

Swiss Re



Tomorrow, today Together into the future

Investors and Media meeting
Monte Carlo, 12 September 2011





Today's agenda

- Introduction Stefan Lippe, CEO
- P&C reinsurance market outlook Brian Gray, CUO
- Swiss Re reinsurance – Tomorrow, Today Christian Mumenthaler, CMO*
- Questions & answers

* CEO Reinsurance from 1 October 2011



Introduction

Stefan Lippe, CEO



Today

Plenty of challenges and opportunities for the industry

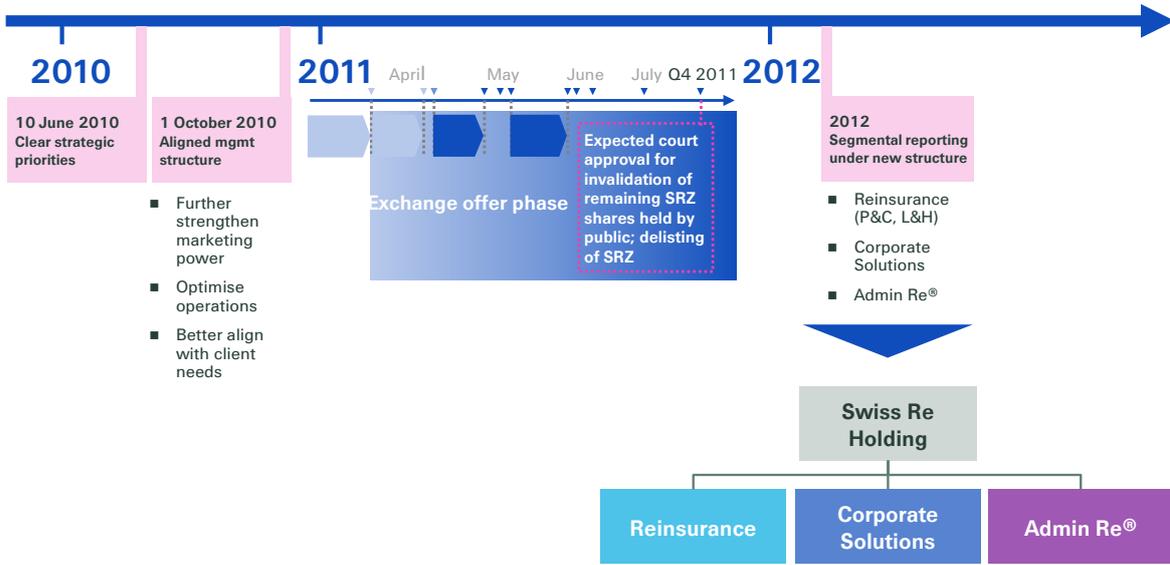
- Big challenges for re/insurers under current economic environment
 - Extremely low interest rates
 - Volatility in stock markets
 - Impact of inflation or lack thereof
- Re/insurance markets improving, with broad market turn still to come
 - P&C improving, but pockets with soft conditions prevail
 - L&H driven by economic growth, ageing, and financial markets

- Current environment requires diversification, size, and agility –
founded on firm underwriting and low-risk asset management



Tomorrow

Swiss Re well positioned to capture growth opportunities thanks to new group structure





P&C reinsurance market outlook

Brian Gray, CUO

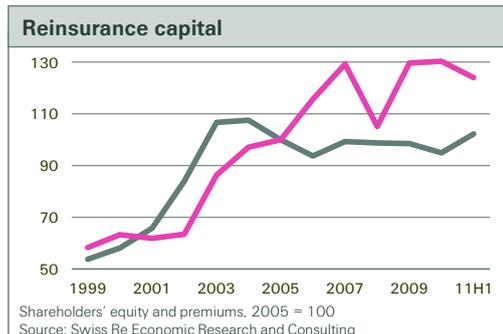
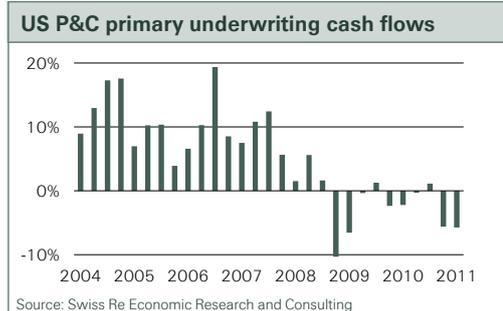


The P&C reinsurance cycle – Today

- Underwriting terms have improved and we expect this to continue
- Record low interest rates are the biggest shock of the last three years

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
- Cashflows
 - Decline driven by soft market
- Capital
 - Solvency ratios still appear solid, partly due to falling interest rates



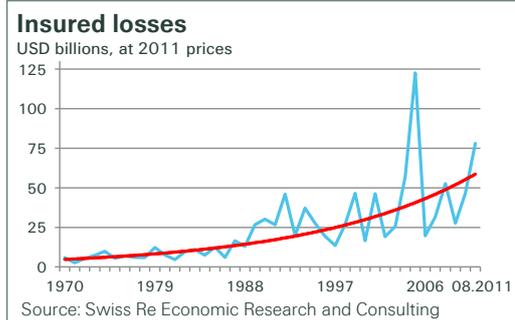
The P&C reinsurance cycle

- Softer conditions persisted through January 2011 renewals
- Nat cat prices rose in April and July 2011
 - Driven by claims events and vendor model changes
- Some European motor has started to improve
- Large corporate business has moved from "falling" to broadly "flat"
 - Increases for cat exposures
- Casualty has not adjusted to new interest rate environment

Property Peak risks continue long-term upwards trend

- Today
 - Recent events have highlighted earthquake risk potential
 - European winterstorm exposures have lost visibility, but remain potent

- Tomorrow
 - Global increase in frequency and severity of weather events must be reflected
 - Annual aggregate protections will gain further importance from ERM and earnings volatility perspectives



Nat cat events 2011

USD billions		Estimated insured market loss
Floods Australia	Dec / Jan	>2.8
Cyclone Yasi	February	1.2
Earthquake New Zealand	February	9-12
Earthquake Japan	March	30
Tornado US	April	6.6
Tornado US	May	5.9

Source: Swiss Re Economic Research and Consulting

Casualty Underperformance

Motor: "improving"

- Today
 - Price levels in primary market is improving, but often not adequate
 - Excess capacity remains in non-proportional market

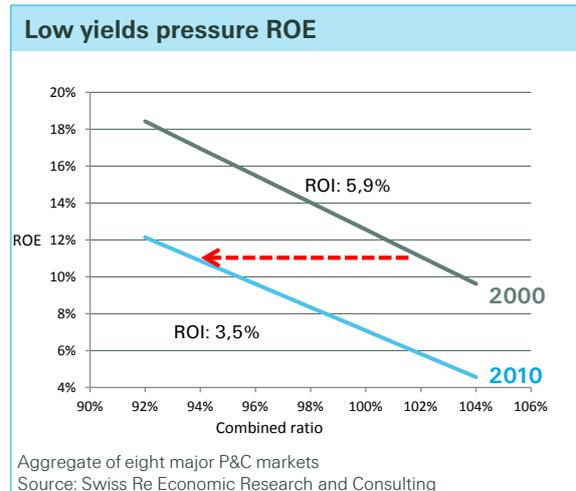
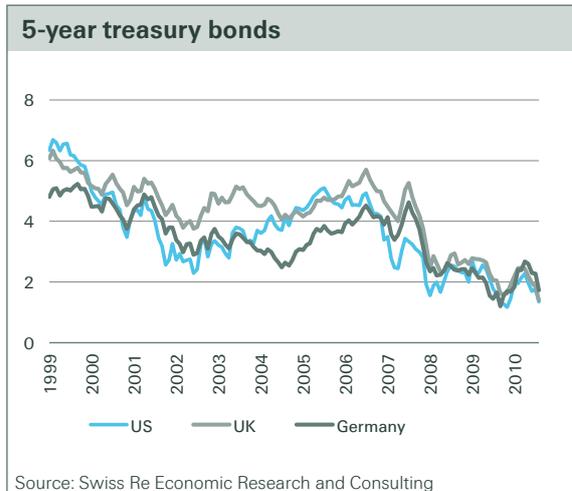
- Tomorrow
 - The reality of low interest rates is reflected
 - Greater divergence between growth and developed economies

Liability: "still soft"

- Today
 - Reserve releases continue from well-capitalised players
 - Sufficient capacity has kept prices flat

- Tomorrow
 - The reality of low interest rates is reflected
 - The bubble pops

The interest rate shock



- 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

Reinsurance renewals 2012 European trends

2011 – Today

- Markets have slowly started to turn, due to
 - Nat cat events
 - Model updates
 - Low interest rates

2012 – Tomorrow

- Further improvements expected, driven by
 - Low investment returns
 - Nat cat experience
 - Run-off

- Swiss Re expects a modest, broad market turn over the next 3-15 months

Swiss Re reinsurance – Tomorrow, Today

Christian Mumenthaler, CMO*

* CEO Reinsurance from 1 October 2011

Investors & Media meeting | Monte Carlo | 12 September 2011

14

Swiss Re and the Francophone reinsurance market: a long term relationship



Lithograph by Alphonse Maria Mucha, 1897

- Swiss Re created its first foreign office in France 1865, at the time of Napoleon III
- Some client relationships have lasted nearly 100 years – uninterrupted
- The oldest individual claim paid in this market in 2010 was from 1966
- This illustrates well the long term nature of our business and the strengths of our brand

Excellent capitalisation

Swiss Re's capital adequacy in various measures

Estimated Group capital adequacy measures as at 30 June 2011

Swiss Solvency Test / Internal model	>200%	SST green zone threshold: 100%
S&P excess capital over AA level	Comfortably exceeds a capital buffer of USD 3-5bn above S&P AA level	Internal goal: meet AA requirements
Solvency I	>200%	Minimum regulatory requirement: 100%

- Ideally positioned for business due to excellent capitalisation
- Full risk appetite for properly priced business, incl. for nat cat peak risks

Conservative asset portfolio

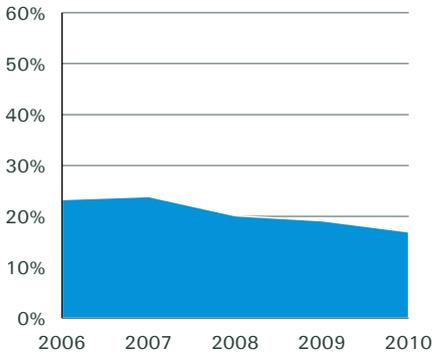
- Bulk of invested assets in cash, treasuries or government backed
 - 59% of proprietary investment portfolio at end Q2 2011
- Minimal exposure to peripheral EU sovereigns
 - Total USD 78m, Greece nil, at end Q2 2011
- Duration matched
- Conservative medium-term asset allocation plan

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

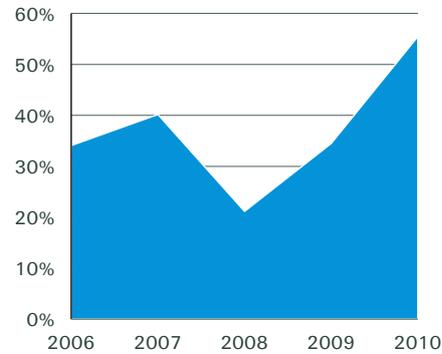


Outperformance through cycle management Market share vs profitability, 2006–2010

Swiss Re's P&C premium share vs top 8 reinsurers



Swiss Re's P&C underwriting profit¹ share vs top 8 reinsurers



Consistent strength in underwriting

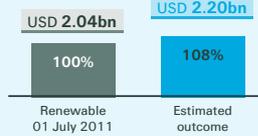
¹ Underwriting profit = premiums earned - claims and claims adjustment expenses - acquisition costs - other expenses
Top 8 reinsurers include: Swiss Re, Munich Re, Hannover Re, PartnerRe, SCOR, General Re, Everest Re, Transatlantic Re
Source: Swiss Re Economic Research and Consulting



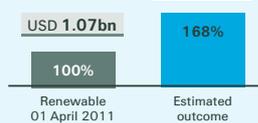
Swiss Re's successful 2011 renewals Rising prices, higher volumes

Total treaty portfolio, premiums as costed

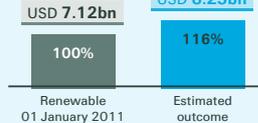
July 2011 renewals



April 2011 renewals¹



January 2011 renewals



YTD 2011 renewals (January – July)
Total treaty portfolio



- 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

¹ 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

Continued track record of innovation Some recent examples

- P&C run-off transactions**
 - Two important P&C run-off transactions with our clients
 - Transactions are a testimony to our client franchise
 - Longevity securitisation**
 - Swiss Re issued first longevity/mortality basis risk bond
 - The bond protects the difference between the mortality development of the younger US and the older UK population
 - Agro solution Vietnam**
 - Innovative insurance solution on Vietnam rice protection
 - Area-yield index cover to protect farmers against major natural catastrophes such as impact of typhoons, floods and droughts
 - Parametric transaction**
 - First parametric insurance solution on behalf of US state government (Alabama)
 - ILS**
 - Swiss Re has been a leader and innovator in the sector since its inception
- Demonstrates Swiss Re's innovation power, client orientation and strong reputation in the market

Swiss Re well positioned for Tomorrow already Today

- Proprietary, deep understanding of risk and underwriting
- Ideally positioned for business due to excellent capitalisation
- Conservative asset portfolio to navigate through difficult markets
- Continued, unsurpassed track record of innovation

Questions & answers

Corporate calendar & contacts

Corporate calendar

03 November 2011
23 February 2012
13 April 2012
17 April 2012

Third Quarter 2011 results
Annual Results
148th Annual General Meeting
Investors' Day

Conference call
Zurich
Zurich
London

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.