

Swiss Re



Sal. Oppenheim

European Financials Conference 2007

George Quinn

Chief Financial Officer

Zurich, 21 November 2007



Today's agenda

- **Swiss Re at a glance**

- **Business performance**

- Property & Casualty
- Life & Health
- Financial Services

- **Strategy and outlook**



Swiss Re at a glance



Headquarter, Zurich



Centre for Global Dialogue, Rueschlikon



The "Gherkin", London

Sal. Oppenheim
EU Financials Conference 2007
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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**" (stable outlook) by Moody's and "**A+**" (stable outlook) by A.M. Best

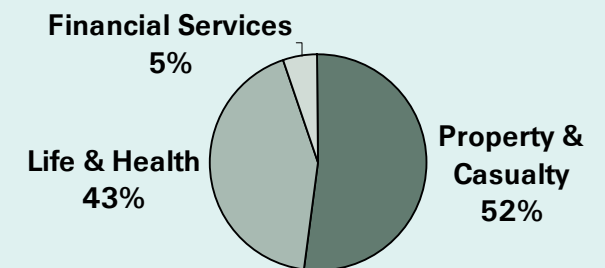
Key statistics

	FY 2006 CHF bn (USD bn)	YTD 2007 ¹ CHF bn
Premiums earned:	29.5 (23.5)	23.9
Net income:	4.6 (3.6)	4.0
Shareholders' equity:	30.9 (24.6)	32.4
P&C combined ratio:	90.4%	89.7%

¹first three quarters

Revenues by business

(Total 2006: CHF 40.3bn)





2006 and YTD 2007 results

Summary

Performance

Quality

Shareholders' equity, buy-back, returns

Results 2006

- **Net income** CHF 4.6bn, up 98%
- **EPS** of CHF 13.49
- **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 0.5bn
- **Investment performance:** RoI 5.3%
- **Shareholders' equity** up 27% to CHF 30.9bn
- **Share buy-back plan** of up to CHF 6bn over a 3 year period; CHF 1.7bn done on 1 March 2007
- **RoE** 16.3%, up from 10.3% in 2005

Results YTD 2007

- **Net income** of CHF 4.0bn, up 23%
- **EPS** of CHF 11.47
- **P&C:** operating income up 25% to CHF 4.5bn, combined ratio 89.7%
- **L&H:** profit up 7% to CHF 1.4bn
- **FS:** profit down 13% to CHF 0.3bn
- **Investment performance:** RoI 5.3%
- **Shareholders' equity** up 5% to CHF 32.4bn despite on going share buy-back programme and dividend payout
- **Share buy-back programme** at 9 Nov 2007 already in excess of CHF 2bn incl. GE buy-back
- **Book value per share:** CHF 92.35
- **Annualised RoE YTD** 17.2%



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

Talent, culture and organisational efficiency

through

Efficient processes, innovative skills and professional expertise

Higher sustainable shareholder returns

Best-in-class customer service



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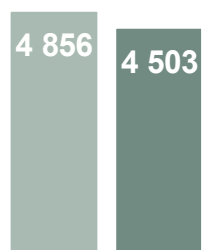
Property & Casualty

Very strong result

Premiums earned

CHF m

Change
-7%



Q3 2006

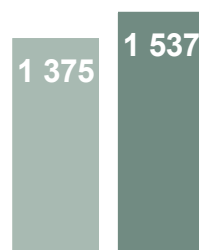
Q3 2007

- Premiums decreased mainly due to selective underwriting and higher client retentions
- Premiums for traditional business YTD 2007 at CHF 13.4bn (CHF 12.2bn YTD 2006), reflecting full year inclusion of Insurance Solutions

Operating income

CHF m

Change
+12%



Q3 2006

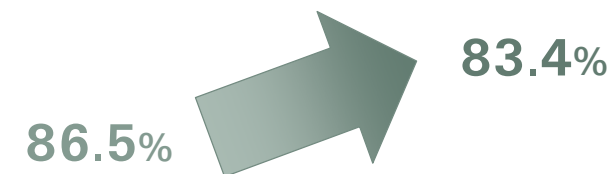
Q3 2007

- Rise in operating income reflects an excellent underwriting performance, low nat cats and a modest release of prior year reserves (CHF 170m)
- Operating income YTD 2007 CHF 4.5bn (CHF 3.6bn YTD 2006)

Combined ratio, traditional

%

Change
-3.1 pts.



Q3 2006

Q3 2007

- Improvement due to strong underwriting performance, especially in the property and specialty lines
- Q3 2007 benefited from another benign hurricane season
- Combined ratio YTD 2007 89.7% (90.1% YTD 2006)



Property & Casualty

Reducing volatility

Earnings volatility events

CHF m	Return period	Market loss	Est. Swiss Re gross claims	Est. claims hedge effect	Est. net claims
Hurricane NORTH ATLANTIC	25 yrs	66 000	1 700	- 800	900
Windstorm EUROPE	25 yrs	15 500	1 500	- 700	800
Earthquake CALIFORNIA	50 yrs	27 000	1 600	- 200	1 400
Earthquake JAPAN	50 yrs	18 000	1 000	- 100	900



Claims exceeding these figures are considered as "extreme" claims

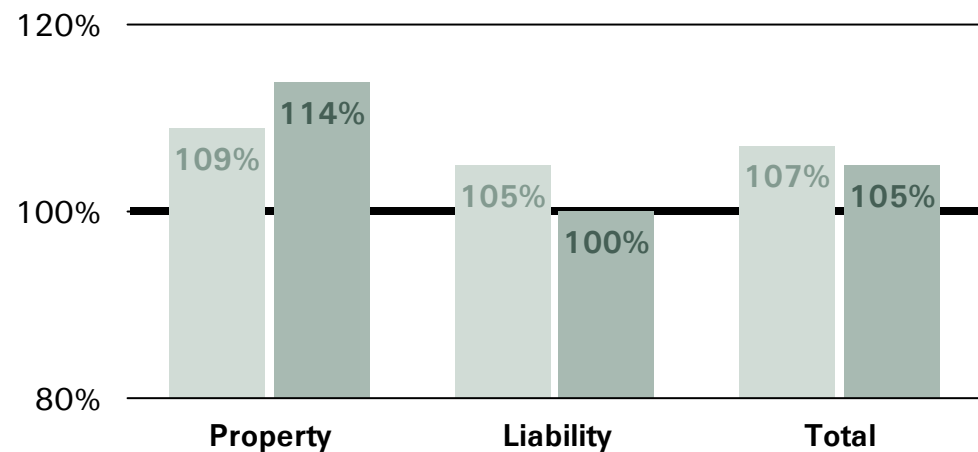


Overall treaty business profitability further increased in July 2007 renewals

- Overall price adequacy, including new business, increased from 112% to 115% in July 2007 renewals, despite reduction in rates of 2% in average
- Property still at attractive levels (especially for nat cat), pressure on liability
- Capacity withdrawn where prices were not adequate, most notably in US casualty (reduction by 34% in July renewals, one fifth YTD 2007, 15-20% since January 2006 on a comparable basis) → Swiss Re acts as a leader
- Higher client retention levels are continuing
- 40% of the business written in July will flow into 2007 GAAP accounts, 60% is baked in for future year profitability (mostly 2008)

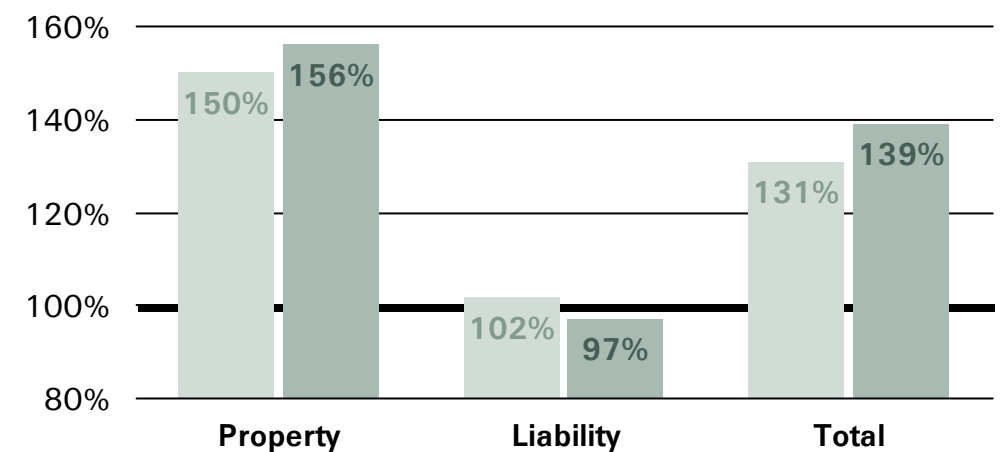
Proportional

Achieved price as % of technical reference price



Non-proportional

Achieved price as % of technical reference price



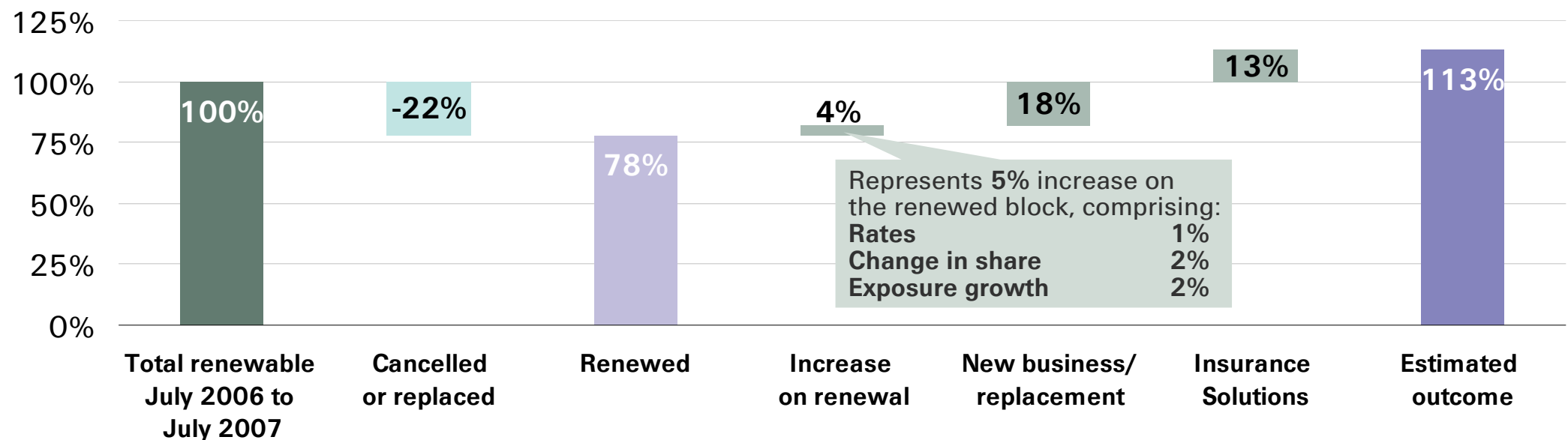


July 2006 to July 2007 renewals

Growth at high quality point of cycle

- Since July 2006 Swiss Re has grown its non-life reinsurance portfolio by 13%
- Premium volume for “old” Swiss Re book at stable levels complemented by successful renewals of acquired Insurance Solutions business
- Increase on renewed Swiss Re book includes 1% higher margins
- Former Insurance Solutions business underwritten and priced on Swiss Re standards with improvement in underlying profitability

52 week renewals traditional portfolio





Outlook January 2008 renewals

Continued bottom line focus – at expense of top line if necessary

Expected development of reinsurance rates

Property Europe (incl. nat cat)



Property US (incl. nat cat)



Casualty overall (excl. motor)



Motor



Casualty critical risks/products



Specialties



Credit



Life and health





Excess capital being returned to shareholders

Sample of major share buy-backs announced and/or completed in 2007

Company	Buy-back	Announced	Timing	Total	% Mkt Cap
Aegon	EUR 1bn	09 Aug 2007	By end 2007	EUR 1bn	4.6%
AIG	USD 3bn	01 Mar 2007	After 2007	USD 8bn	4.8%
	USD 5bn	02 Mar 2007	In 2007		
Axa	EUR 1.3bn	09 Aug 2007	H2 2007	EUR 1.9bn	3.1%
	EUR 0.6bn	Before 2007	H1 2007		
Generali	EUR 1.5bn	02 Aug 2007	18M from end Apr 2007	EUR 1.5bn	3.5%
ING	EUR 5bn	04 Jun 2007	12M from Jun 2007	EUR 5bn	7.6%
Legal & General	GBP 1bn	26 Jul 2007	Within 12M	GBP 1bn	10.7%
Munich Re	EUR 3bn	04 May 2007	By end 2010	EUR 6bn	21.2%
	EUR 2bn	04 May 2007	By Apr 2008		
	EUR 1bn	07 Nov 2006	Concluded Feb 2007		
Swiss Re	CHF 6bn	01 Mar 2007	By Mar 2009	CHF 6bn	15.5%
Zurich	CHF 1.25bn	15 Feb 2007	Ended Jun 2007	CHF 1.25bn	2.5%
Total of approx.				CHF 45bn	

→ This (incomplete) sample of buy-backs adds up to more than 3% of total industry surplus, pointing to underwriting discipline being maintained



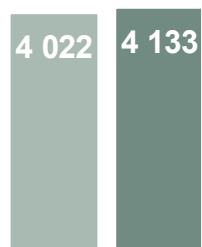
Life & Health

Excellent results across all lines of business

Operating revenues

CHF m

Change
+3%



Q3 2006

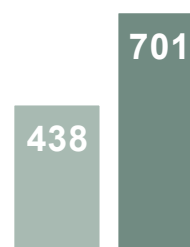
Q3 2007

- Increase reflects acquired GE Life UK business and growth in traditional life business
- Operating revenues YTD 2007 up 17% to CHF 13.0bn (CHF 11.1bn YTD 2006)

Operating income

CHF m

Change
+60%



Q3 2006

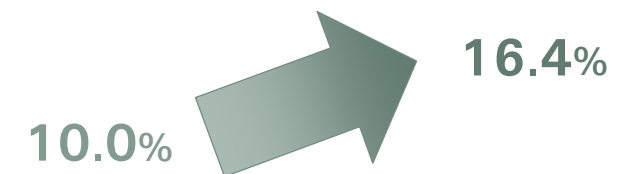
Q3 2007

- Reflects excellent performance in all lines of business
- Operating income YTD 2007 up 7% to CHF 1.4bn (CHF 1.3bn YTD 2006)

Return on operating revenues

%

Change
+6.4pts.



Q3 2006

Q3 2007

- Traditional business RoR up to 17.4% (10.4% in Q3 2006) reflecting very positive claims experience in both life and health
- Admin Re (RoR of 13.1%) also performing strongly, especially the acquired GE Life UK business
- YTD 2007 RoR stable at 10.6%



Admin Re[®] and longevity transactions

Deeper and wider market share

- **June 2007 – Admin Re[®]/longevity transaction with Zurich Assurance Ltd.**

- 2nd largest longevity transaction globally, transferring 220 000 annuity policies and GBP 3.7bn assets
- Attractively priced business with positive effects in Embedded Value and EVM terms and additional diversification benefits

CHF
9.1 bn

- **May 2007 – Admin Re[®] transaction with Consec¹**

- Acquisition of block of deferred annuity contracts with total assets of approx. USD 3bn

CHF
3.7 bn

- **April 2007 – longevity transaction with Friends Provident**

- Swiss Re's first ever longevity transaction transferring longevity and investment risks on a GBP 1.7bn block of annuities-in-payment

CHF
3.9 bn



Areas with significant growth potential

Key is to focus on areas of high potential

■ Longevity

Assets under management
CHF 20bn up in H1 2007

■ Variable annuities

USD 80m net revenues in
H1 2007 (Life & Health and
Financial Services combined)

■ Health

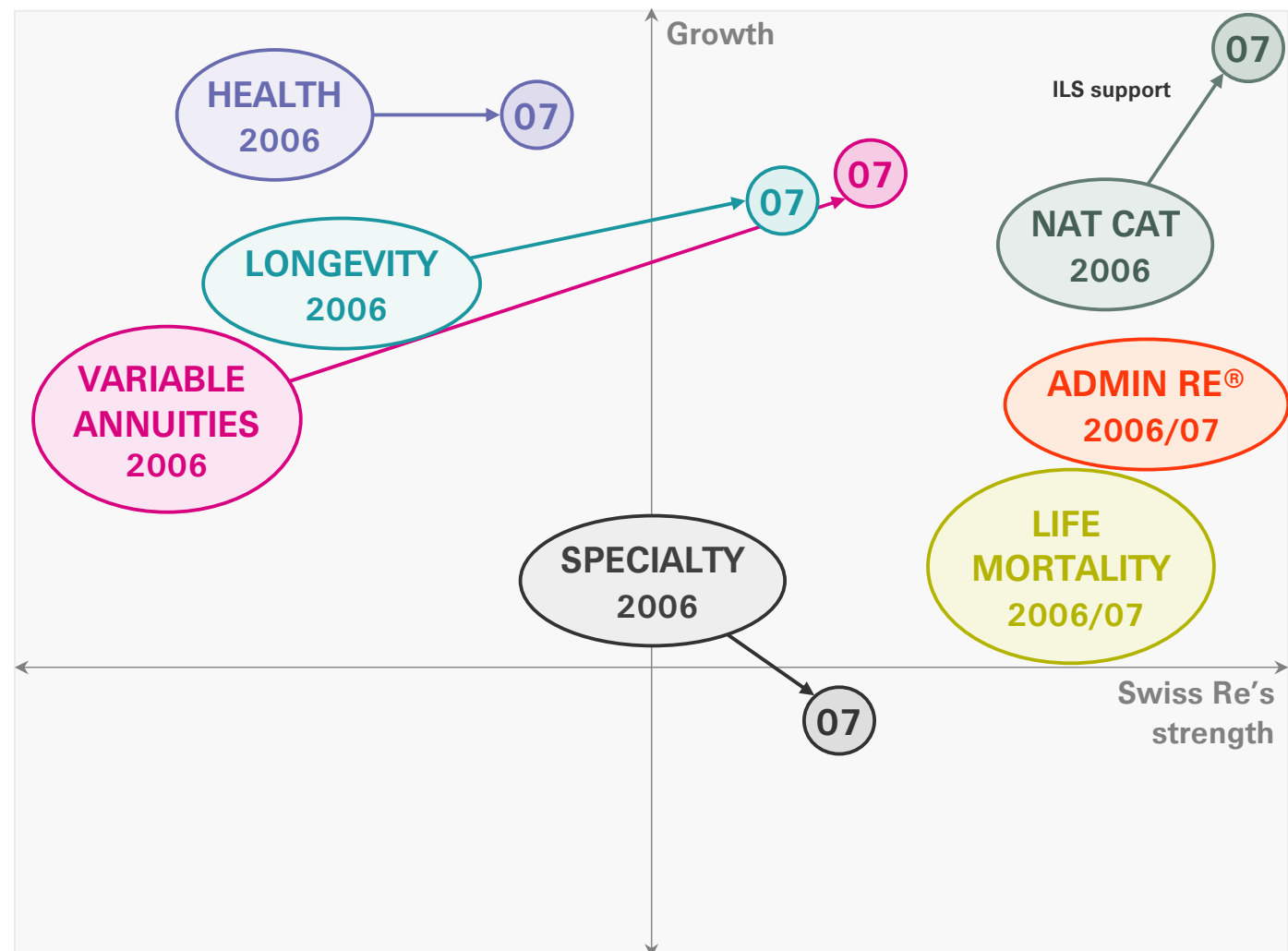
Joint venture initiated in India;
China to follow

■ Admin Re®

Continuing strength (CHF 0.7bn of
capital invested YTD)

■ ILS

Trading capabilities/disconnect
from cycle (nat cat, etc.)



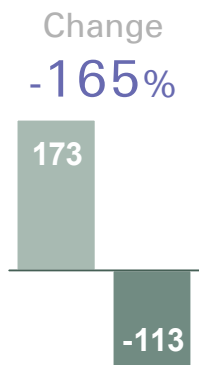


Financial Services

Managing credit cycle in challenging market environment

Operating income

CHF m

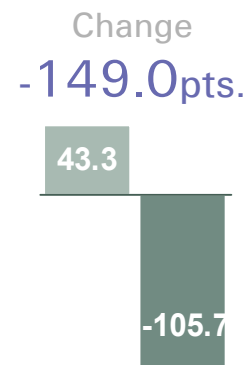


Q3 2006 Q3 2007

- Performance impacted by adverse conditions in financial markets
- Continued growth in variable annuity products
- Results YTD 2007 down by 13% to CHF 315m (CHF 362m YTD 2006)

Return on total revenues¹

%

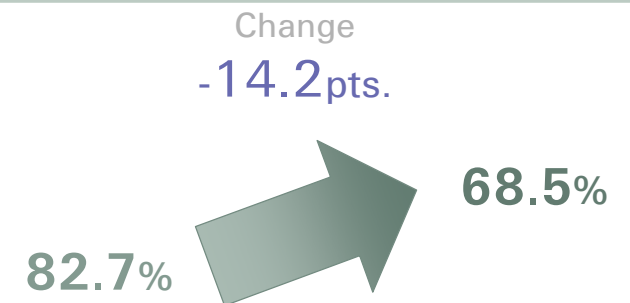


Q3 2006 Q3 2007

- Lower margins due to impact of market turbulence on capital markets platform
- YTD 2007 17.3% (25.4% YTD 2006)

Combined ratio, traditional

%



Q3 2006 Q3 2007

- Continued positive claims experience and stringent underwriting in Credit Solutions
- YTD 2007 79.3% (86.1% YTD 2006)

¹ Excluding proprietary asset management



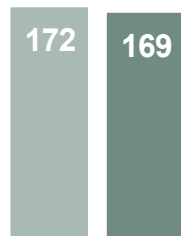
Investments

Solid underlying performance

Invested assets

CHF bn

Change
-2%



Q2 2007

Q3 2007

- Fluctuating currency movements and released funds of CHF 1.8bn from a retrocession agreement partially offset by cash inflow from operations and increased unrealised gains
- Invested assets increased from CHF 163bn at end of 2006, mainly due to longevity transactions in Q2 2007

Total investment result¹

CHF bn

Change
-6%



Q3 2006

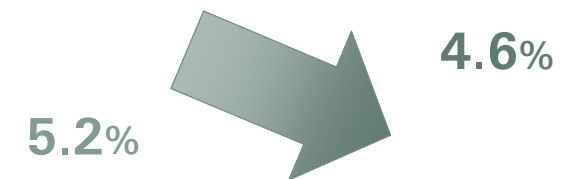
Q3 2007

- Average running yield up to 5.1%
- Modest net realised losses from selling fixed income securities to reinvest at higher yields
- Total investment result YTD 2007 CHF 6.2bn (CHF 4.8bn YTD 2006)

Return on investments¹

%

Change
-0.6pts.



Q3 2006

Q3 2007

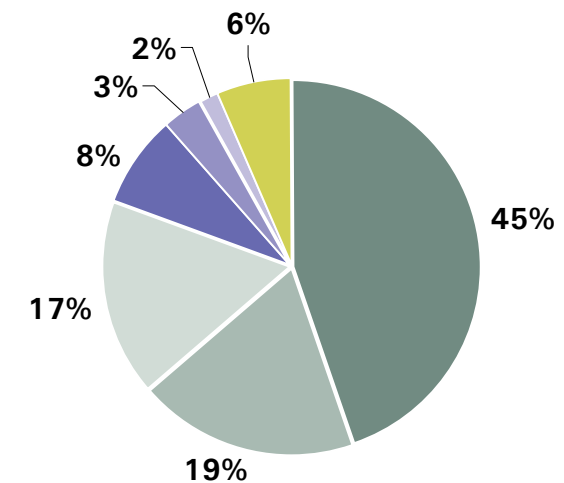
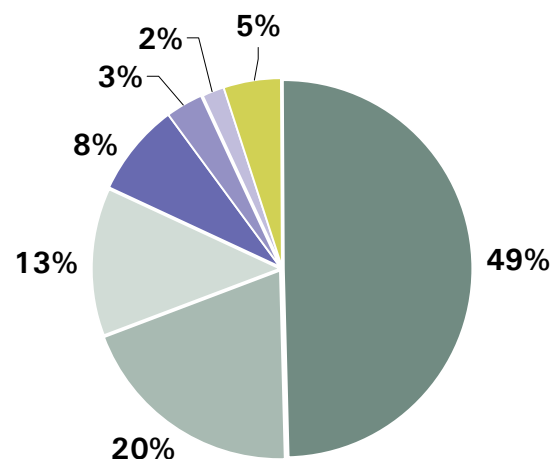
- Solid underlying performance demonstrates Swiss Re's ability to ensure that assets are well protected during difficult and turbulent periods
- Net unrealised gains showed strong increase from CHF 2.0bn at end of Q2 2007 to CHF 4.2bn at end of Q3
- Annualised RoI YTD 2007 5.3% (5.1% YTD 2006)



Investment portfolio

- Strong operating and investment cash flows more than offset by:
- Changes in fx rates, mainly USD and GBP
- Release of CHF 1.8bn funds from a retrocession agreement

Q2 2007	CHF bn	Q3 2007
196.9	Balance sheet values	192.6
-25.2	Unit-linked investments	-23.5
171.7	Balance sheet values (excl. unit-linked)	169.1



- Government bonds
- Corporate bonds
- Structured products
- Equities
- Other investments
- Real estate
- Cash and cash equivalents

Split excludes unit-linked securities



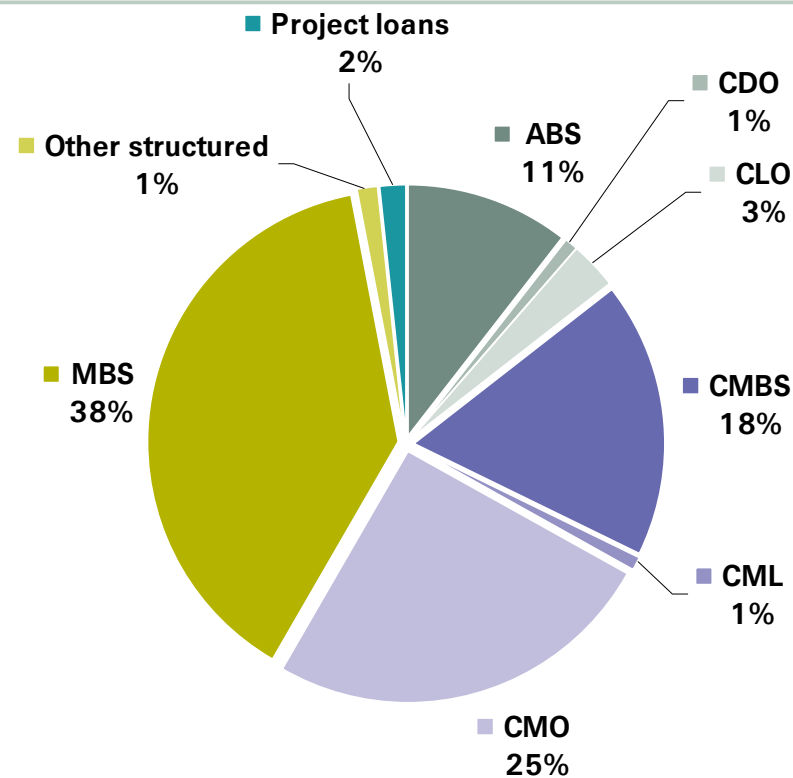
Structured product portfolio split

CHF bn

End Q3 2007

Total

29.0



Sub-prime market value:

■ End Q3 07 CHF 377m

■ As of Nov 2 CHF 290m

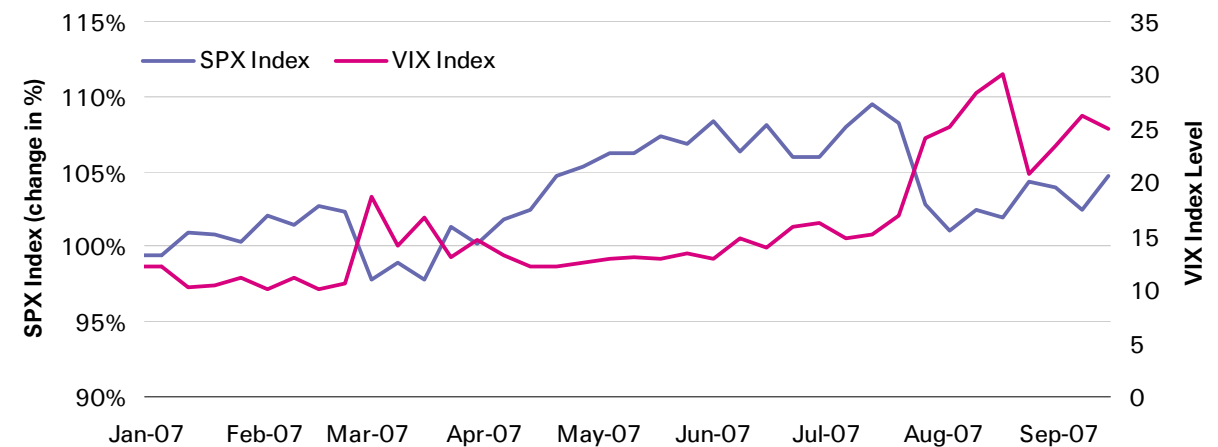
- Growth from prior quarter has been driven primarily by additional investment in AAA rated assets
- Approx. 88% of above asset classes are AAA rated and 95% are rated A- or better
- Any impact from recent rating actions has been immaterial



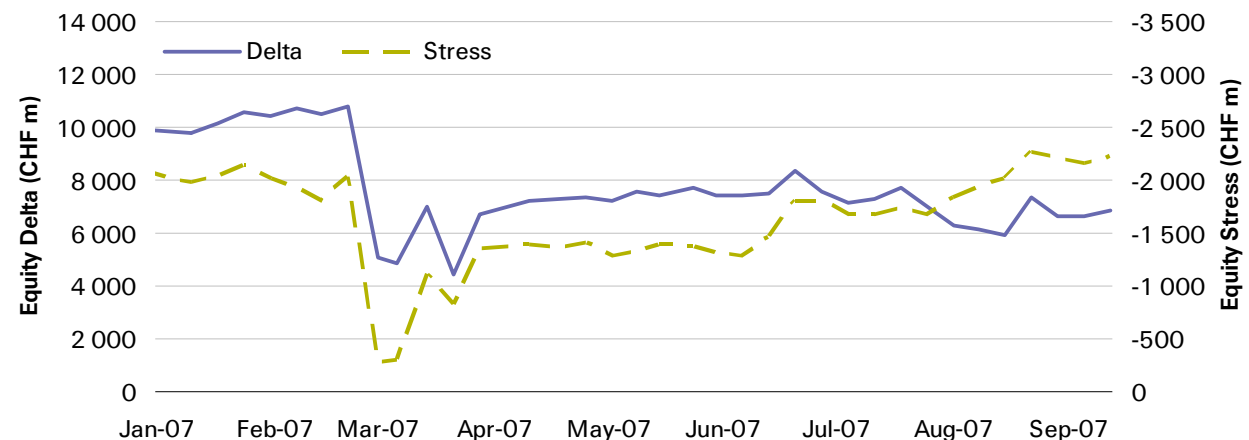
Active management of financial market risk in recent equity markets

- Since April, the put programme has been constantly renewed such that protection has been kept at high levels
- Risk management monitors the exposure by
 - daily monitoring of stress, VaR and P/L broken down by futures, options, structured products and cash securities
 - daily communication with portfolio managers to receive updates on trading activities
 - weekly Proprietary Asset Management (PAM) reports

Development of major equity market indices YTD 2007



PAM's listed equity delta and stress exposures YTD 2007

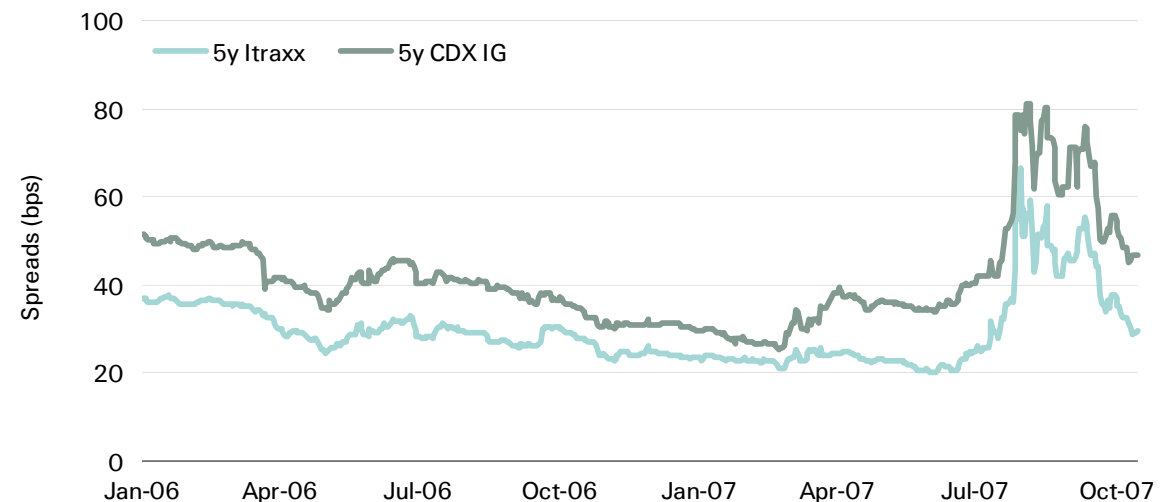




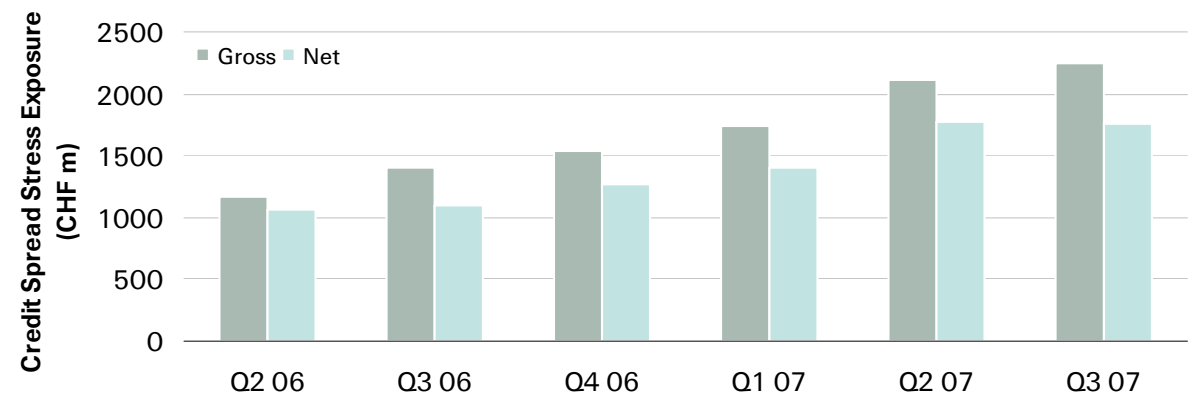
Management of credit spread exposure

- PAM has been proactive in managing its credit exposures via cash sales or buying protection in CDS form. Both single-name and index CDS are used
- A number of indices have been utilized, covering different rating spectrums and currencies, leaving net zero high yield exposure
- Most of the hedges were put on when the credit market was benign, thus reaping benefits from the recent spread widening

Development of major CDS indices 1.1.2006 – YTD 2007



Effect of hedges in reducing credit spread stress exposure





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- **Business performance**

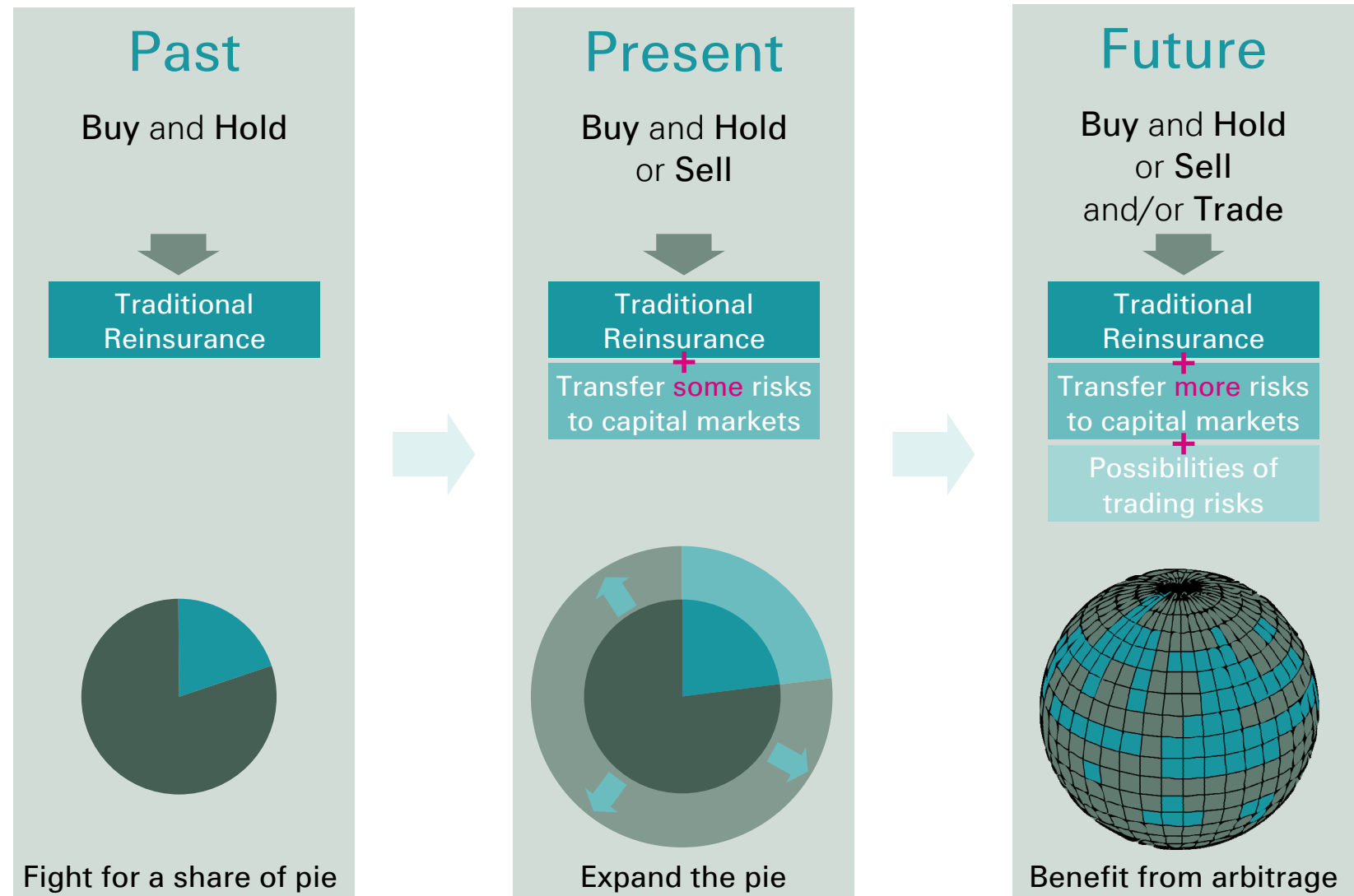
- Property & Casualty
- Life & Health
- Financial Services

- **Strategy and outlook**



Underway to a new business model

Growth from new ways of dealing with increasing risk base





Summary and outlook

Over the cycle targets

EPS growth

10%

RoE

13%

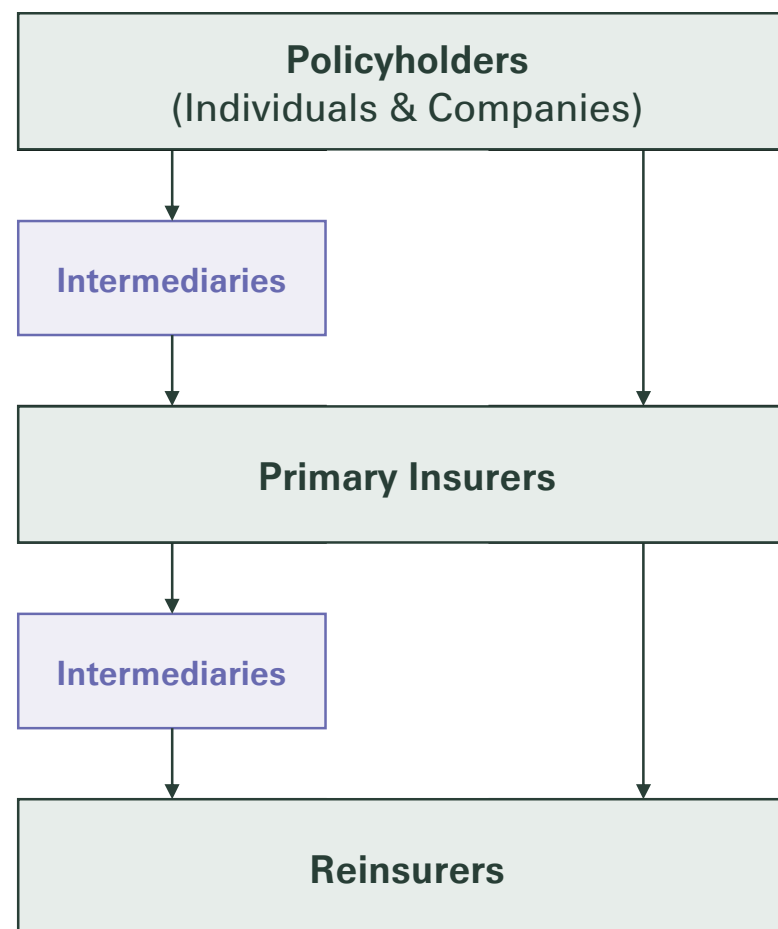
- Swiss Re's third quarter 2007 results show strong performance with an annualised **RoE of 18.8% and EPS of CHF 4.2** (YTD 2007 RoE of 17.2% and EPS of CHF 11.47, up 17% from YTD 2006)
- P&C provides an outstanding result reflecting an excellent underwriting performance; Swiss Re continues to **manage the cycle actively**
- Life & Health operating income in third quarter 2007 strongly increased; mortality continues to be in line with expectations
- Swiss Re continues with its **buy-back programme** announced earlier this year
- First nine months clearly exceeded targets and assuming normal nat cat events in Q4 the **outlook for the rest of the year remains strong**



Appendix



How does reinsurance work?

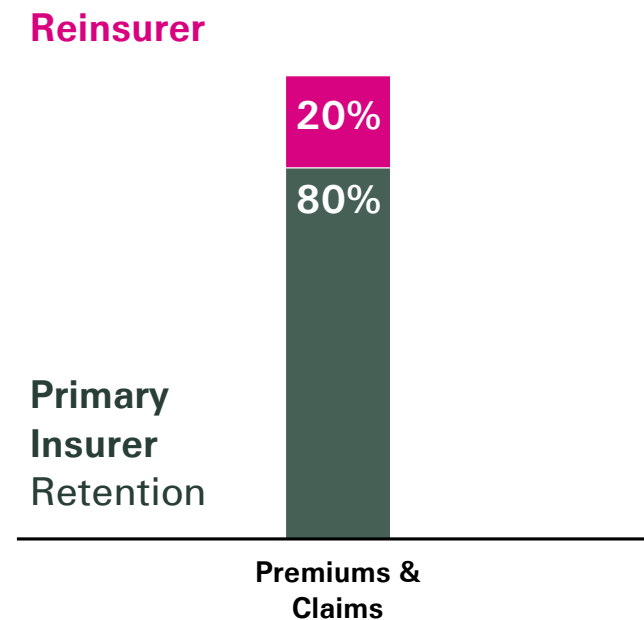




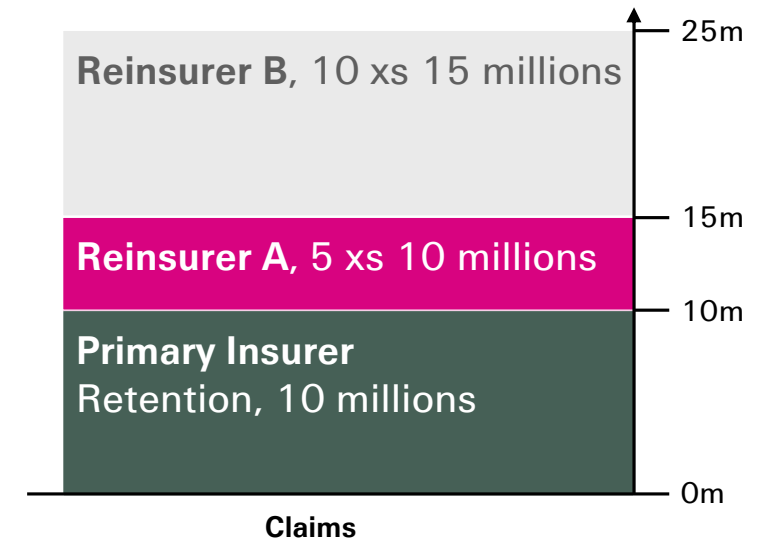
Types of reinsurance

Proportional & Non-proportional Reinsurance

Proportional reinsurance
(e.g. "Quota share reinsurance")



Non-proportional reinsurance
(“Excess of loss reinsurance”; in USD)



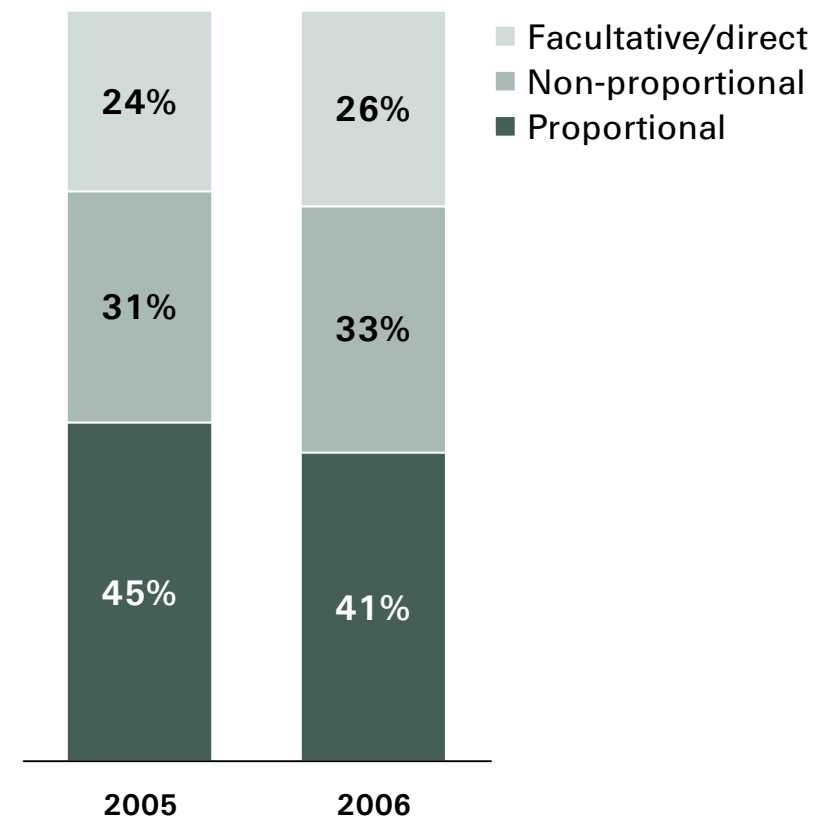


Property & Casualty

Insurance Solutions increases direct and non-proportional portfolio weightings

Premiums by type of business

Treaty year



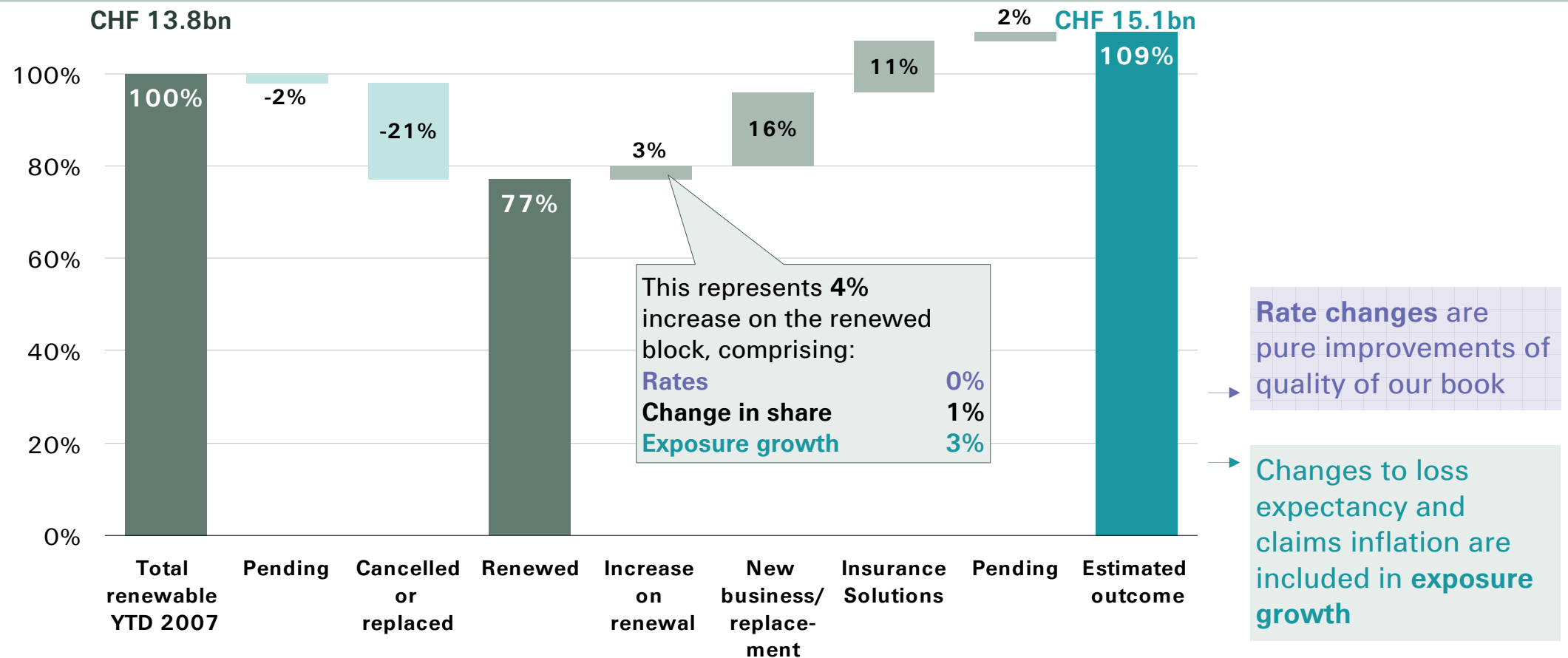
- Proportional split for Swiss Re book stable
- IS added significant volumes of direct business through Commercial Insurance
- The IS treaty portfolio is weighted towards non-proportional covers
- Overall effect is to reduce the proportional treaty segment



Year-to-date premium volume increased 9% with stable rates

Year-to-date renewals traditional portfolio

CHF m

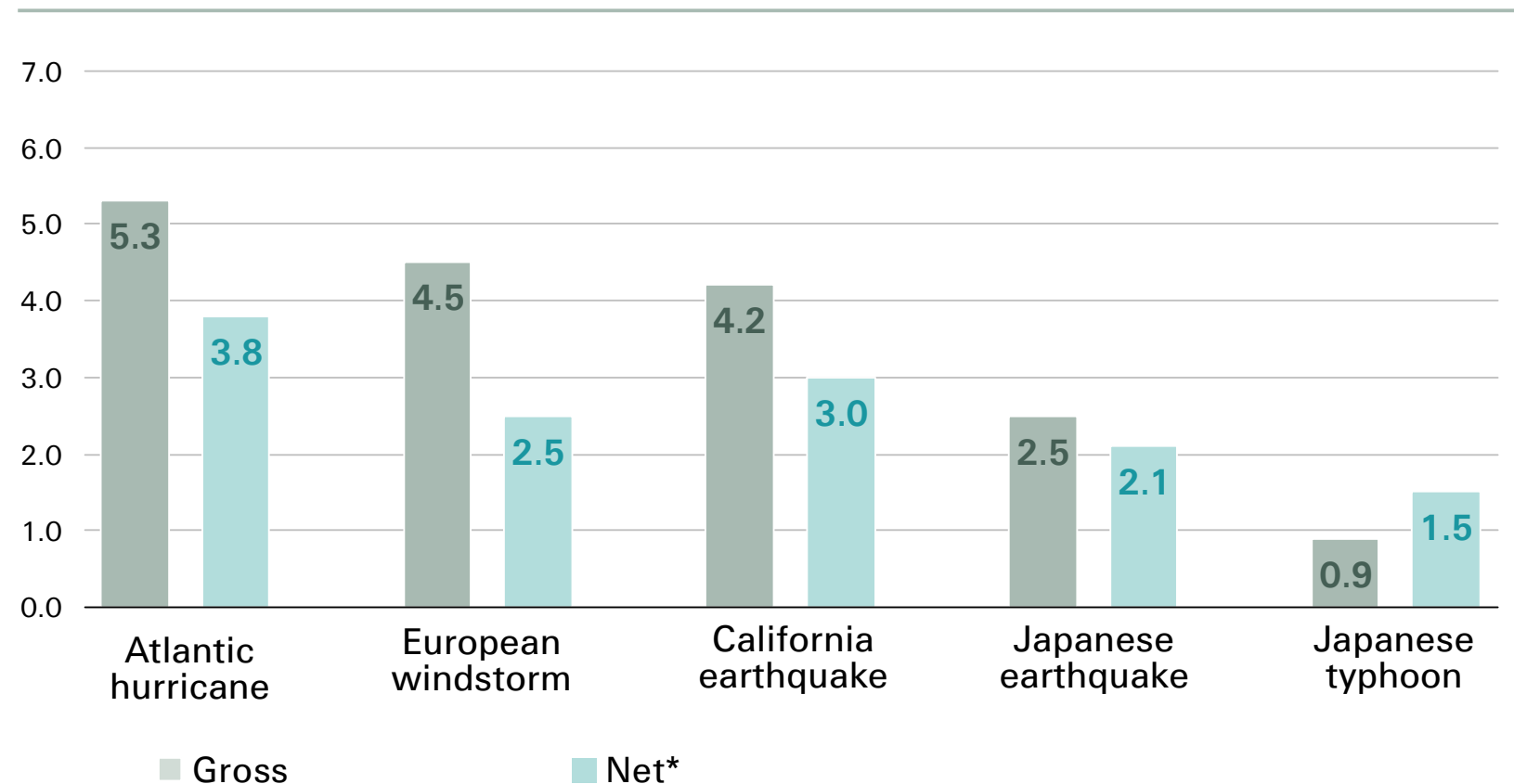




Swiss Re is well-diversified among peak exposures

Single event claims, 200 year return period as of 30.06.2007

CHF bn



* Net of estimated hedging impacts (cat bonds, industry loss warranties, retrocessions)

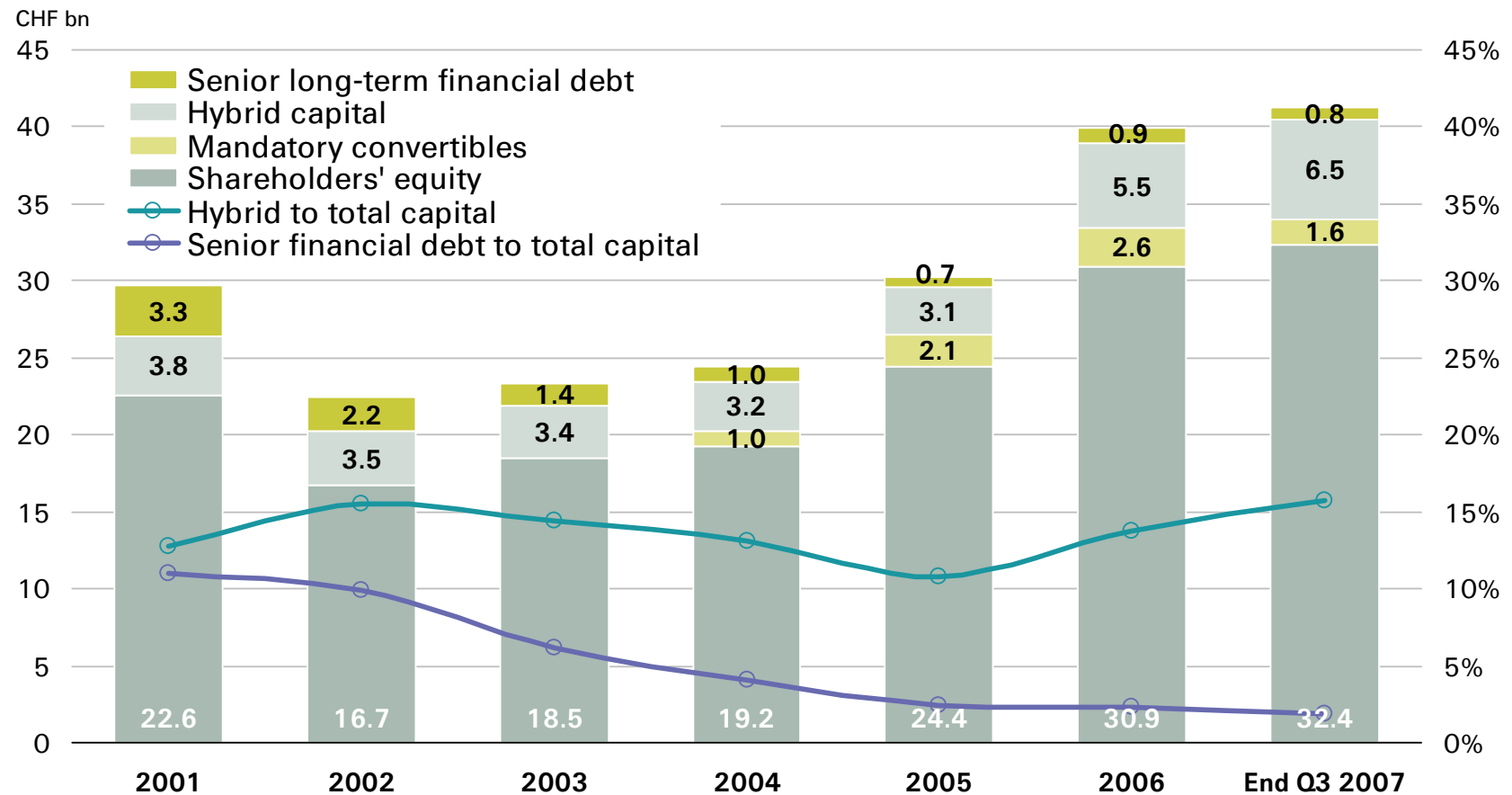


Swiss Re's effective capital management

Price adequacy

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%	10.8%	13.8%	15.7%
Senior debt / total capital	11.0%	9.9%	6.2%	4.1%	2.4%	2.3%	1.9%



Corporate calendar & contacts

Corporate calendar

Investors' Day (London)

11 December 2007

Full Year 2007 Results (Zurich)

29 February 2008

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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.