



Analysts' conference call
3 April 2007

Life & Health Embedded Value 2006

George Quinn
Chief Financial Officer

Alberto Izaga
Head of Life & Health Products



Agenda

- Executive summary George Quinn

- Reconciliation 2005 to 2006 EV Alberto Izaga
- New business details
- EV earnings for 2006
- Capital movements
- Value not recognised in Primary accounts

- Appendix



L&H Embedded Value

Executive summary

EV 2006

- CHF 22.6bn, up CHF 2.6bn (CHF 3.2bn at constant fx rates)
- GE Insurance Solution acquisition ("GEIS") adds CHF 2.0 bn

EV new business 2006

- Value added of CHF 664m up 135% (2005: CHF 283m)
- GE Life Admin Re[®] transaction added CHF 256m in value
- Improved margins on new traditional business

EV earnings 2006

- EV Profit (value added by new business, experience variance and operating assumption changes) CHF 1.0bn, up CHF 0.4 bn (2005: CHF 0.6bn)
- Total EV earnings CHF 2.4bn (2005: CHF 1.7bn), up 38%

GEIS Acquisition

- New business generation exceeds expectations
- Retention levels close to 100%

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Embedded value increases

CHF 2.6bn to CHF 22.6bn (+13%)

CHF m	2005	2006
Opening embedded value	17 059	20 065
EV of acquired GEIS businesses ¹	n.a.	1 989
Impact of move to EEV	161	n.a.
EV earnings	1 720	2 367
Exchange rate movements	1 910	-526
Capital movements ²	-785	-1 257
Closing embedded value	20 065	22 639

- Higher earnings and acquisition lift embedded value
- Strong capital generation with CHF 1.3bn of capital repatriated
- Partially offset by the effects of weaker USD

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¹ The embedded value of GEIS businesses at 12 June 2006, using 2006 year-end economic assumptions

² Excluding the GEIS acquisition.

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EV earnings added 12%, GEIS acquisition another 10%

Reconciliation 2005 to 2006 EV

CHF m

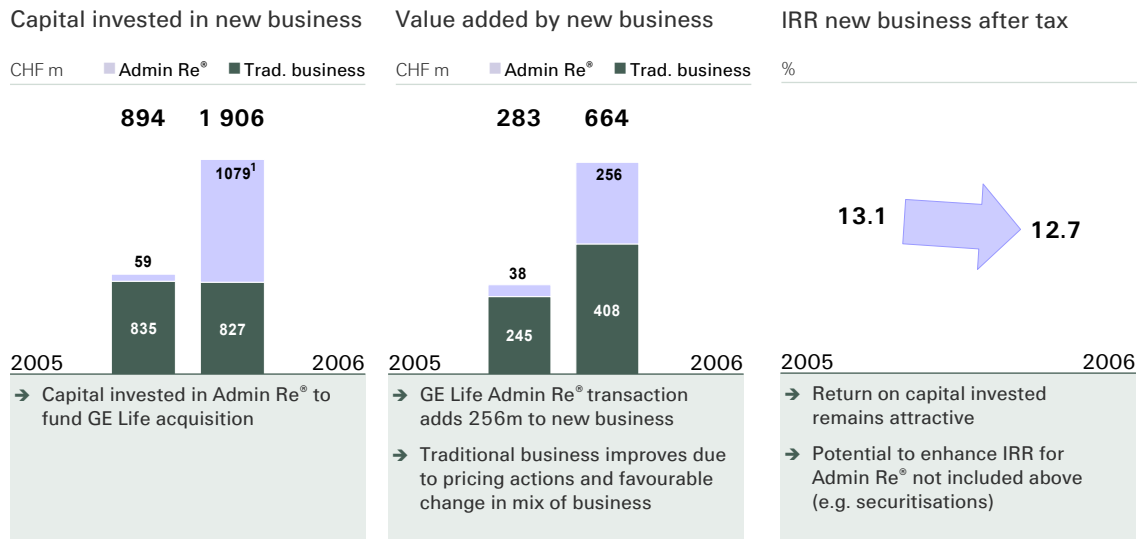
EV 2005		20 065	
FX impact ¹		-632	Mainly due to weaker USD
EV 05 at 06 FX Rates		19 433	
EV of acquired GEIS		1 989	
New business value		664	Successful Admin Re® deal in the UK, and improved margins on traditional new business
EV Earnings (excl. new business)		1 703	
Capital movements		-1 257	Strong capital generation partially offset by investment into new business
FX impact ²		107	
EV 2006		22 639	

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¹ 2006 vs. 2005 year-end rates

² Impact on earnings and capital movements from average rates to year-end 2006 rates

Strong new business value added



Slide 7 ¹ At average FX rates

EV Profit up 85% to CHF 1 bn

CHF m	2005	2006	
Value added by New Business	283	664	
Op. assumption changes	42	409	→
Experience variances	237	-35	→
EV profit	562	1 039	
Expected return on in-force	923	1 116	→
Expected return on ANW	317	336	→
Investment variances	234	-35	→
Eco. assumption changes	-316	-88	→
EV earnings	1 720	2 367	

Positive assumption changes and experience variance primarily due to favourable mortality and morbidity development, partially offset by negative experience variance due to increase in variable compensation

Expected return on existing business increased due to higher opening EV

Mainly due to an increase in interest rates in the main markets

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L&H generated capital of CHF2.9bn

CHF m

Capital invested in new Admin Re [®] business	1 079
Invested in new traditional business	827
Repatriated to Group	1 257
Reduction in Free Surplus	-242
Total	2 920

→ Capital invested to acquire the GEIS L&H business is not included in the numbers above, it is included in the numbers as "EV of acquired GEIS" shown on slide 6

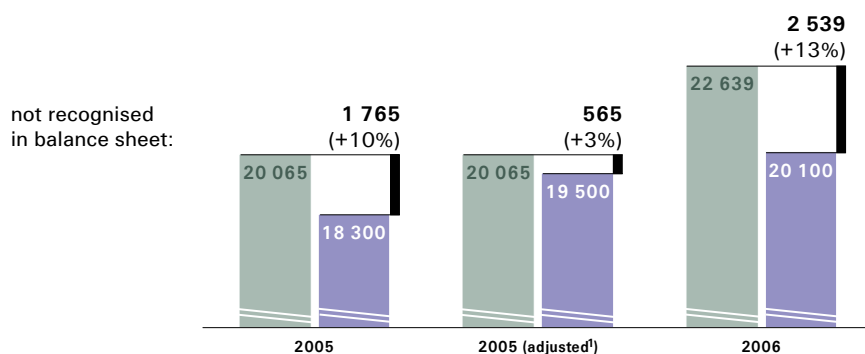
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Value not recognised in the Primary Accounts (US GAAP)

Embedded value vs. Net asset value

CHF m ■ Embedded value ■ Net asset value recognised in balance sheet



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¹ Approximate impact of moving from Swiss GAAP to US GAAP

Excellent 2006 EV Results

EV 2006

- CHF 22.6bn, up CHF 2.6bn (CHF 3.2bn at constant fx rates).

EV new business 2006

- Value added of CHF 664m up significantly (2005: CHF 283m)
- GE Life Admin Re[®] transaction added CHF 256m in value

EV earnings 2006

- EV Profit CHF 1.0bn, up CHF 0.4 bn (2005: CHF 0.6bn)
- Total EV earnings CHF 2.4bn (2005: CHF 1.7bn), up 38%

GEIS Acquisition

- Added CHF 2.0bn at acquisition date

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Assurance of Embedded Value

For the 2006 embedded value results Swiss Re complies with European Embedded Value principles. PricewaterhouseCoopers (PwC) has provided reasonable assurance of the 2006 embedded value and embedded value earnings calculations and issued an unqualified opinion in accordance with ISAE 3000. The full assurance report has been posted on our website.

Key economic assumptions

	Risk discount rate (RDR)		Risk free rate ¹		Fixed interest reinvestment rate	
	2005	2006	2005	2006	2005	2006
Euro zone	6.1	6.8	3.3	3.9	3.5	4.0
UK	7.0	7.6	4.1	4.8	4.1	4.6
USA	7.3	7.6	4.4	4.8	5.3	5.5
Canada	7.0	7.0	4.2	4.2	4.7	4.7

Equities: Assumed pre-tax rate of return equals risk free plus 350 basis points

→ Average risk discount rate at end of 2006: 7.5% (7.0% in 2005 EEV)

¹ Based on 10 year government fixed interest bonds

Components of Embedded Value

CHF m	2005	2005 EV at '06 fx rates	2006
Free surplus	2 134	2 059	1 892
Required capital	7 266	6 981	8 729
Adjusted net worth	9 400	9 040	10 621
Value of in-force business	12 248	11 903	13 779
Cost of holding required capital	-1 583	-1 510	-1 762
Embedded value	20 065	19 433	22 639

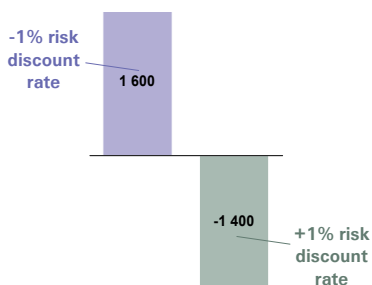
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Economic sensitivity of EV to assumption changes

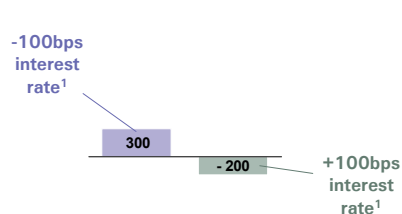
Risk discount rate

CHF m; Base value 22 639



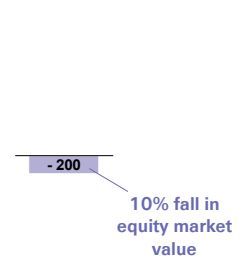
Interest rate environment

CHF m; Base value 22 639



Equity market

CHF m; Base value 22 639



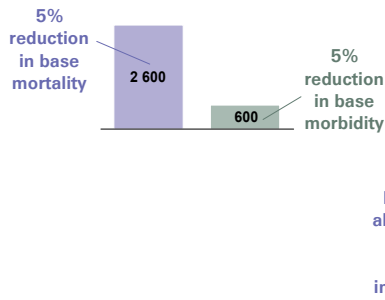
¹ Impact of 100bps reduction in the interest rate environment at all durations with an equivalent reduction in risk discount rates and equity returns

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Operating sensitivity of EV to assumption changes

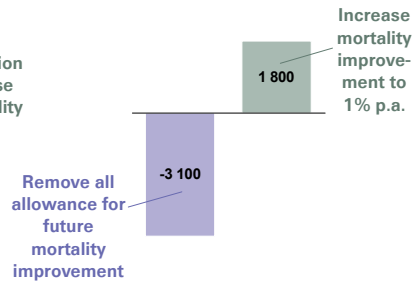
Mortality/morbidity

CHF m; Base value 22 639



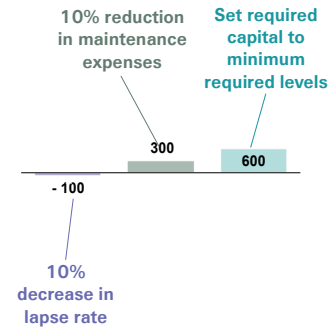
Mortality improvement

CHF m; Base value 22 639



Other

CHF m; Base value 22 639

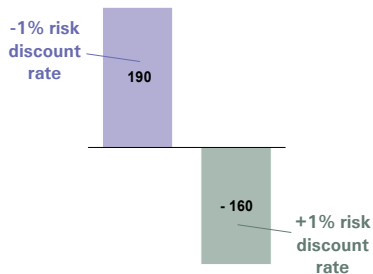


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Economic sensitivity of value added by new business to assumption changes

Risk discount rate

CHF m; Base value 664



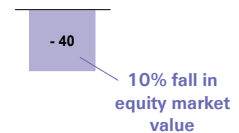
Interest rate environment

CHF m; Base value 664



Equity market

CHF m; Base value 664



¹ Impact of 100bps reduction in the interest rate environment at all durations with an equivalent reduction in risk discount rates and equity returns

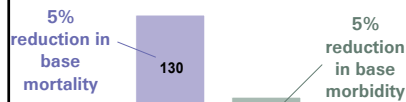
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Operating sensitivity of value added by new business to assumption changes

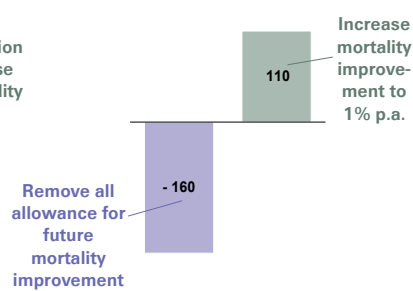
Mortality/morbidity

CHF m; Base value 664



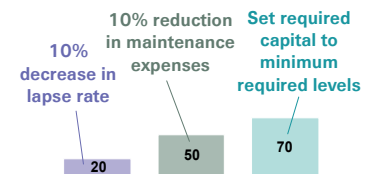
Mortality improvement

CHF m; Base value 664



Other

CHF m; Base value 664



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Method used by Swiss Re to set risk adjusted discount rates under EEV

- Risk discount rates have been set equal to risk free rates plus a risk margin
- Risk free rates have been based on 10 year government bonds for each major currency (15 years for Canada)
- Risk margin based on the systematic risk (Beta) of statutory profit stream plus additional margin of 2.5% for insurance and other risks
- Material financial options and guarantees evaluated explicitly have been excluded in calculating Beta

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Key parameters for risk adjusted discount rates

- Excluding products with financial options and guarantees, beta of aggregate L&H profit stream is less than 0.1
 - most business is protection with no exposure to equity markets
- Equity risk premium of 3.5% in line with research conducted by Swiss Re during 2005. Due to the low beta of L&H business this is not a key assumption
- Additional margin of 2.5% for insurance and other risks
 - sensitivities illustrate impact of alternative values
- Example: $US\ RDR = 4.8\% + 0.1 * 3.5\% + 2.5\% = 7.6\%$



Exchange rates

Average rates

	USD/CHF	EUR/CHF	GBP/CHF	CAD/CHF
Factual 2005	1.24	1.55	2.26	1.03
Factual 2006	1.25	1.57	2.30	1.11
Change Factual 2005/Factual 2006	0.8%	1.3%	1.8%	7.8%

Closing rates

	USD/CHF	EUR/CHF	GBP/CHF	CAD/CHF
Factual 2005	1.32	1.55	2.26	1.13
Factual 2006	1.22	1.61	2.39	1.05
Change Factual 2005/Factual 2006	-7.6%	3.9%	5.8%	-7.1%

Corporate calendar & contacts

20	April	2007	143th Annual General Meeting	
08	May	2007	First Quarter 2007 Results	Conference Call
07	August	2007	Interim 2007 Results	Conference Call
06	November	2007	Third Quarter 2007 Results	Conference Call
11	December	2007	Investors' Day	

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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.

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