

Swiss Re



Merrill Lynch
Banking & Insurance CEO Conference 2006

Jacques Aigrain
Chief Executive Officer

“Risk, Return & Growth – Getting the Balance Right”


London, 5 October 2006

Swiss Re



Agenda

- Strategy update
Best-in-class customer service and attractive shareholder returns
- 2006/2007 renewals
Reinsurance pricing levels remain firm
- Product innovation
New products and markets being developed
- Summary

Strategy update Swiss Re


Strategy (I)

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

Strategic direction

Building blocks

- Generate economic profit growth
- Reduce earnings volatility
- Enlarge market scope

Foundation of success

- Advance organisational excellence

Deliverables

Best in class customer service

Attractive shareholder returns

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 Slide 3

Strategy update Swiss Re


Strategy (II)

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

Slide 4



Strong performance in 1 H 2006

- Overall net income up 16% vs 1H 2005 ✔
- Total combined ratio of traditional non-life business at 92.7% ✔
- Underlying portfolio profitability increased as a result of attractive rates and tighter terms & conditions introduced in previous years ✔
- L&H continued strong contributor ✔
- Good investment performance with ROI of 5.3% ✔
- Acquisition of Insurance Solutions completed on 9 June 2006 ✔
- Operational expense savings still to come ✘

Slide 5



Intelligent cycle management and efficient capital allocation

➔ Focus on profitability not volume to grow earnings and enhance returns

July renewals incl. Insurance Solutions

CHF m	Property proportional	Property non-proportional	Liability	Motor	Specialty	Credit Solutions	Total
Growth	-28%	36%	2%	-10%	18%	0%	6%
Premiums expiring	510	725	1 210	100	305	20	2 870
Premiums 2006	365	985	1 235	90	360	20	3 055

■ Diversified business model

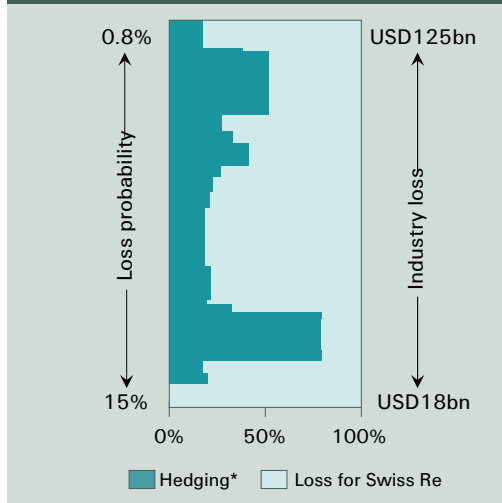
- ➔ capital deployed to the most profitable areas
- ➔ mitigates the more extreme effects of the cycle, thus generating sustainable high returns

Slide 6

Capital markets expertise, scale and diversification

- Size and technical expertise enable Swiss Re to be a leader in a wide variety of reinsurance and capital markets measures to manage volatility and diversify risk (e.g. ILS, ILW, swaps, equity hedging, buying credit protection)
- Managing volatility will lead to more efficient use of capital, ensuring higher and more consistent returns for shareholders
- Sound risk management, ensuring strong reserve adequacy and thus making sure that investors benefit from profitable underwriting

Swiss Re's US onshore hurricane hedging



Slide 7

* Data includes assumptions about the basis risk between inwards indemnity covers and outwards hedging based on parametric or market loss triggers.

Swiss Re's cat bond history

Deal	Size	Closing date	Peril
SR Earthquake Fund	USD 137m	16.10.'97	CA EQ
SR Wind	USD 120m	09.05.'01	US / European wind
PIONEER	USD 512m	26.06.'02 (1 st take-down)	US wind, CA EQ, Central US EQ, EU wind, JP EQ
Arbor Program	USD 498m	24.07.'03 (1 st take-down)	US wind, CA EQ, EU wind, JP EQ
Vita	USD 400m	05.12.'03	Extreme mortality
Queensgate	USD 245m	20.01.'05	Embedded value
Vita II	USD 362m	13.04.'05	Extreme mortality
ALPS	USD 370m	23.12.'05	Embedded value
Crystal Credit	EUR 252m	13.01.'06	Credit reinsurance
Australis	USD 100m	26.01.'06	Australia wind / EQ
Successor Program	USD 1bn	06.06.'06 (1 st take-down)	US wind, CA EQ, EU wind JP EQ

CA = California
 US = United States
 JP = Japan
 EQ = earthquake

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Slide 8

Strategy update



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

- Innovation is key to helping our clients and enlarging our market scope:
 - New geographic areas
 - New products: health, engineering, longevity, annuity
 - Leveraging the Group’s financial markets expertise for the benefit of our clients: catastrophe bonds, trade credit insurance solutions, annuity

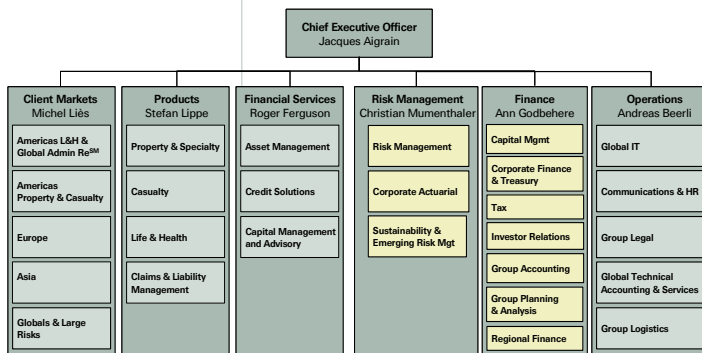
- With its proven track record of successful integrations, Swiss Re continues to be an industry consolidator if transactions meet our criteria of strategic fit and value creation

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Slide 9

Strategy update



Efficient processes, innovative skills and professional expertise










■ Divisions
■ Departments

- Disciplined underwriting and high-quality standards match clients’ needs for a partner committed to long-term value
- Attract, develop and retain best people to ensure clients are provided with highest levels of expertise and service
- Effective risk control, separating responsibilities for client service, underwriting, reserving and reporting. Chief Risk Officer is a member of Executive Board
- Results-oriented approach with focus on efficient business processes: Swiss Re targets at least USD 300m cost reduction by end 2007 from IS acquisition

Slide 10

Reinsurance pricing levels remain firm

- There is no room for declining RoEs in the industry → either underwrite price-adequate business or use alternatives for capital required
- Rating agencies' capital charge for peak risks structurally impacts demand and asset allocation

Property incl. nat cat US	
Property incl. nat cat (excl. US)	
Casualty overall (excl. motor)	
Motor	
Casualty critical risks/products (e.g. D&O)	
Special lines	
Marine offshore	

P&C: Engineering
 Strategically defined focus on growth areas

Rationale for growth

- High return on invested capital
- Complimentary to other P&C lines and low correlation with cat events
- Innovative solutions with higher barriers to entry, high degree of technical expertise required which is internally available, longer tail
- Niche line of business serving as door opener
- Environmentally friendly

Areas of focus




Working with global insurance company providing sustainable energy solutions




Researched & developed stand-alone data & systems recovery reinsurance product. Swiss Re first to offer in market




Actively increasing penetration in selected markets where previously under represented

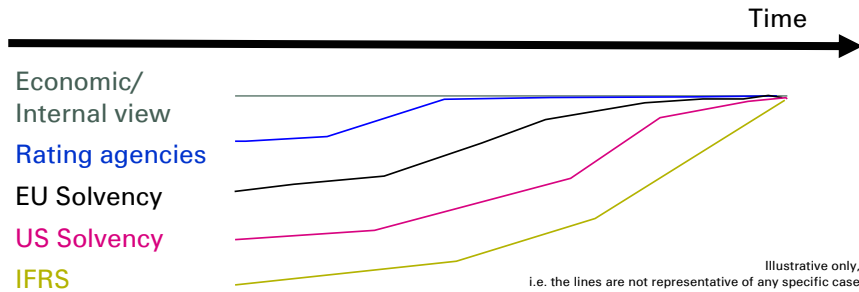
	<p>Product innovation</p> <p>Swiss Re </p> <p>P&C: Commercial Insurance</p> <p>Organic growth of core commercial business</p>
<p>Environment today</p>	<ul style="list-style-type: none"> ■ Swiss Re has a niche-focused strategy in US and Canada ■ Strong distribution network and highly digitised platform ■ ~800m USD premium base – emphasis on casualty products ■ Post- acquisition portfolio review complete → ready for selective and targeted growth ■ Portfolio addition diversifies and compliments existing Swiss Re portfolio
<p>Growth actions</p>	<ul style="list-style-type: none"> ■ Continue niche strategy ■ Target: 10 - 20% USD premium increase in 2007 ■ Increase share of market through geographic expansion and risk appetite ■ Drive organic growth opportunities in property, E&S and professional liability ■ Simplify footprint and share resources with existing NAS operation
<p>Slide 13</p>	

	<p>Product innovation</p> <p>Swiss Re </p> <p>Financial Services: Credit Solutions</p>
<p>Merrill Lynch CEO Conference London, 5 October 2006</p> <p>Slide 14</p>	<ul style="list-style-type: none"> ■ Good opportunities in Asian market, mainly Japan, Korea, Singapore and Hong Kong ■ High demand for trade finance, corporate credit solutions and credit and surety business ■ Shape regulatory and legal framework allowing healthy and broad credit market development (e.g. China) ■ Swiss Re currently developing products and working to diversify the client base ■ Strong footprint in Asia enhances business opportunities

<p>Product innovation</p> <p>L&H products</p> <p>Exploring new markets</p>		<p>Swiss Re</p> 
<p>Health (medical insurance)</p> <ul style="list-style-type: none"> ■ Provide solutions in Asia (India, China) ■ Establish claims processing capabilities and Medical Services Providers (MSP) network with strategic partnerships ■ Define exposure and terms & conditions → Swiss Re open for business by year end 	<p>Variable annuities</p> <ul style="list-style-type: none"> ■ Develop products to reduce risk of variable annuity guarantees, while controlling Swiss Re's risk ■ Discussions underway with clients willing to share experience data and partner with Swiss Re on product development ■ Continued development work with clients in the US and Japan 	<p>Longevity</p> <ul style="list-style-type: none"> ■ Develop longevity products with attractive pricing for investment, longevity and credit risk ■ In-force transaction or quota shares for new business → Range of interested clients, primarily in UK
<p>Slide 15</p>		

<p>Summary</p> <p>Strongly capitalised companies will benefit from upcoming solvency changes</p>		<p>Swiss Re</p> 
<ul style="list-style-type: none"> ■ Regulators and rating agencies require insurance companies to manage against more conservative risk criteria than before, e.g. S&P nat cat model changes: <ul style="list-style-type: none"> - 1 in 100 year → 1 in 250 year event - event based → annual aggregate - non-proportional → non-proportional, proportional and fac ■ EU Solvency II risk based capital requirement will lead to recognition of diversification benefits and benefit companies with strong risk management frameworks like Swiss Re ■ Growth opportunities for Swiss Re to offer solutions to customers 		
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Views on capital will converge

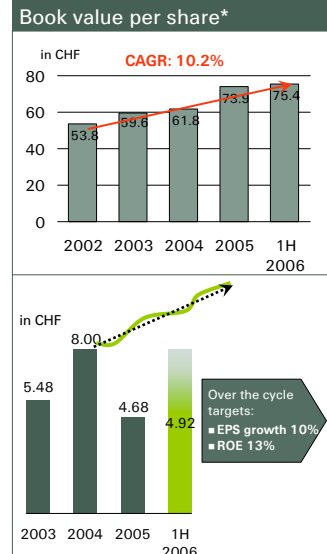
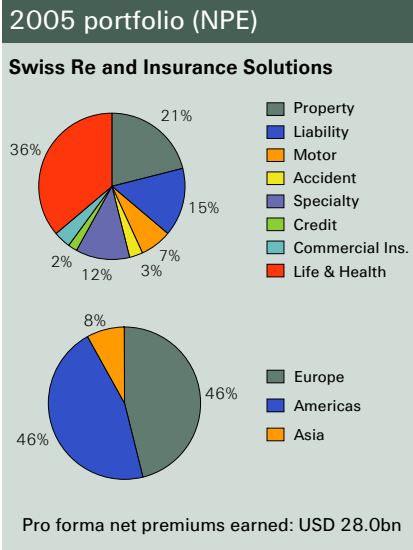


Convergence will allow

- Movement towards optimal economic portfolio composition
- Full diversification benefits to be recognised
- Reduction in required capital for large diversified players

“Risk, Return & Growth – Getting the Balance Right”

- Focus on economic profit, not volume
- Due to size, diversification and strong balance sheet, Swiss Re is well positioned to write complex and long tail business, if transparency of risks, pricing and terms and conditions are adequate
- Key challenges are to further improve efficiency of operations and optimise the capital structure



* based on shares entitled to dividend

Corporate calendar

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| 20 November 2006 | Investors' day, Rüschtikon
- US GAAP conversion
- Reserves |
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| 1 March 2007 | Annual results 2006, Analysts' meeting |
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Cautionary note on forward-looking statements

Certain statements contained herein are forward-looking. These statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact. Forward-looking statements typically are identified by words or phrases such as "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as "will", "should", "would" and "could". These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause 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 completed and future investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transaction, including the ability to efficiently and effectively integrate the former GE Insurance Solutions operations into our own;
- 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 investment 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.