



## Conference call

Potential acquisition of Resolution plc closed life assets

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## Transaction overview

- GBP 2.35 billion fixed price agreement to acquire certain Resolution blocks from Standard Life plc (subject to completion of its offer to Resolution)
- Offer price is less than EV and accretive to targets in the year after closing
- Transaction will be financed through combination of internal funds and debt issuance
- Acquisition expected to complete Q1 2008



**Buy back plans are not affected by this transaction**

## Acquired assets

- Swiss Re will acquire three main life subsidiaries and their supporting operations platform:
  - Phoenix Life Limited: GBP 23 billion includes a full range of with profit, non profit and unit linked products primarily from Britannic and Royal & Sun Alliance
  - Phoenix & London: GBP 6 billion of primarily traditional with profits business from Royal & Sun Alliance
  - Phoenix Pensions: a recently formed annuity company
- Supporting operations of approximately 450 people in addition to outsourcing contracts with Capita, Liberata and Unisys
- Acquired assets represent GBP 2.39 billion of Resolution EEV as at 30 June 2007, and approximately GBP 400 million of additional value not recognised in the published EEV
- Value not recognised in Resolution's EEV includes Resolution Management Services operating profits, vesting annuities and financial synergies

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## Swiss Re's leadership in Admin Re<sup>®</sup>

- **Strategic proposition** is to transform closed blocks of life insurance into strategic solutions
  - either by acquiring the blocks, or
  - offering a reinsurance solution with or without supporting administration
- **Started in US in 1994**
  - More than 40 US books acquired with 3.5 million policies
  - More than 50 systems conversions managed
  - Managed most types of products (life, disability and annuity)
  - More than USD 18 billion in reserves under management
- **Entered UK in 2003**
  - Completed seven transactions to date with approximately 4.5 million policies under management
  - Approximately GBP 20 billion of reserves under management

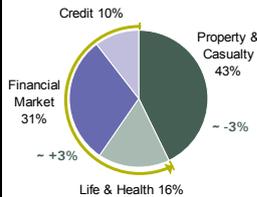
➔ Significant growth opportunities in the global closed life block space as insurers continually seek to refocus on new products and release capital from legacy books

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## Swiss Re's active cycle management

### Risk capital impact (illustrative)



**Note:**  
 Based on estimates before diversification with other Swiss Re businesses

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- Transaction further demonstrates Swiss Re's ability to optimally rebalance its capital allocation across its business lines depending on growth potential and own value added
- Swiss Re will actively divert capital from Property & Casualty if return targets can not be achieved
- Transaction will rebalance Swiss Re's risk capital at attractive returns towards Life & Health
- In this market phase, Swiss Re will continue to focus on areas of countercyclical high value potential:
  - Admin Re®
  - Insurance Linked Securities
  - Longevity
  - Health
  - Variable annuities

## Acquisition consistent with Swiss Re's strategic roadmap

### Generate economic profit growth ✓

- Intelligent cycle management into higher return life business
- Unique opportunity to accelerate development of global Admin Re® strategy with attractive return profile

### Reduce earnings volatility ✓

- Optimised diversification of Swiss Re's portfolio, further enhancing its capital efficiency
- Opportunity to securitise certain portfolios of acquired business covering most of value in force

### Enlarge market scope ✓

- Expand UK Admin Re® operations confirming Swiss Re's position as global leader of closed life books
- Acquired portfolio highly compatible with existing Admin Re® business in UK (unit linked, with profits)

### Talent, culture and organisational efficiency ✓

- Acquisition will add highly skilled workforce with expertise in managing closed life books
- Significant synergies through merger of legal entities and operations

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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.