



Competing in the Age of Austerity

Banking & Insurance CEO Conference
Bank of America Merrill Lynch

Stefan Lippe, CEO
London, 29 September 2010

Delivering on our promises

Beginning of 2009:
 Concerns over ...

Where we stand today



Market environment

Growth outlook for the reinsurance industry in the next decade is moderate but stable





Market trends play to our strengths

Key examples:

Trends	How Swiss Re supports our clients
M&A activity will increase	Portfolio transactions, structured solutions, Admin Re [®] solutions, P&C run-off
Economic and risk-based regulation in Europe	Risk-driven solutions tailored to client need
Emerging markets outgrow developed	Well positioned to support with local market experience and expertise
Ageing population, pension funding crisis	At the forefront of developing longevity funding solutions
Structurally low interest rates and excess capital	Reliable, high-quality, consistently-priced capacity



Our mission

To be the leading player in the wholesale (re)insurance industry

Clients

The preferred partner

Investors

An excellent investment

Employees

The place to succeed

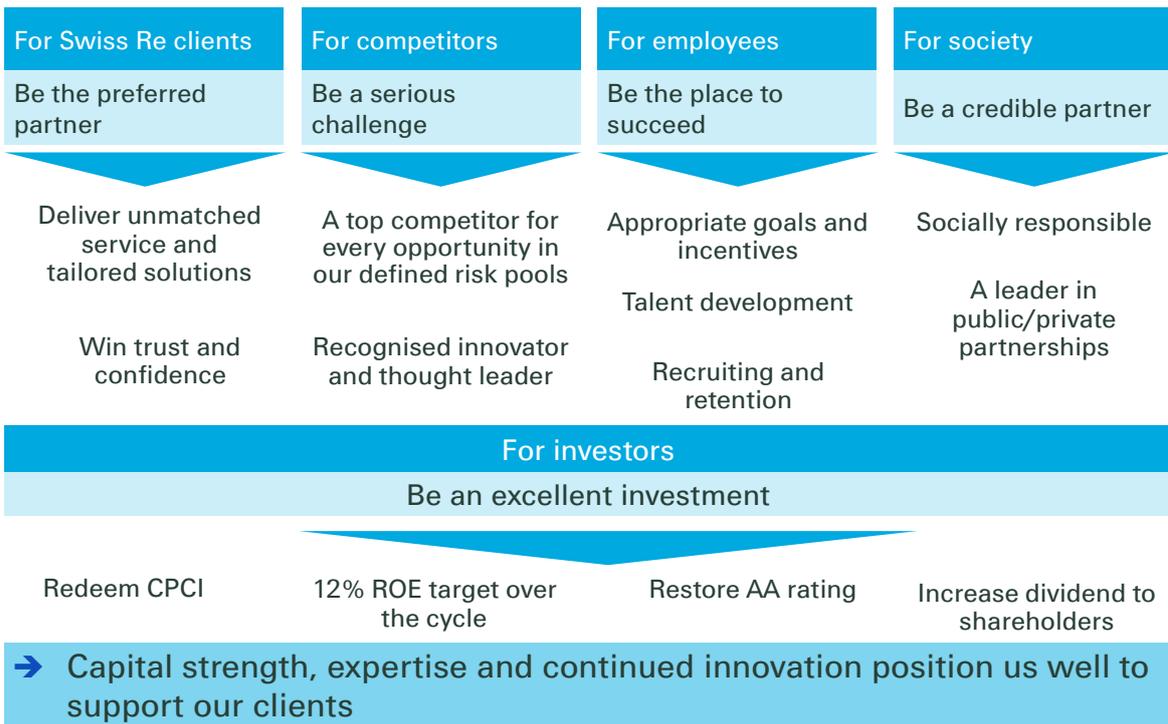
Competitors

A serious challenge

Society

A credible partner

Defining leadership in wholesale (re)insurance



The roadmap How do we get there?

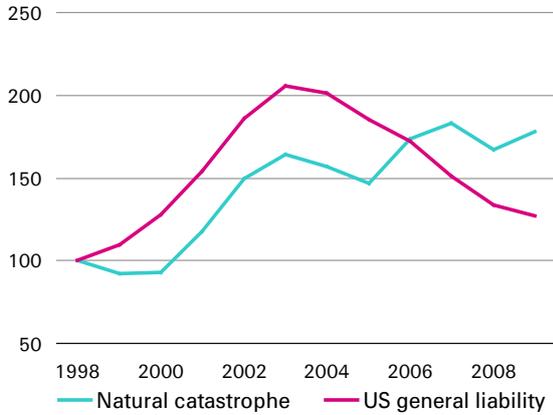




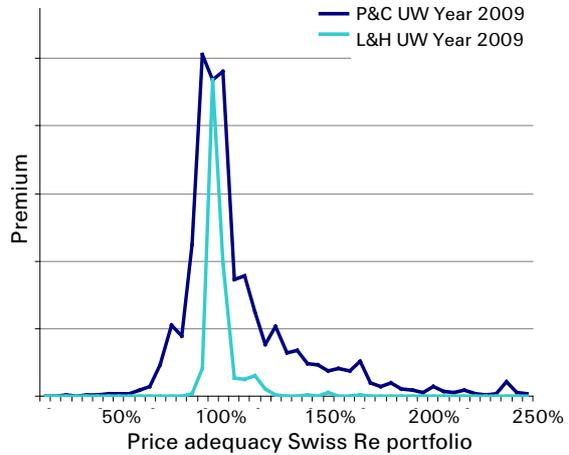
(Re)insurance

Further exploit (re)insurance market inefficiencies

Pricing cycle



Price variability by account



■ Pricing cycles can be dramatic

Source: Camares, Council of Insurance Agents & Brokers

■ There is no single market clearing price

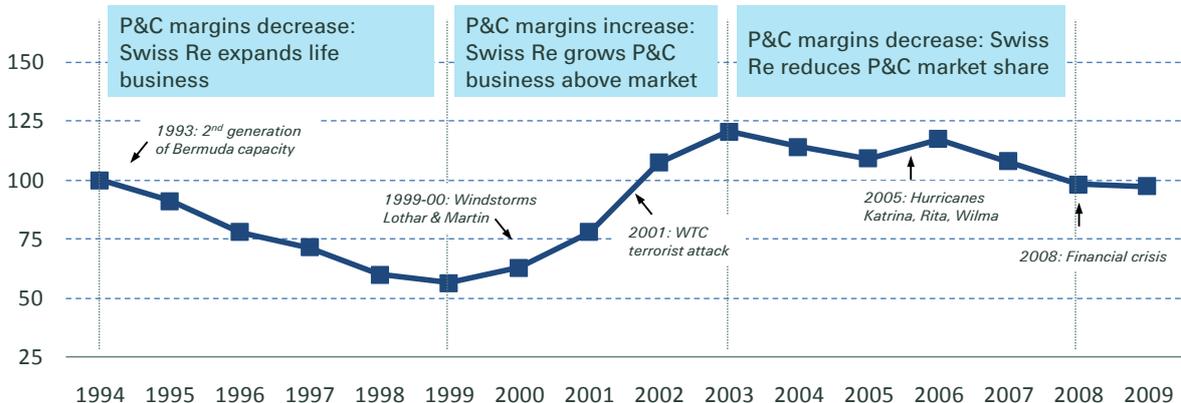
→ We have the cycle management & portfolio steering capabilities to outperform



History of managing the cycle for profits

Strong diversification enables active cycle management

P&C reinsurance pricing index¹⁾



Swiss Re Market Share

9.7%

7.7%

10.7%

8.5%

Net Premium CAGR

1994-1999

1999-2003

2003-2008

Non-life market

5%

8%

-2%

Swiss Re P&C

-0.2%

18%

-7%

Swiss Re L&H

41%

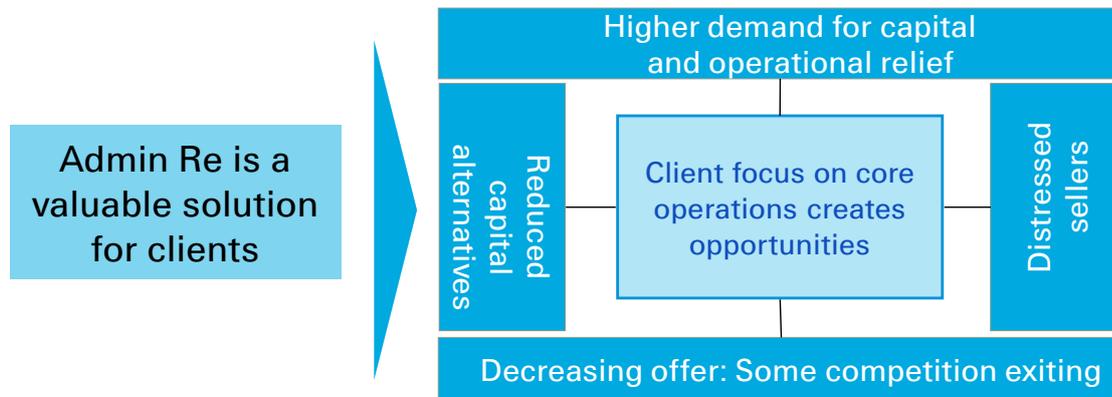
9%

2%



Admin Re®

Expected growth in available run-off portfolios up for sale

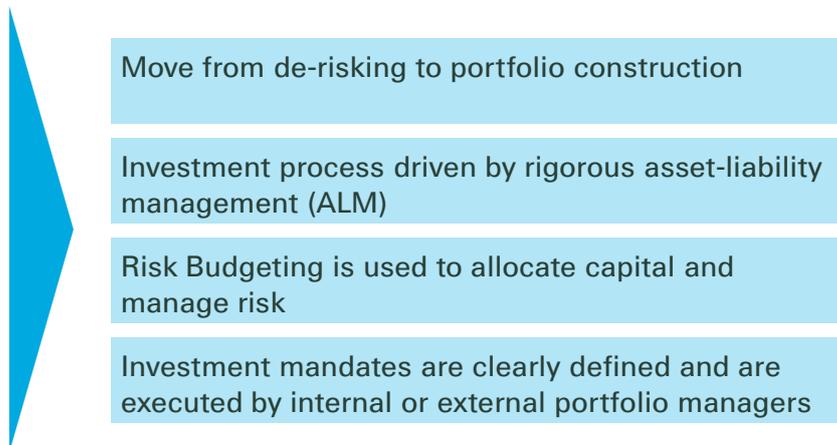


→ Competitive advantage through proven execution capability with 50+ transactions



Asset Management

Asset Management contributes to Swiss Re's performance and risk diversification



→ Investment process is transparent, controlled and flexible



Large industrial risks

Increase market share in a large and growing market



Accelerate profitable growth

Expand product range selectively

Grow in emerging markets

Establish effective and efficient platform and support processes

→ Swiss Re can build on its core strengths – including cycle management, client relationships, underwriting expertise and large limits



Longevity

Growing market driven by ageing population in developed economies



Enhancement of Swiss Re's value proposition to existing and new clients (e.g. pension funds)

Natural extension of Swiss Re's core mortality expertise and provides diversification benefits

Attractive returns and no significant investment in infrastructure or headcount required

Potential for transfer to capital markets

Active in longevity since 2007, strong track record including:

→ **UK longevity swap**

December 2009

First public sector longevity transaction

→ **Australia longevity swaps**

Dec 2008/Oct 2009

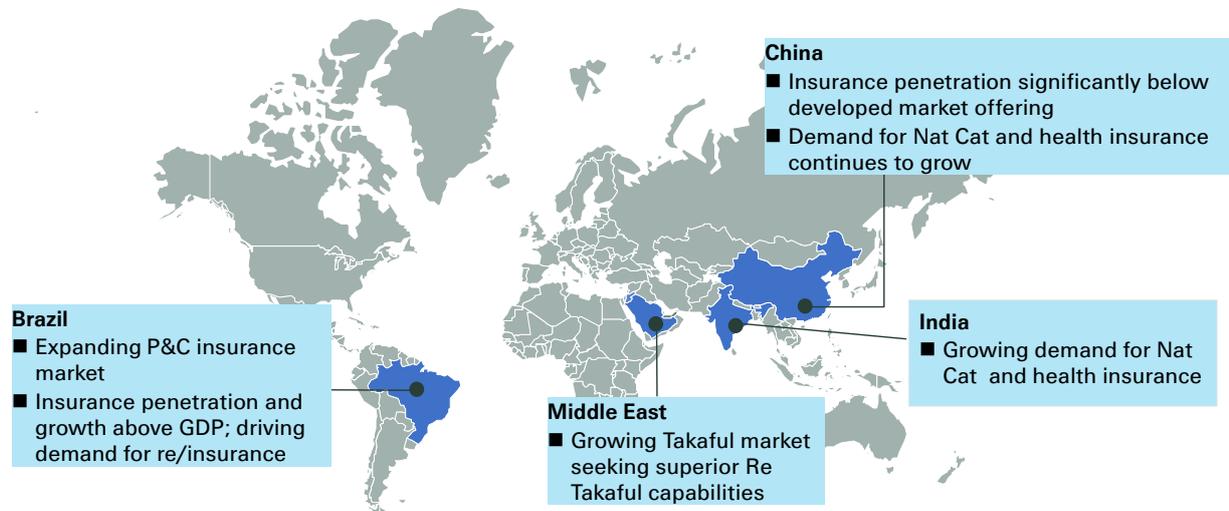
Longevity swaps for Australian companies, first transactions outside UK

→ Swiss Re is emerging as a leading player in longevity risk transfer



Focal markets within Emerging Markets

Attractive growth opportunities due to limited penetration of (re)insurance



→ Swiss Re is well positioned to access growing risk pools



Operating efficiency is a key enabler

Aim is to have a lean, efficient organisation with streamlined processes

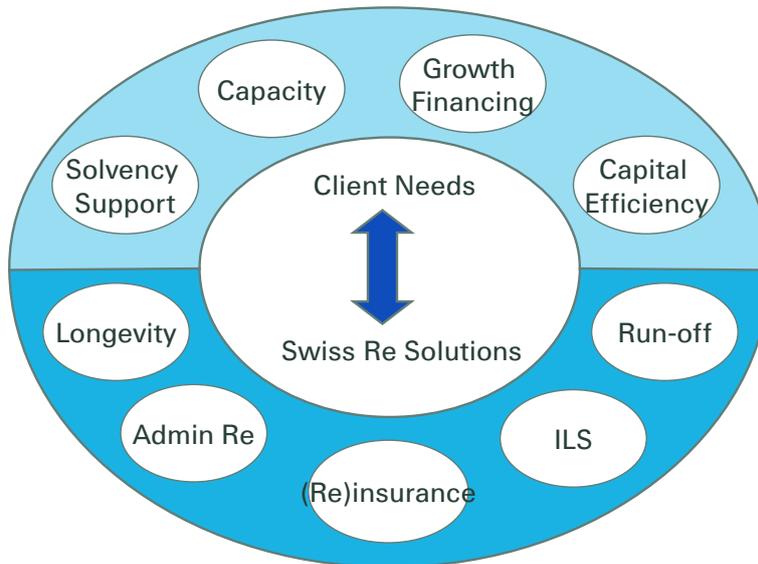
Achievements

- Fit to compete programme largely completed
- On target for CHF 400m reduction in running costs by end 2010

Going forward

- Continuously optimizing processes and simplifying operations, to
 - support operational efficiency and
 - achieve higher levels of customer satisfaction
- By means of
 - business process relocation (near-/off-shoring, outsourcing)
 - reduce unnecessary complexity

Continued track record of innovation Working with clients to deliver innovative solutions



Some examples:

Parametric transaction

July 2010

→ First parametric insurance solution on behalf of US state government (Alabama)

Longevity transaction

December 2009

→ First public sector longevity transaction

MultiCat Mexico ILS

October 2009

→ MultiCat securitisation for World Bank covering Mexican government against hurricane and earthquake risks

China agricultural reinsurance

July 2009

→ Cat risk protection for Beijing municipal government

→ Demonstrates Swiss Re's innovation, client orientation and strong reputation in the market

Summary

- We have delivered on our promises
- We build on our core strengths
- Our mission: to be the leading player in the wholesale (re)insurance industry

Swiss Re is well positioned to compete in times of challenging markets and austerity and is prepared for the upturn

Corporate calendar & contacts

Corporate calendar

04 November 2010	Third Quarter 2010 results	Conference call
17 February 2011	Annual Results 2010	Zurich
15 April 2011	147th Annual General Meeting	Zurich

Investor Relations contacts

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Cautionary note on forward-looking statements

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- 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 Group or developments adversely affecting the ability to achieve improved ratings;
- the cyclical nature of the reinsurance industry;
- uncertainties in estimating reserves;
- 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; and
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks.

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