



Conference call

Swiss Re expects CHF 1.2 billion mark-to-market loss from its credit underwriting activities

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19 November 2007



Agenda

- Introduction
- Transaction structure
- Overview of other exposures
- Steps taken

- Appendix

Introduction

- Thorough review completed 18 November identified two related Credit Solutions transactions with exposure to MBS, including ABS CDOs – total notional is CHF 5.3 billion:
 - Transactions generated losses of CHF 104 million through first nine months of 2007
 - October results revealed mark-to-market loss of CHF 1.2 billion pre-tax, CHF 981 million after tax
 - Primary driver was October downgrades combined with continuing illiquidity
- Detailed review of investment and trading portfolio suggests no major impact (see slide 6)

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Transaction structure

- Transactions are structured as CDS protection on MBS portfolio managed by third party
- First was written in 2006, second in 2007
- Originally structured to attach at super senior level, with risk of loss considered remote
- Underlyings are MBS, both CMBS and RMBS (in prime, midprime and subprime form) and CDOs

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Underlying security structure

→ ABS CDO
 marked to zero

CHF million unless otherwise stated

Category	Par	% of Par	Oct Mkt Value %	Market Value
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	98.6	68.4	3 602.6

Portfolio mark-to-market	1 666.3
Subordination	- 337.0
Prior mark-to market	- 103.5
October mark-to-market	1 225.8

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Overview of other exposures

Other mark-to-market impact in October

CHF million

Structured assets within investment portfolio	
Agency and non-agency RMBS and CMOs included in investment assets	-199
ABS trading book	
Included in Financial Services trading assets	-79
Portfolio CDS, super senior	
(underlying reference assets are corporate)	-22
Bank originated, well diversified derivative financial instruments	
TOTAL	-300

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Overview of other exposures Monoliners

■ **Wrapped securities**

Total exposure to wrapped securities is CHF 2.4 billion, but underlying credit is unimpaired

→ No significant impairment effect on income statement expected

■ **Financial Guarantee Re**

Treaties exclude CDOs/CLOs, bulk of exposure is in municipals. Reinsurance only triggered by an actual cash loss, not by mark-to-market

→ Impact not expected to be material

Steps taken

- Swiss Re has executed a thorough review of other CDS exposures and is satisfied that it has no similar exposures
- A detailed review of exposures in both the investment portfolio and the trading portfolio revealed no similar concerns
- Swiss Re has strengthened the processes around credit and financial market risk taking
- Active management of non traded portfolios has been reinforced

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Investment portfolio: Structured

<i>as of 9 Nov 2007</i>	Aggregate (Global)		Aggregate (US only)	
	Market value CHFm	Percentage of aggregate global structured portfolio	Market value CHFm	Percentage of US structured portfolio
Agency CMO	6 248	18%	6 248	27%
Non-Agency CMO	1 697	5%	1 697	7%
MBS Agency	6 551	19%	6 561	29%
MBS Non-Agency	6 589	19%	255	1%
CMBS	6 091	18%	3 735	17%
Total	27 176	79%	18 496	81%
	Total global structured portfolio CHF 34 366m		Total US structured portfolio CHF 22 862m	

→ 87% US RMBS and CMO is agency

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Financial Services assets trading portfolio

CHF million

Financial Services assets classified as 'trading' as at 30 Sep 2007	32 255
Other	15 637
Subtotal	47 892
Longevity transaction	- 4 193
Collateral	- 2 160
Actual 'trading' book, incl. client hedging on credit/variable annuity	41 539

Analysis

Corporate bonds	12 777
Equities	4 677
Derivatives	3 735
ABS	3 711
CMO	2 298
Cat bonds	1 867
CMBS	1 706
MBS	1 691
Government bonds	1 654
Securities in transit	1 038
Commercial paper	859
Reverse repos	556
Convertibles	545
Corporate loans	475
CDOs	361
Other	3 589
Total	41 539

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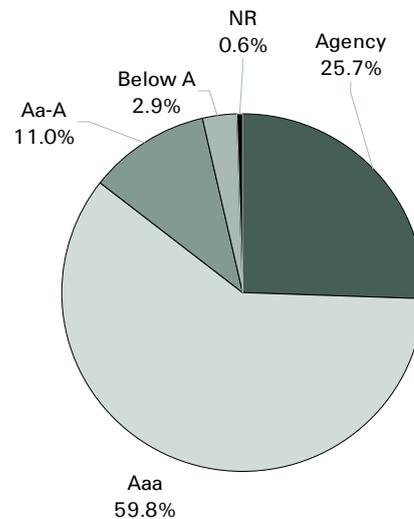


Rating of structured assets*

Structured assets by rating

CHF million

Market value 54 506



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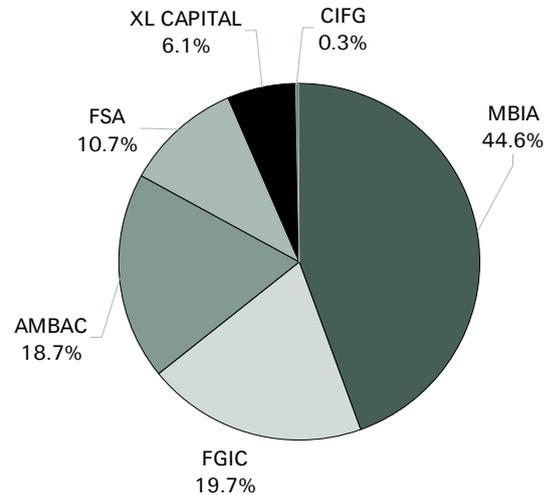
* RMBS, CMO, CMBS, ABS, CLO and CDO in investment assets, FS trading assets and credit solutions

Breakdown of wrapped assets*

Bonds held by percentage

CHF million

Total 2 406



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* RMBS, CMO, CMBS, ABS, CLO, CDO

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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