

Swiss Re



# UBS European Conference

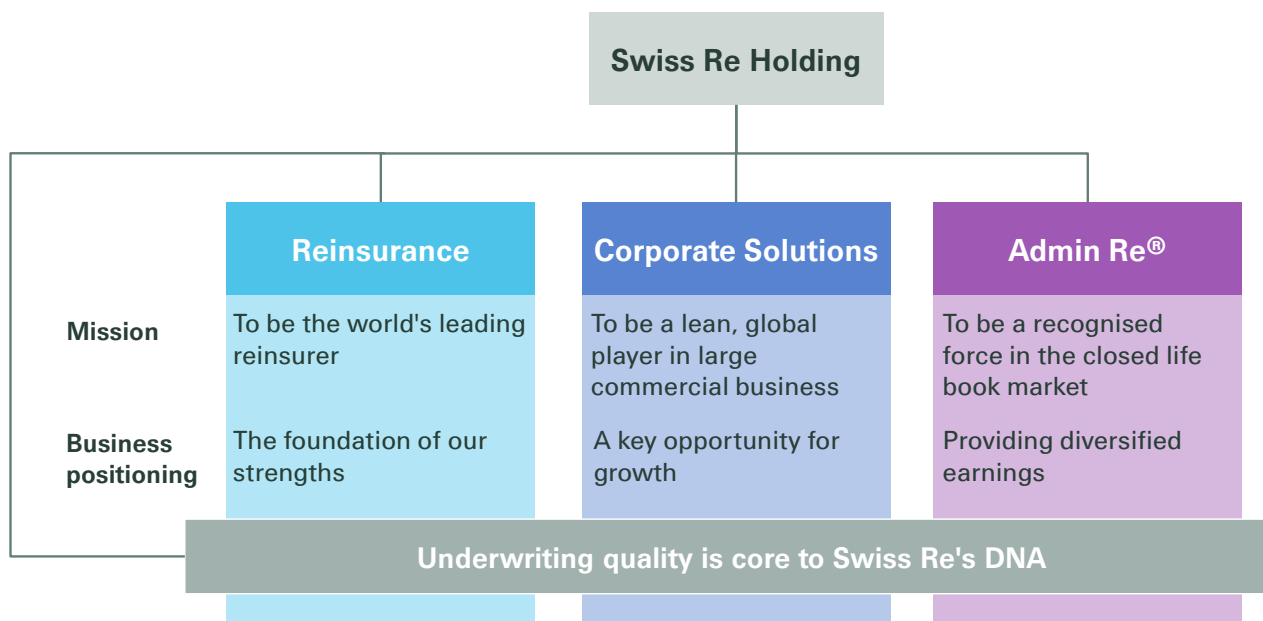
Stefan Lippe, Chief Executive Officer

16 November 2011

## The roadmap



## Three Business Units to support our priorities

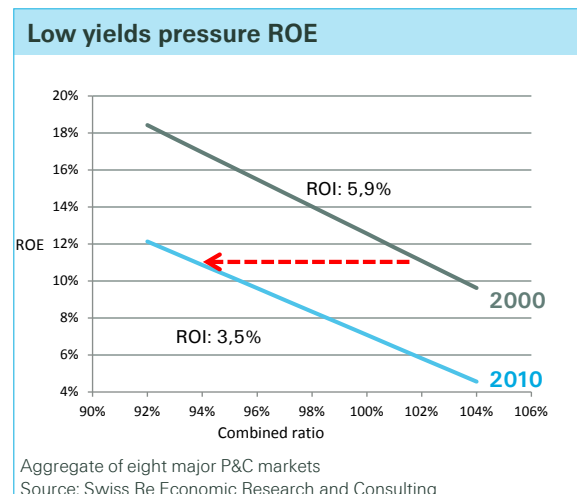




# Challenging market environment



## The interest rate shock deepens



- The interest rate shock is far more significant than the 2010-11 natural catastrophes
- Combined ratios need to keep adjusting to the low interest rate environment



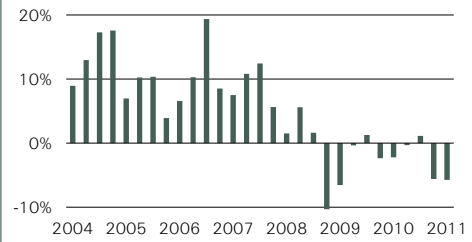
## The P&C reinsurance cycle Drivers of market turn

### ■ P&L

- Soft market pricing since 2008
- Reserve releases not sustainable
- Record low interest rates pressure technical results
- Natural catastrophe events of 2010-11



US P&C primary underwriting cash flows



Source: Swiss Re Economic Research and Consulting

### ■ Cashflows

- Decline driven by soft market



Reinsurance capital



Shareholders' equity and premiums, 2005 = 100  
Source: Swiss Re Economic Research and Consulting

### ■ Capital

- Solvency ratios still appear solid, partly due to falling interest rates





# Swiss Re is well positioned to capture market opportunities

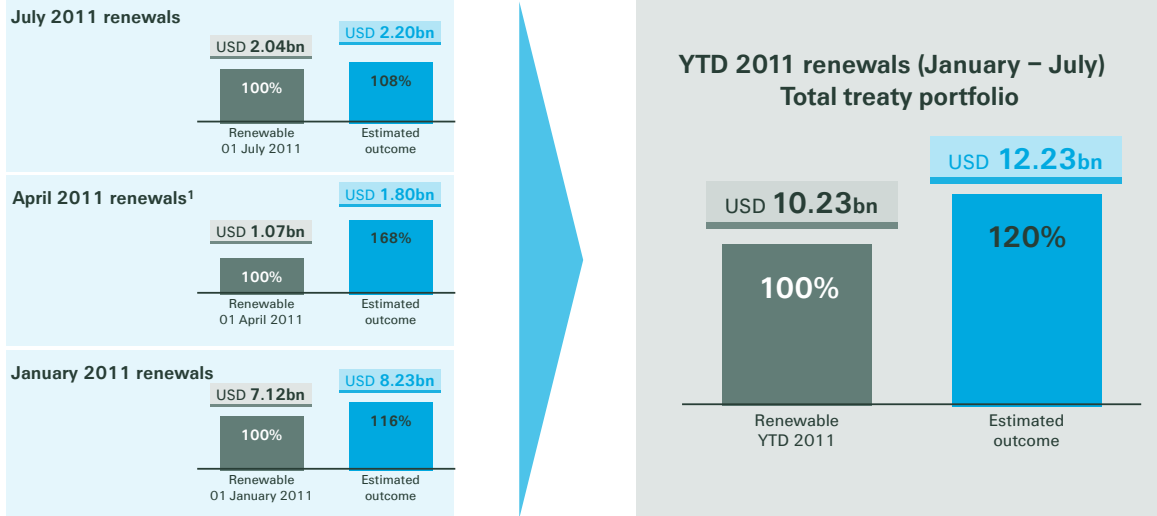


## Growth drivers for Swiss Re Short-term

Growth drivers next 2 years	Swiss Re opportunities
Hardening of P&C market	Rebalancing our Casualty portfolio, Reinsurance and Corporate Solutions
Berkshire Hathaway quota share ends 2012	Adds 25% potential growth in P&C Reinsurance and Corporate Solutions
Higher capital demands and further industry consolidation	Admin Re® Large deals P&C and L&H Reinsurance
Emerging market growth	Reinsurance and Corporate Solutions Large deals P&C and L&H

## Swiss Re's successful 2011 renewals Rising prices, higher volumes

Total treaty portfolio, premiums as costed



- Strong growth in January/April driven by solvency relief transactions, mainly in Asia
- Year-to-date, Swiss Re's treaty portfolio grew by 20% and rate adequacy was maintained

<sup>1</sup> New solvency driven transactions in Asia were concluded after the first quarter, and have been formally accounted for in April 2011 renewals  
 Figures have been restated with current fx rates

## Conservative asset portfolio

- Bulk of invested assets in cash, short-term investments, treasuries or government backed agencies
  - 59% of proprietary investment portfolio at end Q3 2011
- Minimal exposure to peripheral EU sovereigns
  - Total USD 74m, Greece nil, at end Q3 2011
- Conservative medium-term asset allocation plan

- Comparatively low-risk, very controlled approach to asset management

## Financial targets

Committed to achieving our financial targets

Target	FY 2010 <sup>1</sup>	Q1 2011	Q2 2011	Q3 2011	9M 2011
ROE: 700 bps above risk free average over 5 years <sup>2</sup>	9.2%	-10.7%	15.6%	<b>20.5%</b>	8.2%
EPS: 10% average annual growth rate over 5 years (in USD) <sup>3</sup>	6.62	-1.94	2.80	<b>3.94</b>	4.80
ENW per share: growth plus dividend 10% average annual growth rate over 5 years (in USD) <sup>3</sup>	89.7	n.a.	n.a.	<b>n.a.</b>	n.a.

<sup>1</sup> ROE and EPS shown excluding CPCI

<sup>2</sup> Risk free rate: US Gov 5 years: 31 Dec 2010: 2.01%, 31 Mar 2011: 2.28%, 30 Jun 2011: 1.76%, 30 Sep 2011: 0.95%

<sup>3</sup> Basis: FY 2010

## Swiss Re is well positioned

- Excellent capitalisation, strong recent financial results
- Conservative asset portfolio to navigate through difficult markets, minimal exposure to peripheral EU sovereigns (at end Q3 2011: USD 74m)
- S&P upgrade to AA-
- Deep understanding of risk and underwriting, as evidenced by our effective cycle management and focus on economic profit
- Strong July renewals, leading to earnings growth; P&C market turn underway
- New group structure, will aid transparency of business unit performance
- Ideally positioned to capture growth opportunities based on strong capitalisation, excellent client franchise and innovation power

- We are well on track to achieving our 2011-2015 financial targets



# Questions & answers



## Corporate calendar & contacts

### Corporate calendar

---

23 February 2012	<b>Annual Results</b>	Zurich
13 April 2012	<b>148<sup>th</sup> Annual General Meeting</b>	Zurich
17 April 2012	<b>Investors' Day</b>	London
04 May 2012	<b>First Quarter 2012 results</b>	Conference call
09 August 2012	<b>Second Quarter 2012 results</b>	Conference call

### Investor Relations contacts

---

#### Hotline

+41 43 285 4444

#### E-mail

Investor\_Relations@swissre.com

Eric Schuh

+41 43 285 4708

Ross Walker

+41 43 285 2243

Chris Menth

+41 43 285 3878

Simone Lieberherr

+41 43 285 4190

Simone Fessler

+41 43 285 7299



## 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:

- further instability affecting the global financial system and developments related thereto;
- changes in global economic conditions;
- Swiss Re's ability to maintain sufficient liquidity and access to capital markets, including sufficient liquidity to cover potential recapture of reinsurance agreements, early calls of debt or debt-like arrangements and collateral calls under derivative contracts due to actual or perceived deterioration of Swiss Re's financial strength;
- the effect of market conditions, including the global equity and credit markets, and the level and volatility of equity prices, interest rates, credit spreads, currency values and other market indices, on Swiss Re's investment assets;
- changes in Swiss Re's investment result as a result of changes in its investment policy or the changed composition of its investment assets, and the impact of the timing of any such changes relative to changes in market conditions;
- uncertainties in valuing credit default swaps and other credit-related instruments;
- possible inability to realise amounts on sales of securities on Swiss Re's balance sheet equivalent to its mark-to-market values recorded for accounting purposes;
- the outcome of tax audits, the ability to realise tax loss carryforwards and the ability to realise deferred tax assets (including by reason of the mix of earnings in a jurisdiction or deemed change of control), which could negatively impact future earnings;
- the possibility that hedging arrangements may not be effective;
- the lowering or loss of financial strength or other ratings of one or more of the companies in the Swiss Re group or developments adversely affecting the ability to achieve improved ratings;
- the cyclical nature of the reinsurance industry;
- uncertainties in estimating reserves;
- uncertainties in estimating future claims for purposes of financial reporting, particularly with respect to large natural catastrophes, as significant uncertainties may be involved in estimating losses from such events and preliminary estimates may be subject to change as new information becomes available;
- 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;
- extraordinary events affecting Swiss Re's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- current, pending and future legislation and regulation affecting Swiss Re or its ceding companies, and regulatory or legal actions;
- changes in accounting standards;
- 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;
- changing levels of competition;
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks; and
- challenges in implementation, adverse responses of counterparties, regulators or rating agencies, or other issues arising from, or otherwise relating to, the changes in Swiss Re's corporate structure.

These factors are not exhaustive. Swiss Re operates in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. Swiss Re undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.