

Measuring success

Swiss Re



Swiss Reinsurance Company
Mythenquai 50/60
PO Box
8022 Zurich
Switzerland
Phone: +41 43 285 21 21
Fax: +41 43 285 2999
www.SwissRe.com
SWX: RUKN

Chief Executive Officer
Jacques Aigrain
Chief Information Officer, Financial Services
Sylvia Steinmann
Chief Information Officer, Finance
Walter Engler
2006 Premiums earned
CHF 29,515 million
2005 Premiums earned
CHF 26,891 million
Employees
10,891 (as of Dec 31, 2006)

ROI Study Highlights

- **Payback within 25 months¹**
- **~CHF 16,8 M (~€ 10,6 M) Net Savings over five years**

Key Benefits

- **Direct access to bank network**
- **Global harmonized reach**
- **Enable information integration**
- **Faster, more efficient and more secure**

Study Scope

- **Business groups**
 - **Asset Management**
 - **Finance (Operational Payments)**
 - **Global Cash Management**

Swiss Re’s Asset Management, Finance Zurich and Global Cash Management move to SWIFT for direct access to bank network—achieves more than 4x savings to original investment through better visibility and automation in a secure, harmonized solution

Executive Summary

Swiss Re is the world’s leading and most diversified reinsurer. The company operates through offices in over 25 countries. Founded in Zurich, Switzerland, in 1863, Swiss Re offers financial services products that enable risk-taking essential to enterprise and progress. The company’s traditional reinsurance products and related services for property and casualty, as well as for life and health business, are complemented by insurance-based corporate finance solutions and supplementary services for comprehensive risk management.

Challenges with Previous Banking Infrastructure

Before implementing the SWIFT platform, Swiss Re Asset Management (in 2001), Finance Zurich (in 2004) and Global Cash Management (in 2006) faced significant challenges associated with their previous bank communications infrastructure. To improve returns on equity during the critical “After—9/11” period, the firm had substantially increased its trading activity, a move that heightened the burden on internal processes and systems. In 2000 Swiss Re’s Asset Management team made a decision to consolidate and centralize its back-office systems in order to improve it’s asset management steering based on world-wide consolidated information and to improve processes company-wide to drive greater productivity and standardization. This strategic direction of systems’ harmonization also created the opportunity to improve communication with banks and custodians which was, at the time, cumbersome and often delayed.

Objectives in Moving to a New Bank Communication Platform

To address these shortcomings, Swiss Re’s Asset Management and Finance Zurich management teams made a strategic decision to consolidate their bank/custodian communications systems enabled by a single bank gateway, SWIFT. They began the process by establishing a clear set of objectives, including the following business priorities:

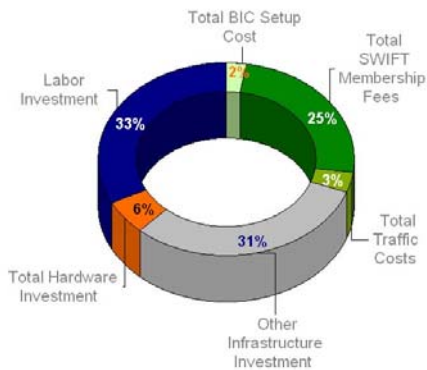
- Increase information flow and data quality by maximizing Straight Through Processing (STP) with custodians and banks
- Optimize business processes and increase visibility
- Create a timely, single view of all bank-related activities, enabling Swiss Re to move closer to the banks
- Leverage existing headcount and improve productivity while increasing trading and cash management activities

By moving to SWIFT, Swiss Re Asset Management and Finance now have direct access to the bank/custodian network enabling better communications, information quality and processes, scaling activities and resources without adding headcount, complexity or redundant data entry into multiple systems.

¹ Based on sequencing of roll-out to CM/Finance

Financial Impact

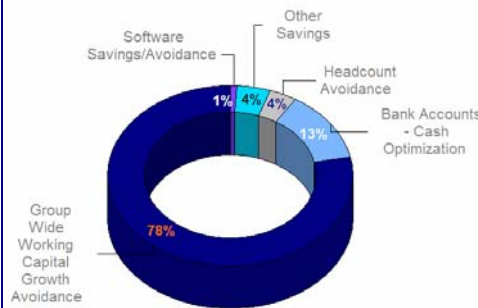
Investment



Quantifying the SWIFT Investment

- Labor costs (33%)—implementation, maintenance, staging and mapping
- Other infrastructure (31%) is bureau costs for accessing the SWIFT network
- Combined SWIFT costs (30%) are membership fees (25%), traffic costs (3%), and BIC costs (2%). Swiss Re's high value, low volume drives the modest traffic fees and its global reach and legal model dictates the multiple BICs

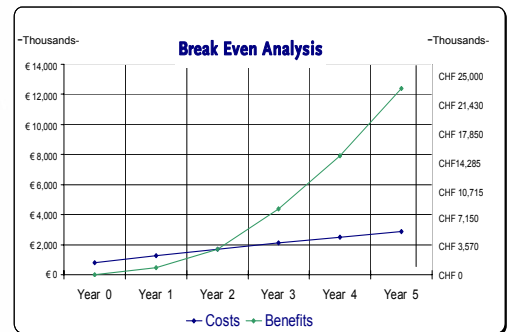
Benefits



Benefits Achieved from SWIFT

- Increased visibility for better cash pooling (~40% reduction); a sizable benefit (13% of overall study benefits) given Swiss Re's size
- Increased visibility and action enables working capital growth avoidance (78% of total study benefits). Historically Swiss Re had been growing working capital in excess of 15% year over year

Breakeven



Cumulative costs and benefits in dual currency—CHF and Euros

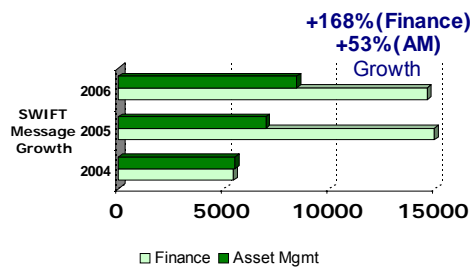
SWIFT Breakeven Analysis

- Quick implementation, quick payback—~25 months elapsed due to staged roll-out
- Scale, growth and efficiency as usage increases
- Over ~CHF 16,8 million (~€ 10 million) in net benefits over five years
- Standards promoting reduced costs, improved business performance and overall economic value

Operational Impact

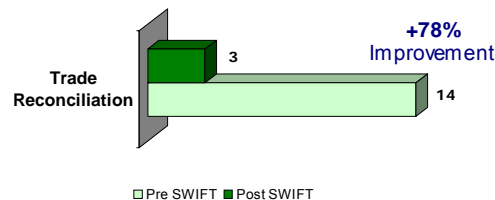
Scaling

Scaling with more efficient processes. The previous approach would have constrained Swiss Re's ability to keep up with the growth. With SWIFT, dramatic increases in volumes are not a problem and do not require additional headcount.



Reconciliation

Greater efficiency — as trading activity increases, the SWIFT solution is helping improve trade processes (settlement, reconciliation and reporting) elimination or errors and redundancies in data entry.



Summary

SWIFT is helping Swiss Re's Asset Management, Finance and Treasury realize its operational excellence goal by providing a single portal to the financial industry, enabling secure, reliable financial messages and payments with greater efficiency, and visibility.

About the Value Measurement Series

This study is one of a series of investigations into the business value companies have derived from their investment in SWIFT solutions. It is intended to serve business executives and managers who are evaluating SWIFT solutions to improve the way they operate their business. This case study was commissioned by SWIFT, and is based on original research and analysis conducted by Thoughtware Worldwide, LLC., an independent research and information services firm. Thoughtware Worldwide's research included on-site interviews with members of Swiss Re's management team and reviews of company financial and planning documents. Information contained in this publication has been obtained from sources considered reliable, but is not warranted by Thoughtware Worldwide, LLC. or SWIFT, S.C.R.L. © 2007 All rights reserved. For more information about this study, please visit www.ThoughtwareWorldwide.com or contact your local SWIFT office