

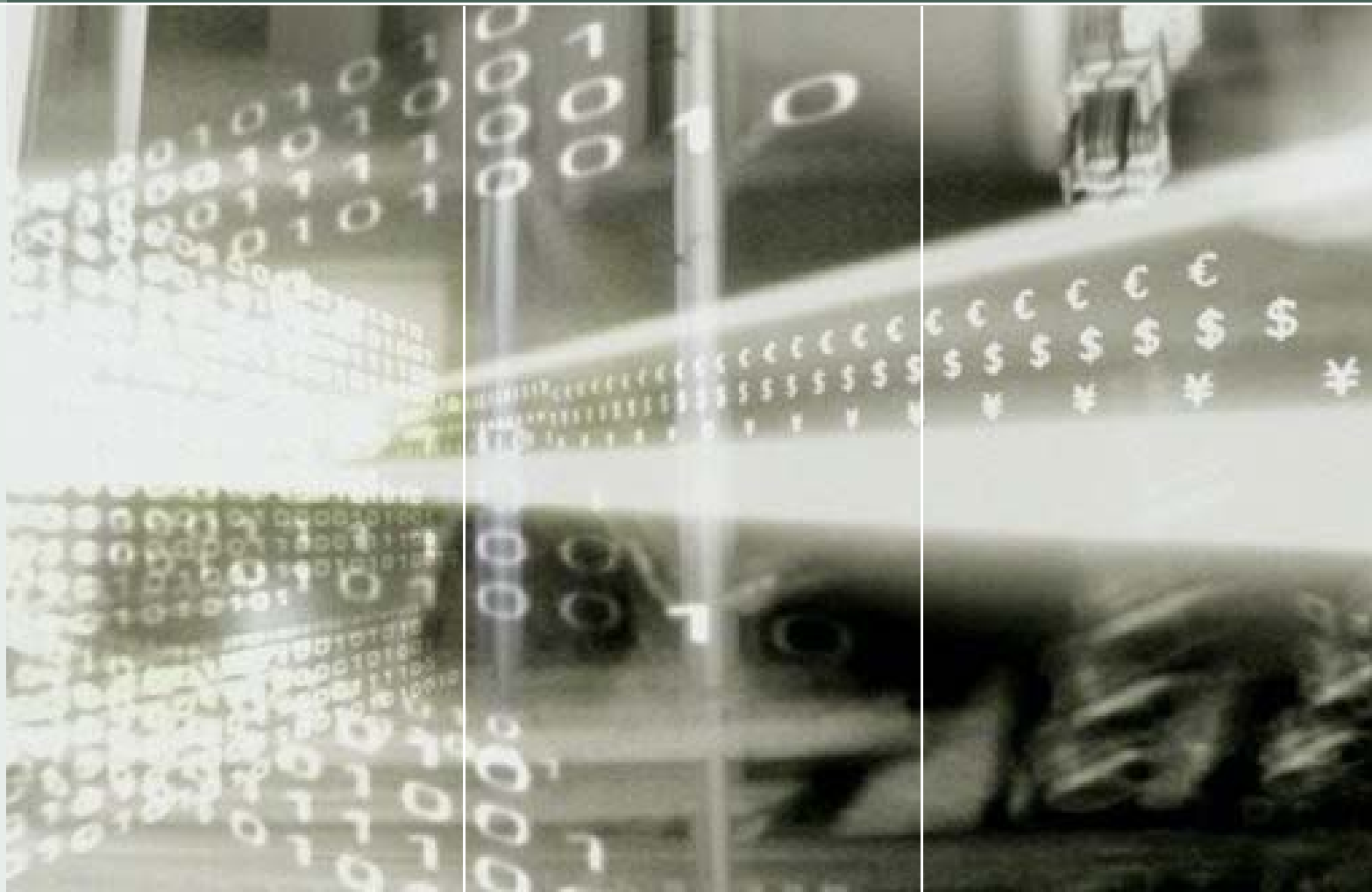
Swiss Re



SWIFT Super Session

Swiss Re Business Processes using SWIFT

ACORD/Loma SWIFT Super Session
Sylvia Steinmann
Chief Information Officer
Financial Service Business Group
24 May 2005





Agenda

- ▶ Introduction to Swiss Re and the Financial Services Business Group
- Business Processes using SWIFT: Swiss Re Asset Mgmt and Finance
- Income and Trade Statistics from Swiss Re Asset Management
- Finance Zurich FZ - SWIFT Set-up for payments



Swiss Re Group at a glance

Net income amounted to CHF 2.5 billion

Premiums earned amounted to CHF 29.4 billion

Total investments amounted to CHF 98.5 billion

Leading position in P&C reinsurance: 10.5% market share*

Leading L&H reinsurer: 22.4% market share*

Leading provider of financial services solutions to targeted clients

Highly diversified portfolio by region and by line of business

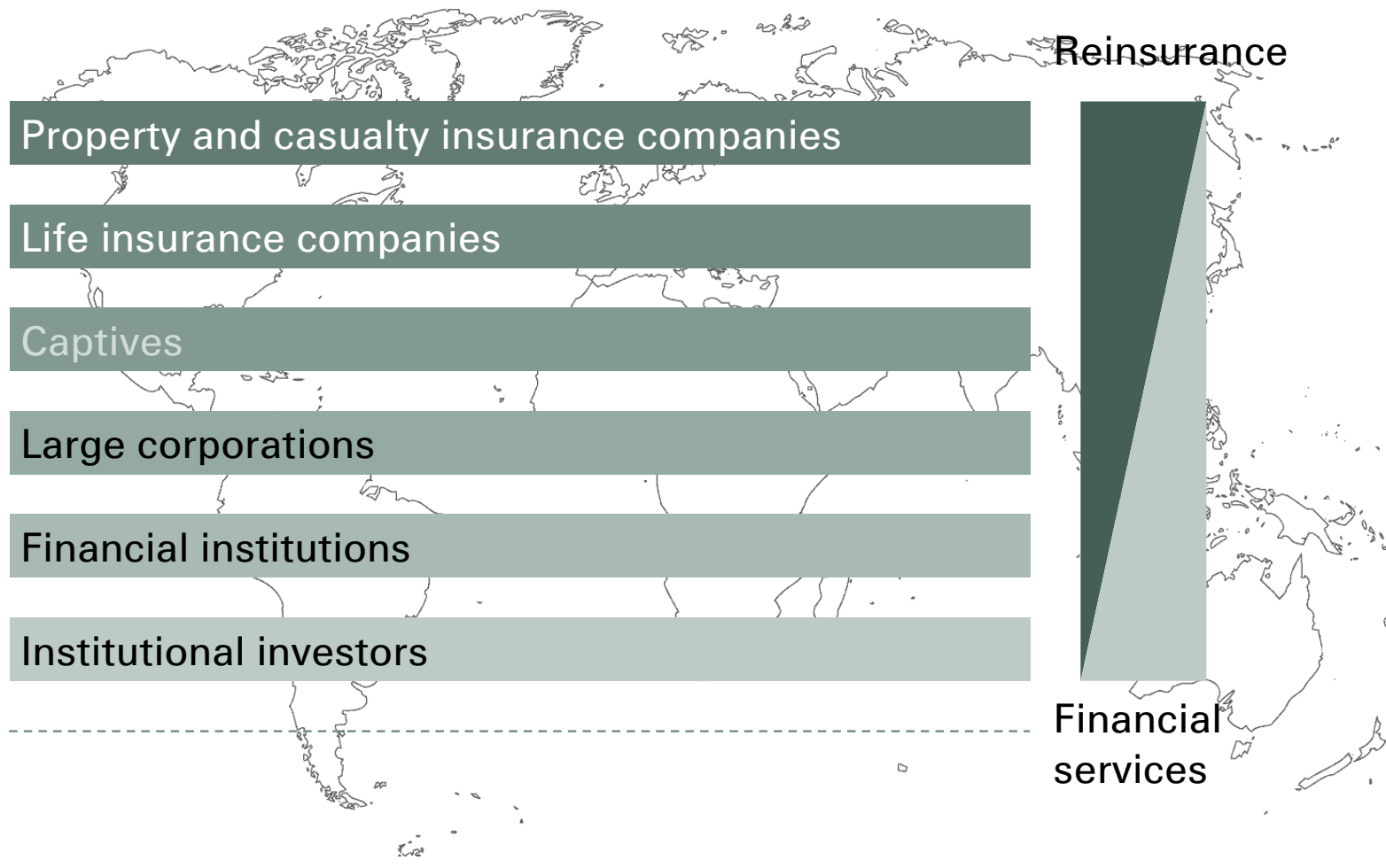
Proven expertise in risk and capital management

Strong corporate culture based on 140 years of experience

* Figures are for year 2003



Client base



Organisation

Board of Directors

Executive Board

Corporate Centre

Risk & Knowledge

Finance

Communications & Human Resources

Information, Processes & Technology

Business Groups

Property & Casualty

Americas
 Asia
 Europe

Life & Health

North America
 United Kingdom
 Continental Europe
 Asia and the rest of the world

Financial Services

Risk Solutions
 Credit Solutions
 Capital Management and Advisery
 Asset Management
 Corporate Development

SWIFT users



Agenda

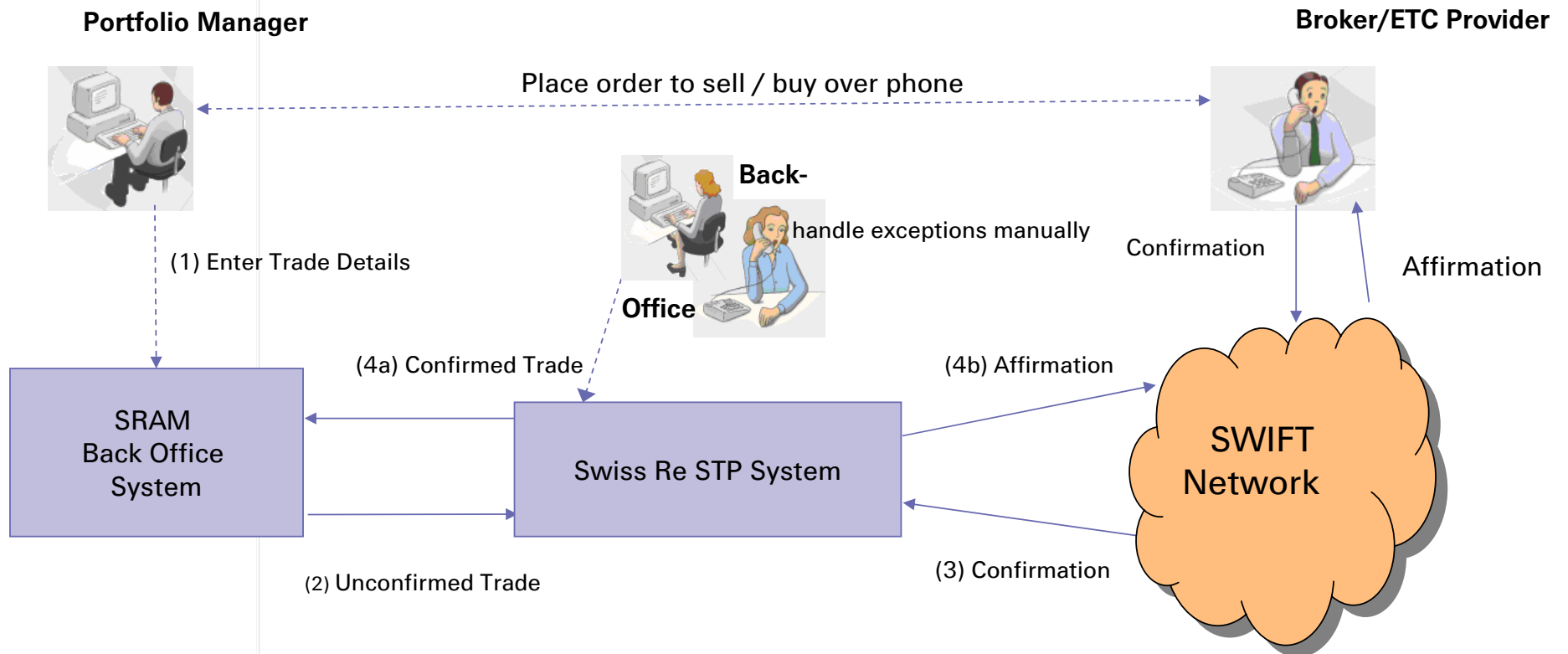
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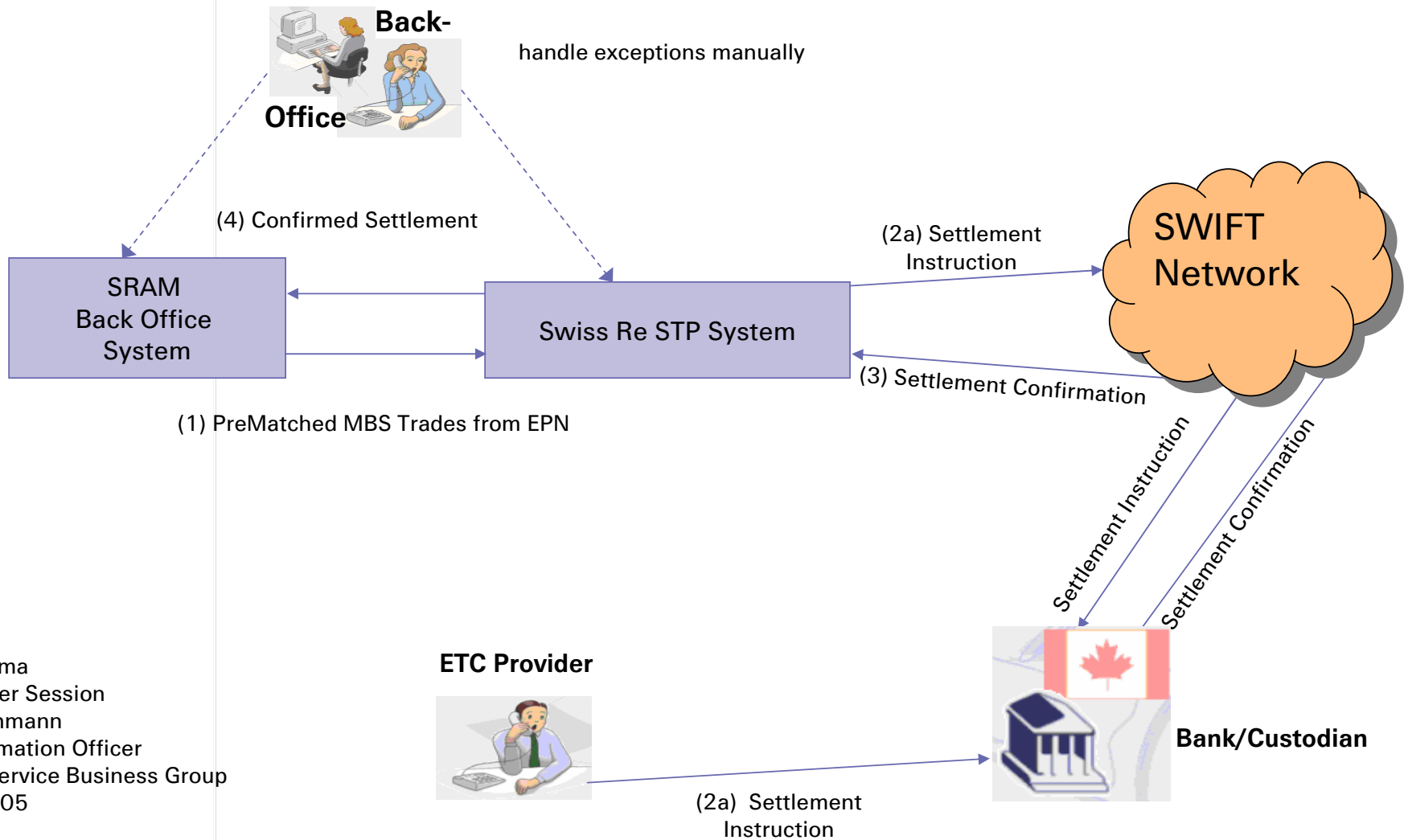
Business Processes using SWIFT successfully within Swiss Re Asset Mgmt for:

- Trade confirmation with ETC-Provider and brokers
- Trade settlement with custodians
- Income receipts from custodians
- Holding reconciliation with custodians

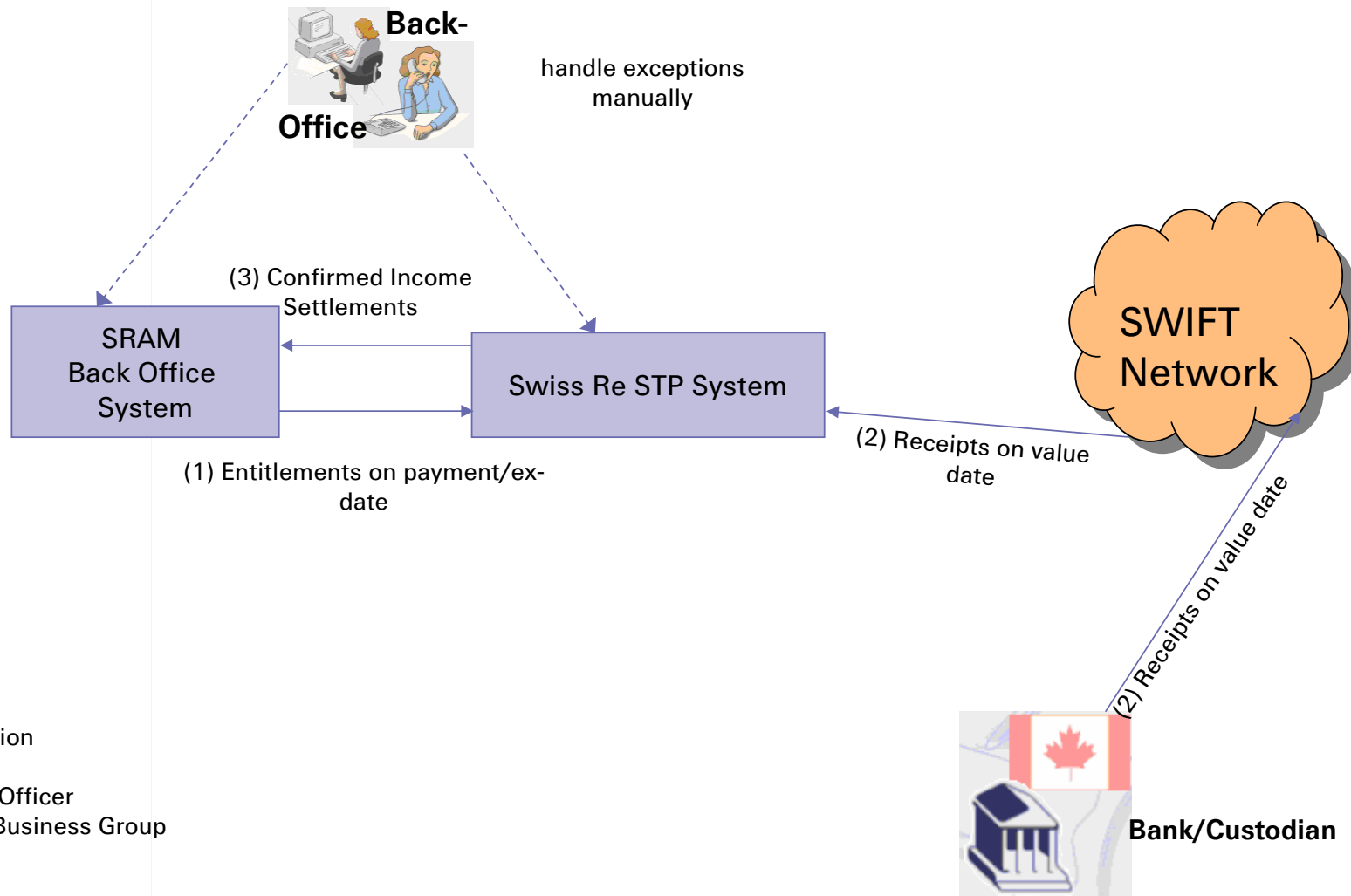
Trade Confirmation Process



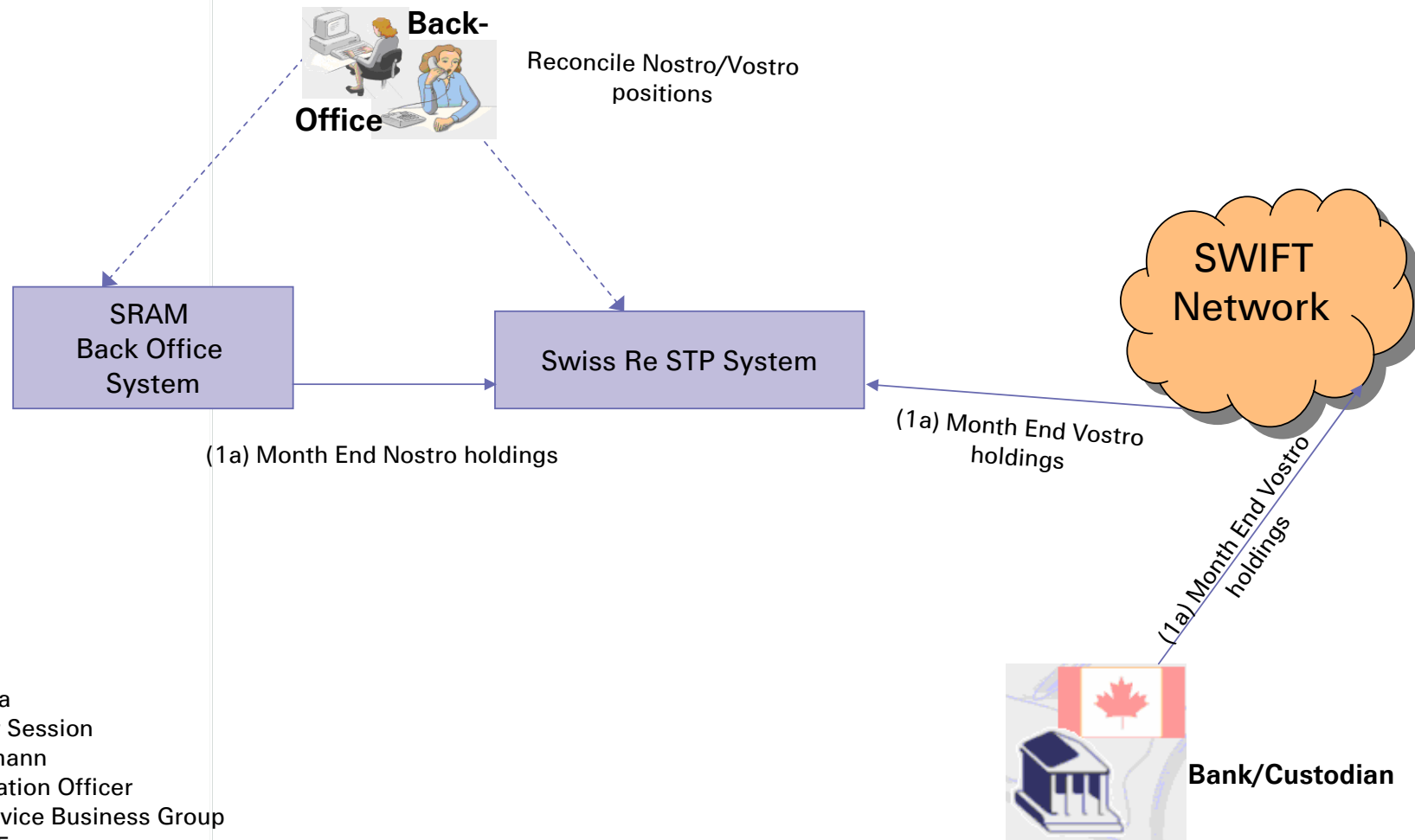
Trade Settlement (after trade matching)



Income Settlement



Holding Reconciliation





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Illustration: Trades Statistics Asset Mgmt

Figures include only what gets processed via SWIFT/OM and thus will not tally with "actual" trading figures (as some trades are processed /settled outside SWIFT/OM)

| Currency | Buy_sell | Number | Total CHF (Amount in Mio) | Total CHF per Currency (Amount in Mio) |
|----------|----------|----------------|------------------------------|---|
| EUR | B | 331 | 3'925 | 6'072 |
| | S | 354 | 2'146 | |
| GBP | B | 117 | 1'365 | 3'317 |
| | S | 118 | 1'952 | |
| JPY | B | 16 | 116 | 202 |
| | S | 14 | 85 | |
| CAD | B | 348 | 2'832 | 4'091 |
| | S | 230 | 1'259 | |
| CHF | B | 127 | 218 | 615 |
| | S | 138 | 396 | |
| USD | B | 1301 | 18'586 | 29'733 |
| | S | 1461 | 11'147 | |
| Other | B | 68 | 118 | 226 |
| | S | 50 | 107 | |
| | | <i>Total B</i> | <i>2308</i> | <i>27'162</i> |
| | | <i>Total S</i> | <i>2365</i> | <i>17'095</i> |

Illustration: Income statistics (dividend, interest) in Asset Mgmt

Figures include only what gets processed via SWIFT/OM and thus will not tally with "actual" trading figures (as some trades are processed /settled outside SWIFT/OM)

| Currency | Source | Number | Total CHF Amount (in TSD) | Total CHF per Currency (in TSD) |
|----------|--------|--------|---------------------------|---------------------------------|
| EUR | DVCA | 52 | 8'497 | 250'073 |
| | INTR | 185 | 241'576 | |
| GBP | DVCA | 130 | 4'408 | 113'323 |
| | INTR | 143 | 108'914 | |
| JPY | DVCA | 3 | 317 | 317 |
| CAD | INTR | 31 | 14'959 | 15'068 |
| | DVCA | 50 | 108 | |
| CHF | INTR | 21 | 10'013 | 76'049 |
| | DVCA | 61 | 66'036 | |
| USD | DVCA | 2'027 | 6'001 | 1'513'510 |
| | INTR | 7'321 | 564'383 | |
| | PRII | 9'126 | 943'125 | |
| Other | DVCA | 7 | 4'738 | 70'593 |
| | INTR | 76 | 65'854 | |

DVCA tot 2'330 90'109

INTR tot 7'777 1'005'701

PRII tot 9'126 943'125

Notes : Only "INTR" (Interest), "DVCA" (Dividends) and "PRII" (paydowns) are automatically settled



Agenda





Introduction to Swiss Re and the Financial Services Business Group

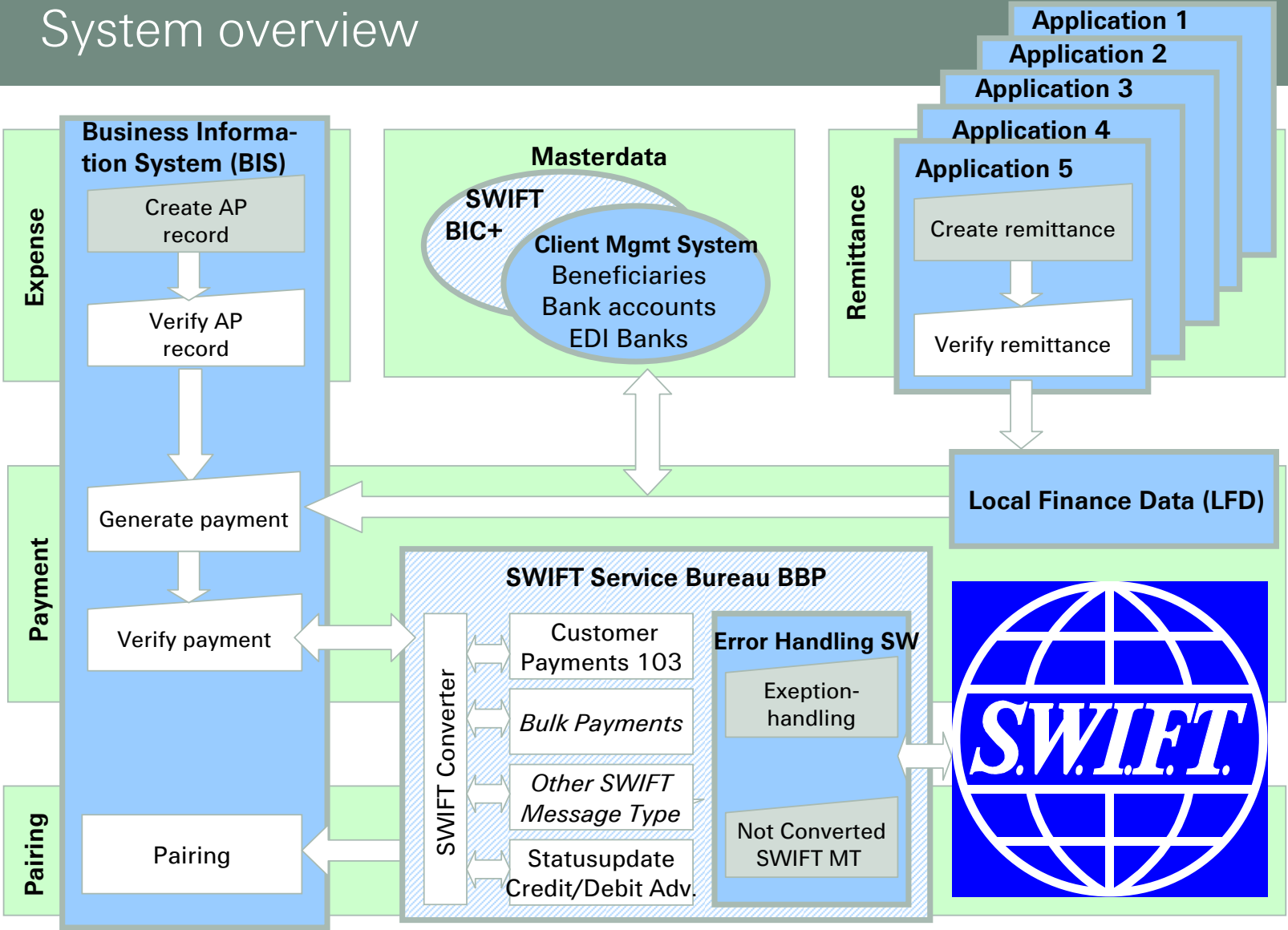
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(Re-)Insurance payments System overview

-  Manual data entry
-  Verification step
-  Automatic Interface
-  Automatic Process



International Transaction p.a.

| | |
|--|--------|
| Payments outbound (SWIFT MT Cat 1XX) | 14'250 |
| Cash Management inbound (SWIFT MT Cat 9XX) | 33'900 |



SWIFT Bank Identification Codes (BIC)

Swiss Re Finance

| Name | | BIC | | |
|--|--------------|------|----|----|
| Swiss Reinsurance Company | Zurich | SWRE | CH | ZH |
| European Reinsurance Company of Zurich | Zurich | ERRE | CH | ZH |
| Swiss Reinsurance Company, Rappresentanza per l'Italia | Roma | SWRE | IT | RR |
| Swiss Reinsurance Company Australia Ltd. | Sydney | SWRE | AU | 2S |
| Suisse de Reassurances (France) | Paris | SWRE | FR | PP |
| Swiss Re Life & Health Germany | Unterföhring | SWRE | DE | MM |
| Swiss Reinsurance Company, Hong Kong Branch | Hong Kong | SWRE | HK | HH |
| Swiss Reinsurance Company, Singapore Branch | Singapore | SWRE | SG | SG |
| Swiss Reinsurance Company, Bermuda Branch | Hamilton | SWRE | BM | HM |
| Swiss Reinsurance Company Africa Ltd | Parktown | SWRE | ZA | JJ |

Swiss Re Asset Management

| Name | | BIC | | |
|--|----------|------|----|----|
| Swiss Re Asset Management Funds (Switzerland) AG | Zurich | SWRE | CH | ZZ |
| Swiss Re Investors INC | New York | SRIA | US | 33 |
| Swiss Re Capital Markets Ltd. | London | SWCM | GB | 21 |
| Swiss Re Investors Ltd. | London | SWIV | GB | 21 |

Fox-Pitt Kelton Ltd.

| Name | | BIC | | |
|----------------------|--------|------|----|----|
| Fox-Pitt Kelton Ltd. | London | FPKL | GB | 2L |



Finance Zurich - SWIFT

Benefits

- Single payment infrastructure for worldwide account holding bank relations
- Flexible selection of account holding banks according to offered fee structures and services, due to standardized SWIFT messages
- Faster straight through process between Swiss Re, banks and payment recipients:
- Cut off times (CET) for payments value same day:
CHF 14.00h / € 15.00 h / US\$ 23.00 h
- Cash flow optimization due to cut off times and compensated value date agreements
- In future direct processing of global cash management and treasury transactions possible



Finance Zurich - SWIFT Challenges

- SWIFT support structure needs to improve to give adequate back-up for international companies.
- SWIFT admission criteria for insurance companies were not implemented when Swiss Re applied for membership; it had to be passed to domestic SWIFT boards in countries of our BIC admissions.
- Domestic payments still through domestic banking network
- Swiss Re Finance processes all payments via account holding banks. Dependency on banks regarding their capability on processing SWIFT message types (eg. set-up for file act was not possible with Swiss bank in 2004)
- Some banks encounter difficulties processing SWIFT messages from corporate operating with own BIC (STP Processes, Fee structures, VAT etc.)



"The future is secure"

Interview with SwissRE CEO John Coomber in
Insurance Day - April 2005

"Compared with banking industry the insurance industry is lacking disgracefully behind"

Could the SWIFT model become a stepping stone in our industries' transformation?

"Three trends which changes the insurance industry:

1. Dramatic change in investment conditions, which lead to an improvement in underwriting quality across the industry
2. Impact of the September 11 terrorist attack, which brought into focus questions of risk partnerships across the industry, or with governments
3. Rise of transparency and drive towards contract certainty, highlighted not only by Enron and WorldCom but also by the Twin Towers dispute"

■ **Often vague practices** of the insurance industry needs to be sorted out:

- **contract certainty**: contracts should be clear and signed
- **transparency** needs to be considered an advantage not a problem

Backoffices are too complicated and **non-interoperable**; need to take cost out of the value chain in the insurance business

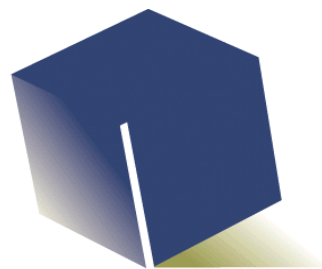
■ There is a real determination to change these conditions and technology will be one enabling factor:

- **industry-wide cost sharing** in technology investments
- **guaranteed delivery** and **non-repudiation** become a must
- **improved turnaround times** and **meeting of regulatory demands**



Thank You!

Q & A



TOWERGROUP

The Power of Knowledge

