

Highly rated portfolio, continued efforts to minimize downside risk

Group has hedged sub-prime exposures within trading portfolio. Gross notional exposure is CHF 3.2 billion and is hedged using ABX index products. This hedge is designed to reduce risk of loss and effects of m-t-m volatility

There is no assurance that this hedge will be effective and we increase or decrease the amount of hedging depending on our view of market conditions

31 August 2008

CHF m	Total	Sensitivity (CRO1)
Market value	**39 237**	**14.7**

19 September 2008

CHF m	Total	Sensitivity (CRO1)
Market value	**38 932**	**14.2**

Key points

- Decrease predominantly driven by amortizations and some market value adjustments due to spread widening on the non-agency investments
- The Group has purchased CDS protection as a proxy hedge of its structured exposures
- There is significant basis risk but the effects are reduction in notional of CHF 7.9bn and a reduction in CR01 of CHF 2.7m as of 19 September 2008

→ Portfolio remains highly rated, dynamic hedging applied depending on market conditions

Hedging is presented on a notional basis; however, when viewed on an economic risk basis, hedging may have a greater impact on the portfolio

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Equities

Continued reduction of equity exposure

31 August 2008

CHF m	Market value
Listed Equities	636
Listed Real Estate	427
Strategic Holdings	618
Sub-Total	**1 681**
Hedging notional	-768
Net Equity	**913**

19 September 2008

CHF m	Market value
Listed Equities	350
Listed Real Estate	254
Strategic Holdings	553
Sub-Total	**1 157**
Hedging notional	-476
Net Equity	**681**

Key points

- Further sales in listed equities and real estate
- Hedging remains in place but aligned with reduced exposure

→ Swiss Re's net equity exposure is very low

Hedging is presented on a notional basis; however, when viewed on an economic risk basis, hedging may have a greater impact on the portfolio

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Alternative Investments

Well diversified exposures

Private equity and hedge funds follow either investment accounting or equity method of accounting

31 August 2008

CHF m	Market value
Hedge Funds	2 629
Private Equity	3 842
Real Estate	3 014
Total NAV	**9 485**

19 September 2008

CHF m	Market value
Hedge Funds	2 558
Private Equity	3 842
Real Estate	3 014
Total NAV	**9 414**

Key points

- Hedge Funds: broadly diversified portfolio, roughly equally split into fund-of-fund and direct investments
- Private Equity: both direct and indirect exposure, well diversified
- Real Estate: direct real estate investments in Switzerland and Germany and indirect private real estate investments well diversified

→ Alternative Investments are well diversified

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Structured CDS
As of 31 August 2008

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Category[1]	Par value CHF m	Par value %	Market value CHF m	Market value % of par value	Change since 30 Jun 2008
CMBS	510	11	375	74	-6pts.
ABS CDO	686	15	0	0	0pts.
Corp CDO	220	5	179	82	-1pts.
Prime MTG	1 319	28	819	62	-7pts.
Alt A/Alt B	326	7	76	23	-9pts.
Sub-prime	1 296	28	298	23	-6pts.
Euro Sub-prime	221	5	182	82	-2pts.
Wrapped ABS	66	1	24	36	-9pts.
TOTAL	**4 644**	**100**	**1 953**	**42**	**-5pts.**

- Mark-to-market loss 30 June 2008 to 31 August 2008 of CHF 245m
- Estimated mark-to-market loss 31 August 2008 to 19 September 2008 of CHF 32m, driven by Corp CDO, CMBS and Prime MTG

[1] The valuations listed above are determined by reference to the actual or similar underlying assets. A stress bid offer adjustment is also applied. On 31 August 2008 this adjustment amounted to 6% of the notional outstanding.

Corporate Portfolio CDS
Remaining PCDS book is well diversified corporate loans

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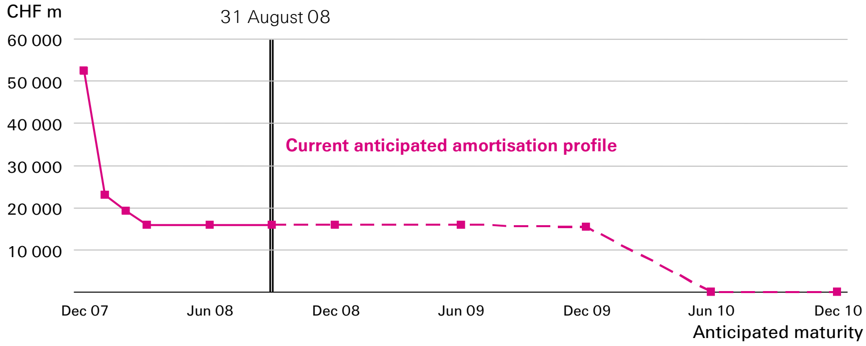
Notional exposure to PCDS



- PCDS reference predominately large investment grade and SME corporate loans
- Concentration limits per name, industry and country
- Over 590 names with average exposure of CHF 27m
- Swiss Re attaches at or above AAA-equivalent level
- Over 90% of subordination still available
- Year-to-date mark-to-market impact CHF -35m (as of 31 August 2008) and est. CHF -68m (as of 19 September 2008)

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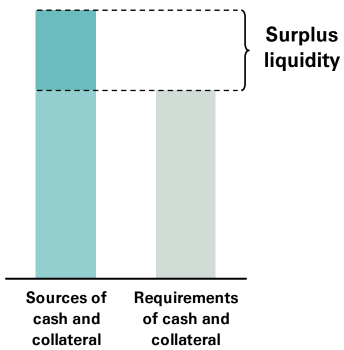
Liquidity risk measured comparing stressed requirements and sources

Measuring funding liquidity risk
Illustrative



Measures used

- **Net funding liquidity**
  Defined as the difference between sources of cash and collateral and requirements of cash and collateral
- **Funding liquidity ratio**
  Defined as the ratio of sources to requirements of cash and collateral
- **These measures are determined**
  - both in normal and stressed operating conditions, and
  - over predetermined future time intervals (90 days, one year)
  - for key legal entity groupings within which funds are freely transferable

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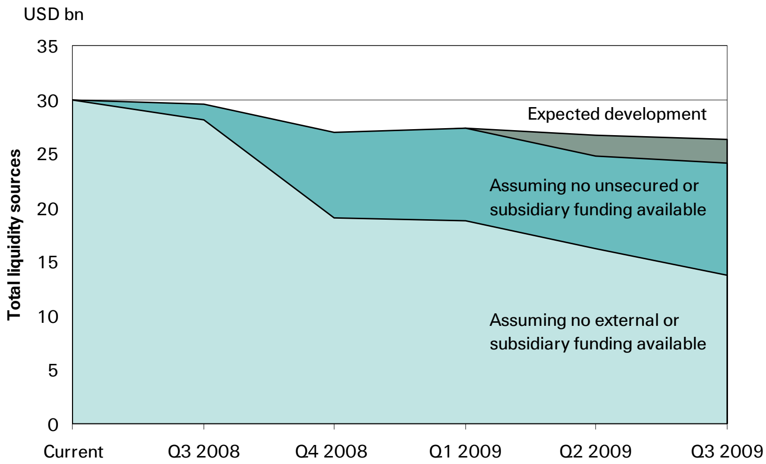
Swiss Re's central liquidity sources

Able to cover expected commitments in all scenarios



- Even if no unsecured or subsidiary funding were available, Swiss Re would still be able to meet expected funding commitments
- Allows for regulatory restrictions

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Contingent funding requirements

Ratings triggers covered by existing resources

- In addition to analysing Swiss Re's ability to meet its maturing funding commitments, our liquidity stress test considers the impact of contingent funding requirements resulting from various stress events, including:
  - collateral requirements, for example, rating triggers within existing transactions or potentially on new transactions by client demands following a rating downgrade
  - reinsurance claims payments – the extreme loss scenario assumes that Swiss Re Zurich suffers a USD 13.4bn economic loss, of which USD 4.6bn needs to be funded within a year
- If Swiss Re were to be downgraded by one notch by one of rating agencies then this would result in an estimated USD 2.6bn funding requirement, which can be adequately covered using internal resources
  - even the extreme case of a four notch downgrade, requiring estimated funding of USD 7.9bn, can be covered with internal resources

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Swiss Re's capital and liquidity position

Very strong capital and liquidity

- Swiss Re's business generates liquidity
- Swiss Re has a solid liquidity risk management framework, including weekly monitoring of the Group's liquidity position
- Swiss Re has sufficient liquidity, even in extreme market conditions where there is no external funding available for the foreseeable future
- No significant change in capital adequacy since H1 2008
- Reduction in available capital due to spread widening offset by reduction in required capital as a result of lower equity and corporate bond exposure

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Summary

- FM is focused on managing the Group's assets according to our ALM framework
- We have a well diversified, highly rated portfolio of investments
- We have reduced our exposure to corporate credit significantly
- Current markets are volatile and we remain exposed to that volatility
- Our capital and liquidity positions are very strong
- The current environment is likely to generate opportunities for our reinsurance business

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Questions & answers

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Appendix

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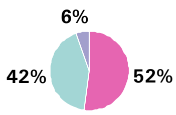
Structured products

RMBS total

Agency break-down by US government sponsored agencies



Sector CHF m	**Market value** by rating Agency	Aaa	Aa-A	Below A	NR	Total MV	Est. % par
RMBS (USD)	**11 317**	**2 713**	**744**	**381**		**15 155**	**94**
Agency	11 317					11 317	97
Non-agency Prime		1 554	1	167		1 722	92
Alt-A		961	107			1 068	72
Sub-prime (Cash)		86	54	16		156	80
Sub-prime (Wrapped)		112	582	198		892	88
RMBS (CAD)		**14**			**4**	**18**	**95**
Agency							
Non-agency Prime		14			4	18	95
Alt-A							
Sub-prime (Cash/CDS)							
Sub-prime (Wrapped)							
RMBS (ROW)		**4 326**	**1 639**	**544**	**61**	**6 570**	**88**
Prime		2 546	843	399	40	3 828	90
Non-conforming		1 263	584	75	21	1 943	83
Buy to let		517	212	70		799	89
Other							
Total	**11 317**	**7 053**	**2 383**	**925**	**65**	**21 743**	**92**

- Group has hedged sub-prime exposures within trading portfolio. Gross notional exposure is CHF 3.2 billion and is hedged using ABX index products. This hedge is designed to reduce risk of loss and effects of m-t-m volatility
- There is no assurance that this hedge will be effective and we increase or decrease the amount of hedging depending on our view of market conditions

Analysis of Structured CDS is excluded from table above and included on slide 18

As of 31 August 2008. Decision to place GSEs into conservatorship announced on 7 September 2008

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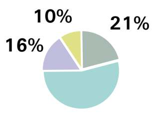
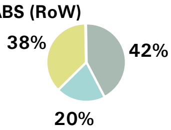
Structured products

Other total

ABS (USD)



ABS (RoW)



Sector CHF m	**Market value** by rating Agency	Aaa	Aa-A	Below A	NR	Total MV	Est. % par
CMBS		**7 350**	**1 093**	**62**	**8**	**8 513**	**91**
CMBS (USD)		4 715	524	34		5 273	91
CMBS (CAD)		311	61			372	94
CMBS (RoW)		2 324	508	28	8	2 868	90
Other ABS		**6 586**	**390**	**100**		**7 076**	**96**
ABS (USD)		5 275	195	49		5 519	96
ABS (CAD; ABS auto)		159	5			164	95
ABS (RoW)		1 152	190	51		1 393	97
Project loans	**409**				**6**	**415**	**96**
Project loans (Ginnie Mae)	409				6	415	96
CLO		**394**	**158**	**197**	**43**	**792**	**89**
CLO (USD)		14				14	91
CLO (RoW)		380	158	197	43	778	89
CDO		**111**	**92**	**15**	**12**	**230**	**57**
CDO (USD)			47			47	54
CDO (RoW)		111	45	15	12	183	58
Other structured		**307**	**149**	**12**		**468**	**84**
Other structured (USD)		132	34	12		178	86
Other struct. (RoW)		175	115			290	83
Total	**409**	**14 748**	**1 882**	**386**	**69**	**17 494**	**92**

Analysis of Structured CDS is excluded from table above and included on slide 18

As of 31 August 2008. Decision to place GSEs into conservatorship announced on 7 September 2008

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Wrapped assets

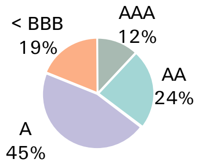
Wrapped assets by insurer/wrapper (market values)

CHF m	ACA	AMBAC	CIFG	FGIC	FSA	MBIA	RADIAN	XL Ass.	Total
Total wrapped	0	550	123	244	276	1 056	0	70	2 319

Wrapped assets by wrapped rating (market values)

CHF m	AAA	AA	A	BBB	< BBB	Total
Sub-prime	112	92	490	0	198	892
Other	164	458	566	0	239	1 427
Total	**276**	**550**	**1 056**	**0**	**437**	2 319

Total by wrapped rating



- Estimated 80% investment grade without the wrap
- Where monolines are split rated we have used the lower rating in deriving this information

Includes RMBS, CMBS, ABS, CLO, CDO

As of 31 August 2008

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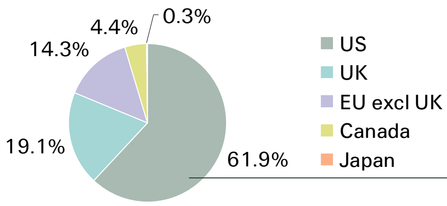
Commercial mortgage-backed securities

Total CMBS market values
by geography
CHF m



Vintage year / **Market value** by rating

CHF m	Aaa	% of par	Aa-A	% of par	Below A	% of par	Total	% of par
Pre 2003	580	98%	6	95%			586	98%
2003	111	95%	2	82%	2	74%	115	95%
2004	191	97%	10	77%	8	74%	209	95%
2005	920	93%	27	77%	10	54%	957	92%
2006	1 560	90%	143	87%	10	78%	1 713	90%
2007	1 353	91%	336	85%	4	27%	1 693	89%
Total	4 715	92%	524	85%	34	58%	5 273	91%

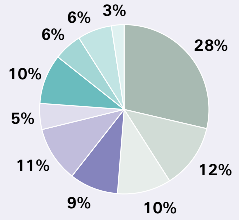
As of 31 August 2008

Corporate bond portfolio

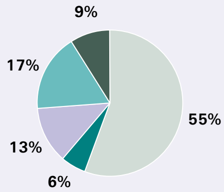
Details on BBB and <BBB

BBB rated corporate bonds
Total gross CHF 11.3bn

by industry

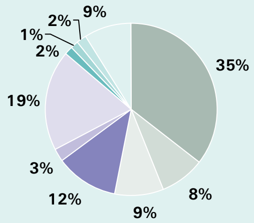


by geography

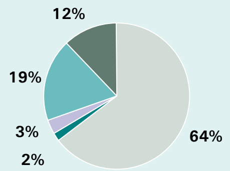


<BBB rated corporate bonds
Total gross CHF 5.0bn

by industry



by geography



- Financials
- Energy, Utilities & Mining
- General Industrials
- Non Cyclical Cons. Goods
- Cyclical Services
- Information Technology
- Non Cyclical Services
- Resources
- Basic Industries
- Cyclical Consumer Goods

- US
- Canada
- UK
- EU excl UK
- ROW

As of 31 August 2008

Investors' Day
Zurich, 25 September 2008

Financial guarantee reinsurance

Exposure breakdown

Financial Guarantee Re exposure

	AAA	AA	A	BBB	< BBB	Total	Total, CHFm	In % of TNE
Total notional exposure (TNE)	**2.1%**	**22.3%**	**35.3%**	**37.1%**	**3.1%**	**100%**	**17 403**	**100%**
Public finance (PF)	**0.0%**	**27.9%**	**42.8%**	**28.9%**	**0.3%**	**100%**	**13 492**	**78%**
Structured finance (SF)	**9.3%**	**3.0%**	**9.6%**	**65.3%**	**12.7%**	**100%**	**3 910**	**22%**
- thereof Residential Mortgage (RMBS)	14.7%	2.0%	1.3%	33.3%	48.8%	100%	918	23%
Auto loans	8.6%	0.0%	0.7%	90.7%	0.0%	100%	529	14%
Future flow receivables	0.0%	0.0%	4.6%	95.4%	0.0%	100%	465	12%
Student loans	8.7%	10.2%	10.0%	71.0%	0.0%	100%	460	12%
Operating assets	0.0%	2.5%	0.0%	97.5%	0.0%	100%	343	9%
Auto rental fleet securitisations	0.0%	0.0%	0.0%	85.4%	14.6%	100%	341	9%
Commercial Mortgage (CMBS)	91.0%	0.0%	9.0%	0.0%	0.0%	100%	138	4%
SF Other – US	3.5%	0.0%	26.7%	69.8%	0.0%	100%	252	6%
SF Other – International	2.3%	9.5%	46.0%	42.3%	0.0%	100%	464	12%

- Exposure as per latest cedent reporting
- Categories based on cedent classification

- Total technical reserves CHF 464 million, up CHF 4 million since Q2 2008
- Business put in run-off 2008

RMBS – Detailed breakdown

CHF m	Total
US RMBS – HELOC	362
US RMBS – Closed end 2nd lien	265
US RMBS – Midprime/Alt-A	157
US RMBS – Sub-prime	97
US RMBS – Prime	31
RMBS – Other	6
Total	918

As of 31 August 2008

Swiss Re

Corporate calendar & contacts

Corporate calendar

04 November 2008 **Third Quarter 2008 Results** (Conference Call)
19 February 2009 **Full-year 2008 Results**

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Swiss Re

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 to 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;
- changes in Swiss Re's investment results;
- uncertainties in valuing credit default swaps and other credit-related instruments;
- possible inability to realize amounts on sales of securities in our investment portfolio equivalent to their mark-to-market values recorded for accounting purposes;
- the possibility that our hedging arrangements may not be effective;
- 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 strength or other ratings of one or more companies in the Group;
- political risks in the countries in which Swiss Re operates or in which it insures risks;
- extraordinary events affecting Swiss Re's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- risks associated with implementing Swiss Re's 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. Swiss Re operates in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. Swiss Re undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.