Swiss Re

Credit Suisse
Swiss Equities Conference

Roger Ferguson
Head of Financial Services

New York, 27 September 2007

Swiss Re

Today's agenda

- **Swiss Re at a glance**
- **Our strategic direction**
  - Generate economic profit growth
  - Reduce earnings volatility
  - Enlarge market scope
  - Talent, culture and organisational efficiency
- **Targets and outlook**

Swiss Re

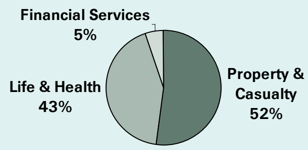
Swiss Re at a glance

- 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**" (negative outlook) by Moody's and "**A+**" (stable outlook) by A.M. Best

Key statistics

	FY 2006 CHF bn (USD bn)	H1 2007 CHF bn
Premiums earned:	29.5 (23.5)	16.0
Net income:	4.6 (3.6)	2.5
Shareholders' equity:	30.9 (24.6)	29.5
P&C combined ratio:	90.4%	92.8%

Revenues by business
(Total 2006: CHF 40.3bn)



Swiss Re

2006 and 1H 2007 results

Summary

	Results 2006	Results 1H 2007
Performance	■ **Net income** CHF 4.6 bn, up 98% ■ **EPS** of CHF 13.49	■ **Net income** of CHF 2.5 bn, up 49% ■ **EPS** of CHF 7.26
Quality	■ **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 0.5 bn ■ **Investment performance**: RoI 5.3%	■ **P&C:** operating income up 34% despite 'Kyrill' to CHF 2.9bn, combined ratio 92.8% ■ **L&H:** 20% profit down to CHF 0.7bn ■ **FS:** 126% profit growth to CHF 0.4bn ■ **Investment performance**, RoI 5.7%
Shareholders' equity, buy-back, returns	■ **Shareholders' equity** up 27% to CHF 30.9 bn ■ **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	■ **Shareholders' equity** down 4% to CHF 29.5 bn due to first step in share buy-back programme and dividend payout ■ **Book value per share** stable: CHF 86.35 ■ **Annualised RoE** 16.8%, up from 14.0% in 1H 2006

Swiss Re

Today's agenda

- **Swiss Re at a glance**
- **Our strategic direction**
  - Generate economic profit growth
  - Reduce earnings volatility
  - Enlarge market scope
  - Talent, culture and organisational efficiency
- **Targets and outlook**

Swiss Re

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

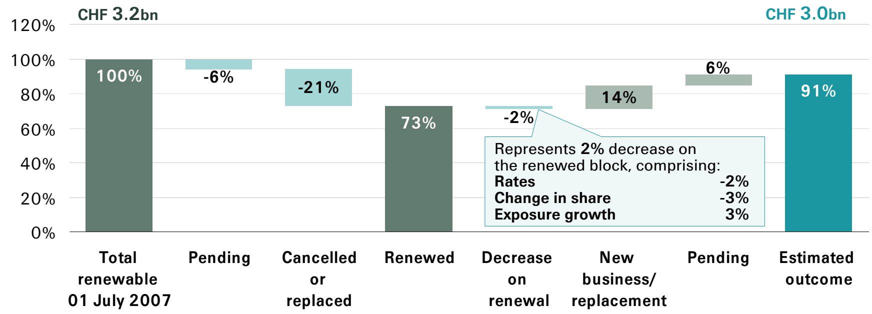
Generate economic profit growth

Swiss Re

July 2007 renewals

Price adequacy increased despite softening trend

Total traditional portfolio



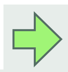
- Roughly CHF 3.2bn traditional treaty business was up for renewal at 1 July 2007
- Property still at attractive levels (especially nat cat), pressure on liability, capacity withdrawn where prices not adequate – most notably US casualty
- Despite the reduction in rates, the overall price adequacy, including new business, increased from 112% to 115%
- Higher client retention levels are continuing

All renewal figures are estimated and calculated at constant FX rates

Generate economic profit growth

Swiss Re

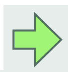
Reinsurance price trends mostly flat or moderately down from healthy levels

Property Europe (incl. nat cat) 

Property US (incl. nat cat) 

Casualty overall (excl. motor) 

Motor 

Casualty critical risks/products 

Specialties 

Generate economic profit growth

Swiss Re

Solvency II offers new market opportunities

Solvency II

3 pillar approach

Pillar I

Quantitative capital requirements

- Available capital: economic valuation of assets & liabilities
- Required capital: standard risk model or internal risk models

Pillar II

Supervisory review

- Strength and effectiveness of risk management systems
- Risk governance (incl. allocation of responsibilities)
- Documentation of system and controls (incl. policies, guidelines)

Pillar III

Transparency

- Transparency on risks appetite and risk strategy
- Public disclosure of methodology

→ Solvency II is already impacting reinsurance buying behaviour of clients

→ Swiss Re is assessing expected market shifts and identifying appropriate product and service enhancements in both P&C and L&H

Generate economic profit growth

Swiss Re

Old and new regulatory framework for (re)insurance companies

- Capital requirements imposed by regulators for (re)insurance companies in the past have been volume driven (e.g. based on premiums earned) and incomplete (e.g. financial market risks were not considered)
- While the old regulatory framework did not properly reflect the economic and risk situation of the company, many companies have been using internal models to measure and steer their risks
- The Swiss Solvency Test (SST) in Switzerland aims to capture the true risk situation of the firm and encourages firms to develop their own internal models.
- Not a set of rules, but principles are formulated to measure and monitor risks
- SST has a more ambitious timeline than Solvency II, as companies have to implement the SST in 2008 whereas Solvency II will have to be implemented in 2012
- SST principles such as market consistent valuation, risk measurement based on exposures etc. are in line with Solvency II.
- At the current stage there are some differences in details, e.g. different confidence levels of the distribution, but in the long run the goal for the SST is to be regarded as EU equivalent.

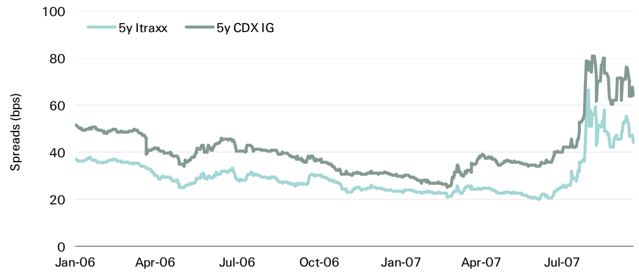
Reduce earnings volatility

Swiss Re

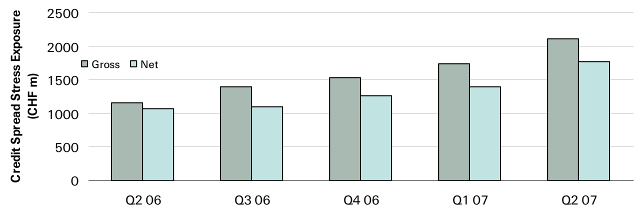
Management of credit spread exposure

- 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 2006-2007 YTD



Effect of hedges in reducing credit spread stress exposure



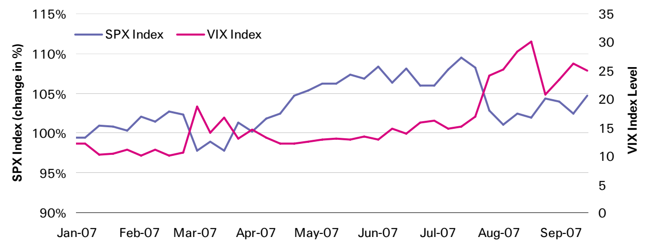
Reduce earnings volatility

Swiss Re

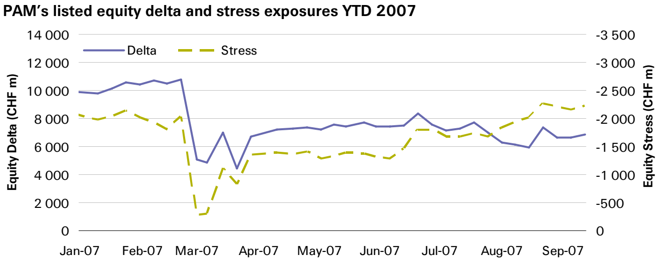
Active management of financial market risk in recent equity markets

- Short futures were used to quickly reduce the net exposure in the equity market weakness at the end of February and again in mid-March
- In the course of March 2007, the short futures were mostly replaced by put options to regain the upside potential
- 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 PAM reports

Development of major equity market indices YTD 2007



PAM's listed equity delta and stress exposures YTD 2007



Reduce earnings volatility

Hedging expanded from capital to earnings protection

Swiss Re

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

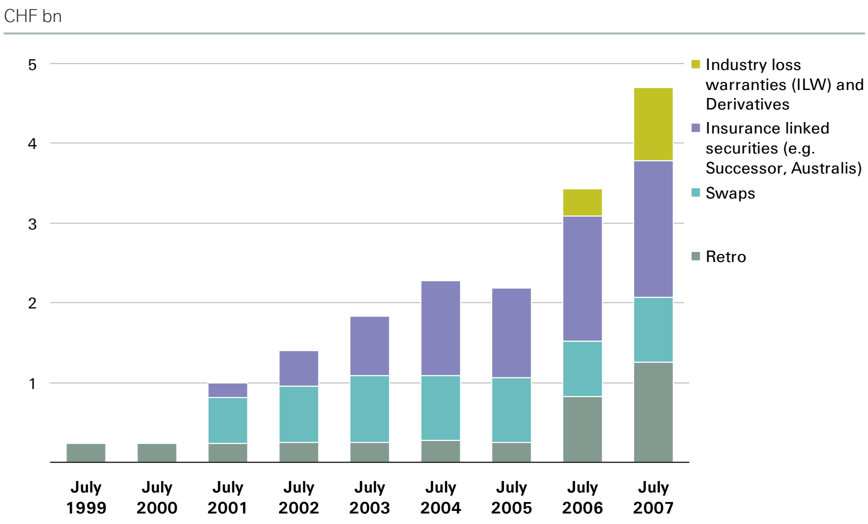
As of 30 June 2007; Source: ESBOS
Note: Estimated claims hedge effect is adjusted for basis risk

Reduce earnings volatility

Swiss Re's catastrophe perils hedging has grown further

Swiss Re

Hedging instruments



Swiss Re

Advances in risk transfer and trading

Swiss Re cat bond indices

- First performance indices for catastrophe bonds in cooperation with Standard & Poor's
- Important step in increasing transparency of cat bond returns
- Attracting additional investors and enhancing the secondary market

Securitisations sponsored by Swiss Re

Programme	Size		Type
Australis	USD	50m	Australian Typhoon, EQ
MedQuake	USD	100m	Turkey, Greece, Cyprus, Portugal, Israel EQ
Successor II	USD	100m	US Wind, US EQ, Euro Wind, Japan EQ
Vita Capital III	USD	250m	Extreme Mortality
Vita Capital III	EUR	210m	Extreme Mortality

Securitisations on behalf of 3rd parties

Programme	Size		Type
AKIBARE	USD	120m	Japan Typhoon
Blue Wings	USD	150m	North American EQ, UK River Flood
Calabash Re II	USD	250m	US Wind, US EQ
Fusion 2007	USD	140m	Mexico EQ, Japan Typhoon
Gamut Reinsurance	USD	310m	Multiperil CDO
Javelin Re	USD	125m	Multiperil
Longpoint Re	USD	500m	US Wind
Mystic Re II	USD	150m	US Wind
Spinnaker Capital	USD	380m	US Wind

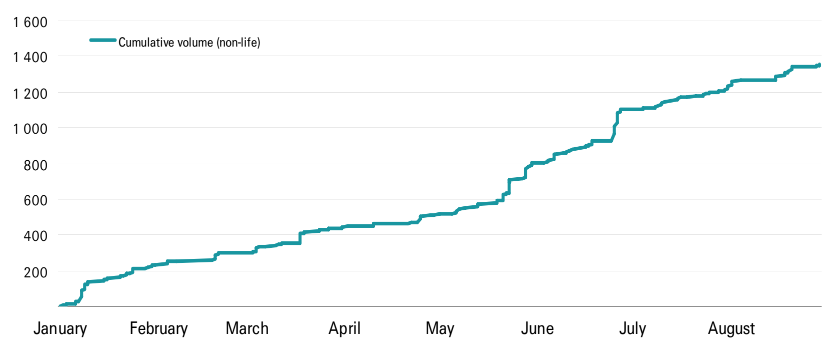
All information as of 31 July 2007

Swiss Re

Securitisation market has weathered capital market turbulence

Nat cat Swiss Re secondary trading volume (2007)

USD m



→ Swiss Re traded about USD 1.3bn between 1 January 2007 and 31 August 2007

Source: Swiss Re Capital Markets

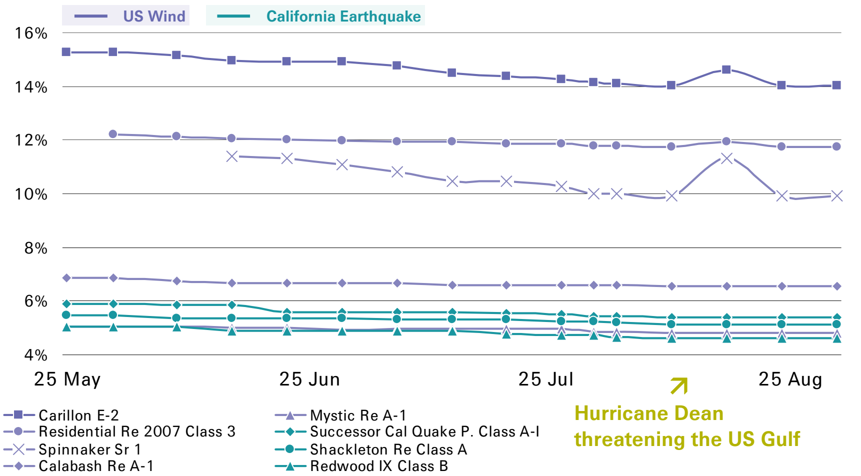
Reduce earnings volatility / Enlarge market scope

Swiss Re

Secondary cat bond spreads* didn´t widen...

- No widening of cat bond spreads in secondary markets in response to current fixed income market turmoil
- Spread widening for a few US wind bonds in response to hurricane Dean
- As Dean's track steered away from a US landfall, spreads went back to pre-Dean levels

Secondary cat bond spreads (2007)



*US wind seasonality adjustment has been removed

Reduce earnings volatility / Enlarge market scope

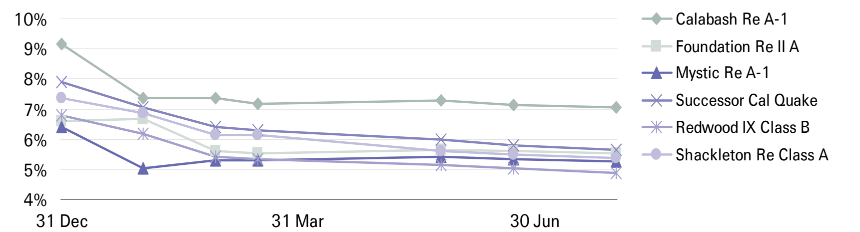
Swiss Re

...even evidence for spreads of some US cat bonds tightening

Selected cat bonds

Programme	Peril	Issuance spread (bps)	31 August 07 spread (bps)	Spread tightening
Calabash Re A-1	US Wind	850	702	-17%
Mystic Re A-1	US Wind	700	515	-27%
Foundation Re II A	US Wind	675	547	-19%
Successor HU Industry Class C-I	US Wind	1530	1196	-22%
Successor Cal Quake Class A-I	CA EQ	725	560	-23%
Redwood IX Class B	CA EQ	675	482	-29%
Shackleton Re Class A	CA EQ	800	534	-33%

Secondary market spreads for selected cat bonds



Data as of 31 August 2007

Enlarge market scope

Organic growth

Property & Casualty

Swiss Re

- **Expansion in engineering, weather, agricultural and marine**
  Combination of IS market position and Swiss Re capital markets expertise provides growth opportunity
- **Credit in emerging markets**
  High demand for trade finance and credit and surety business; developed new hedging structure → Crystal Credit
- **Nat cat protection for governments and NGOs**
  Swiss Re structured and placed a transaction to allow access to the capital markets and a new source of capacity for the Mexico Natural Disaster Fund

Enlarge market scope

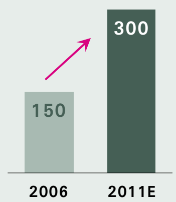
Organic growth

Life & Health

Swiss Re

Variable annuities US premium volume
(in USD bn)

Strong growth in the market driven by demographic changes



- **Variable annuities**
  Significant demand driven by demographic factors and from clients seeking to address capital efficiency, rating agency issues and internal risk management
  Treaties written and requests for coverage: in Japan and the US; with potential to develop in Europe and Asia
- **Health protection in emerging markets**
  26% stake in TTK Healthcare Services in India acquired in December 2006
  First treaties in China expected
- **Longevity**
  Longevity is a large opportunity which builds on our mortality expertise and has negative correlation benefits
  Swiss Re has an array of hedging and risk transfer strategies at its disposal for mitigating our clients’ risk exposure

Enlarge market scope

Swiss Re

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 9.1bn

- May 2007 – Admin Re® transaction with Conseco[1]
  - Acquisition of block of deferred annuity contracts with total assets of approx. USD 3bn

CHF 3.7bn

- 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 3.9bn

Credit Suisse
Swiss Equities Conference
New York, 27 September 2007

[1] Transaction signed but not yet closed

Talent, culture and organisational efficiency

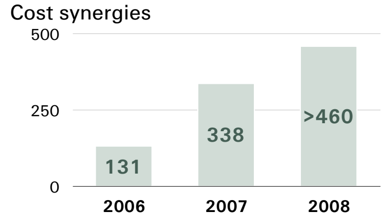
Swiss Re

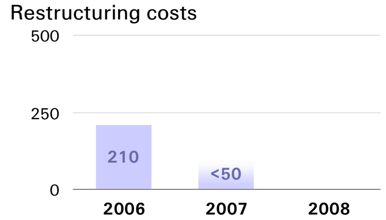
Insurance Solutions

Higher cost synergies and lower restructuring costs than planned

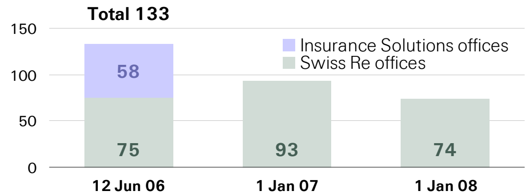
Estimated cost synergies and restructuring costs

CHF m, pre-tax





- Estimated cost synergies of at least CHF 460m (previously CHF 390m) pre-tax p.a. anticipated to be fully realised by end 2008
- Total one-time restructuring cost below original estimate of CHF 325m
  → CHF 210m in 2006, less than CHF 50m expected in 2007
- Global IT cost savings of CHF 42m: consolidation of data centres, infrastructure harmonisation, reduction of contractors, services migration
- Offices consolidated in North America, Europe and Asia:

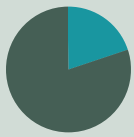


Swiss Re

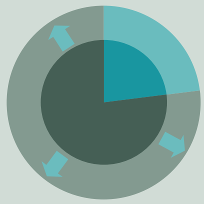
Evolution of a new business model

Think in three dimensions rather than two

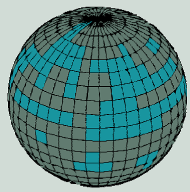
Past	Present	Future
Buy and **Hold**	**Buy** and **Hold** or **Sell**	**Buy** and **Hold** or **Sell** and/or **Trade**
Traditional Reinsurance	Traditional Reinsurance + Transfer some risks to capital markets	Traditional Reinsurance + Transfer more risks to capital markets + Possibilities of trading risks



Fight for a share of pie



Expand the pie



Benefit from arbitrage

Swiss Re

Today's agenda

- **Swiss Re at a glance**
- **Our strategic direction**
  - Generate economic profit growth
  - Reduce earnings volatility
  - Enlarge market scope
  - Talent, culture and organisational efficiency
- **Targets and outlook**

Swiss Re

Targets and Outlook

Over the cycle targets

EPS growth

10%

RoE

13%

- P&C rates remain at attractive levels, particularly for property business. Slight decline in business volume, partly due to higher client retentions. Swiss Re continues to **manage the cycle actively**
- Swiss Re continues to **optimize use of capital** including continuance of the **buy-back programme** announced earlier this year
- First half substantially exceeded our targets and assuming normal nat cat events in H2 the **outlook for the rest of the year remains strong**

Swiss Re

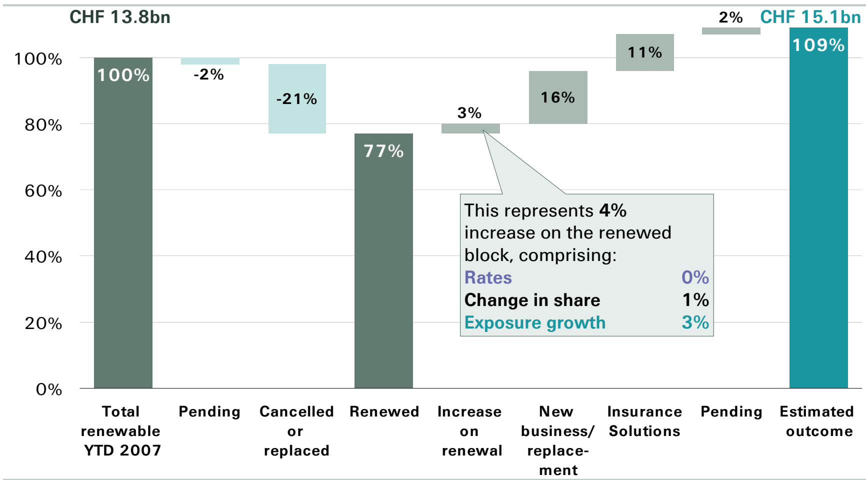
Appendix

Swiss Re

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

Year-to-date renewals traditional portfolio

CHF m



Rate changes are pure improvements of quality of our book

Changes to loss expectancy and claims inflation are included in **exposure growth**

All renewal figures are estimated and calculated at constant foreign exchange rates

Swiss Re

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	5bn	02 Mar 2007	In 2007	**USD**	**8bn**	4.8%
Axa	EUR	1.3bn	09 Aug 2007	H2 2007			
	EUR	0.6bn	Before 2007	H1 2007	**EUR**	**1.9bn**	3.1%
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	2bn	04 May 2007	By Apr 2008			
	EUR	1bn	07 Nov 2006	Concluded Feb 2007	**EUR**	**6bn**	21.2%
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

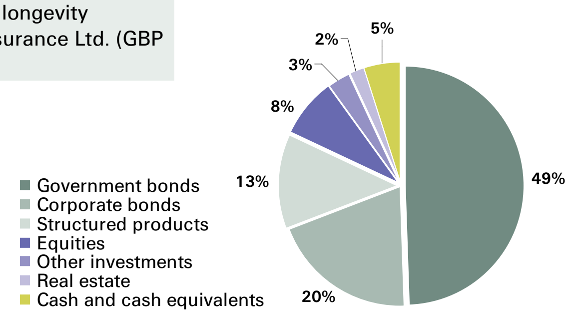
Credit Suisse
Swiss Equities Conference
New York, 27 September 2007

Swiss Re

Investment portfolio

CHF bn	End Q2 **2007**
Balance sheet values	196.9
Unit-linked investments	-25.2
Balance sheet values (excl. unit-linked)	**171.7**

- The investment portfolio grew 4.2%, from CHF 164.8bn at end of March 2007 to CHF 171.7bn, mainly related to longevity transaction with Zurich Assurance Ltd. (GBP 3.7bn/CHF 8.7bn)



Split excludes unit-linked securities

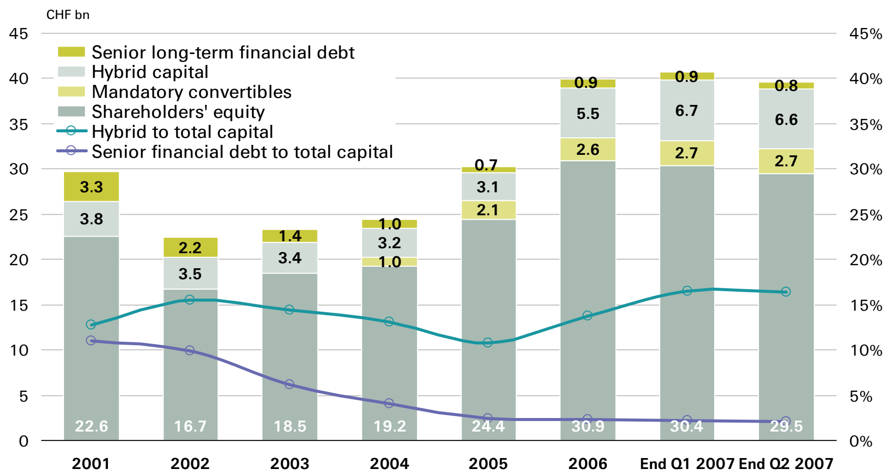
Swiss Re

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%	**16.4%**	**16.7%**
Senior debt / total capital	11.0%	9.9%	6.2%	4.1%	2.4%	2.3%	**2.2%**	**2.0%**

Note: Shareholders' equity figures for 2005, 2006 and 2007 on US GAAP basis

Swiss Re

Corporate calendar & contacts

Corporate calendar

3Q 2007 results (Conference Call) — 06 November 2007

Investors' day (London) — 11 December 2007

Investor Relations contact

Hotline	+41 43 285 4444
Susan Holliday	+44 20 7933 3890
Andreas Leu	+41 43 285 5603
Rolf Winter	+41 43 285 9673
Marc Habermacher	+41 43 285 2637
E-mail	Investor_Relations@swissre.com

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:

- 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;
- cyclicality 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.