Swiss Re

Second quarter 2009 results

Conference call – Zurich, 5 August 2009

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Today's agenda

- Introduction
  Susan Holliday, Head IR
- Update on priorities
  Stefan Lippe, CEO
- Business performance
  George Quinn, CFO
- Questions & answers

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Note on risk factors

- Global financial markets have been experiencing extreme volatility and disruption for over 2 years. Future material deterioration in business conditions may have a significant impact on Swiss Re's capital and liquidity positions
- As a result of the extreme and unprecedented volatility and disruption, we are exposed to significant financial, capital market and other risks, including movements in interest rates, credit spreads, equity prices, and currency movements, changes in rating agency policies or practices, the lowering or loss of financial strength or other ratings and counterparty risk
- Please see the cautionary note on forward-looking statements on slide 27 of this presentation and the note on risk factors on page 64 of the Q2 2009 report

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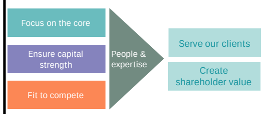
Q2 Highlights



- Capital strength further improved
  - Est. CHF 4.5bn excess to AA requirement end Q2 2009
- De-risking – significant progress
  - Notional exposure reduced by CHF 22.8bn
- Q2 2009 net loss of CHF 381m, shareholders' equity CHF 23.8bn
  - Strong performance of core business: P&C, L&H and AM
  - Results impacted by accounting effect of corporate bond hedges, impairments, discontinued VA
- Strong performance in renewal
  - July renewals saw price increases of 4% in our own portfolio overall, continued active cycle management
- Fit to Compete programme ahead of plan

Ensure capital strength

Substantial further strengthening of capital base

- Excess to AA requirement end Q2 2009 has increased to an estimated CHF 4.5bn
- Substantial de-risking reduces risk from market volatility
- More to be achieved through further internal capital generation

➔ Improved financial flexibility
➔ Significantly increased capacity to support our clients

Focus on the core

Ensure capital strength

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De-risking

Notional exposure reduced by CHF 22.8bn

- PCDS
  - Substantially all transactions terminated
  - Exposure reduced from CHF 13.9bn end Q1 2009 to CHF 0.8bn end Q2 2009
- FG Re
  - Commutation of CHF 2.6bn notional exposure
- Assets
  - Sales and maturities of corporate bonds and securitised products and redemptions from hedge funds reduced exposure by CHF 7.1bn pre-hedging

Ensure capital strength

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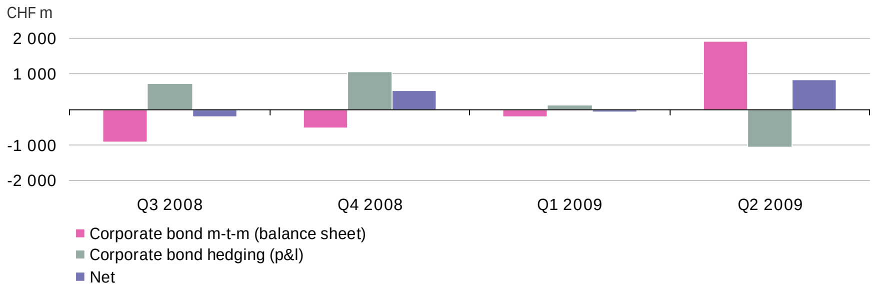
Results

Seeing through the "noise"

Corporate bond hedging, Asset Management



- Accounting asymmetry is pronounced in Q2 2009
- Hedging of corporate bonds reduced operating income by CHF 1.1bn in the quarter. Related mark-to-market gains of CHF 1.9bn on the corporate bond portfolio are included in the balance sheet
- Impairments in Q2 2009 were CHF 0.6bn, mainly due to the recycling of previously unrealised losses

Focus on the core

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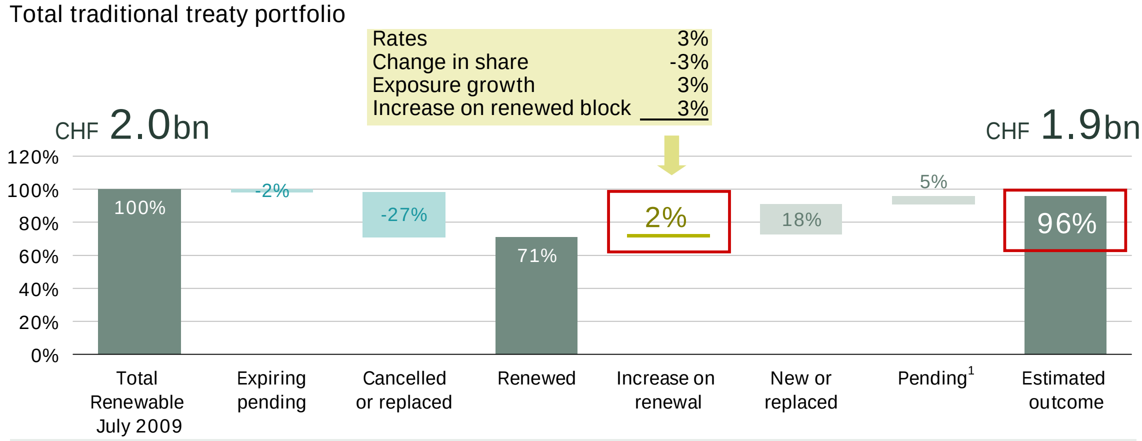
July 2009 renewals

Overall price increase estimated at 4%

Total traditional treaty portfolio



- Continued active cycle management: Reduction in US Casualty and Marine due to inadequate pricing
- Decrease in share mostly driven by active reduction of Credit and Surety
- Overall price increases estimated at 4%

[1] Pending column includes pending new business

All renewal figures are estimated and calculated at constant foreign exchange rates

Focus on the core

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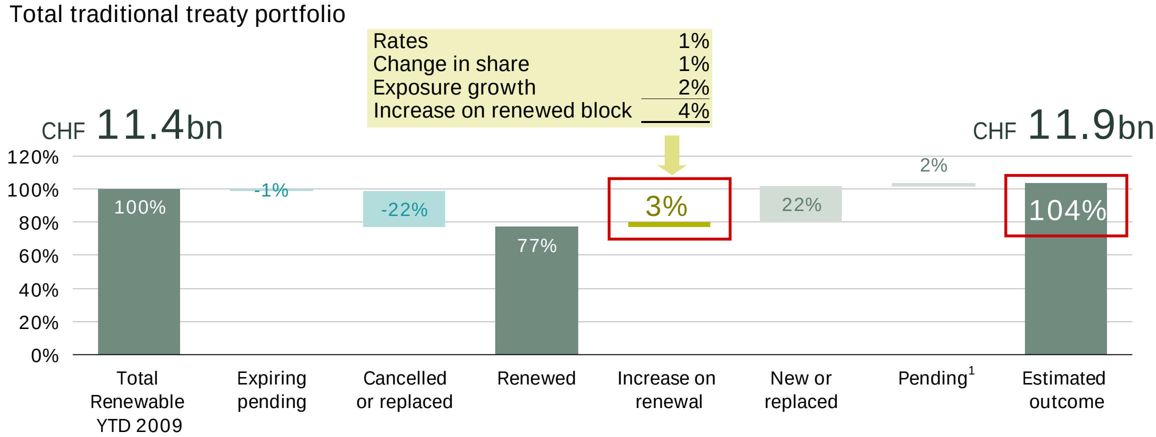
YTD 2009 renewals

Overall price increase 2%; growth 4%

Total traditional treaty portfolio



- Growth driven by price increases, Property proportional especially in the US for solvency relief and aviation
- Reduction in most other lines especially in Casualty
- Overall increase in prices estimated at 2%

[1] Pending column includes pending new business

All renewal figures are estimated and calculated at constant foreign exchange rates

Focus on the core

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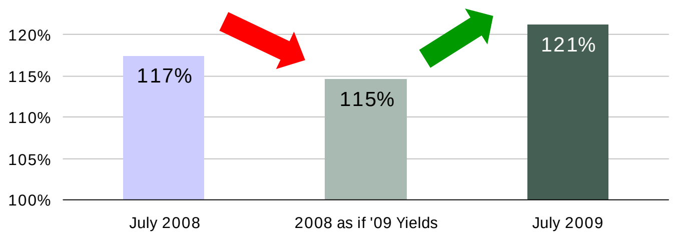
Successful July 2009 renewals

Price increases more than compensate for lower interest rates

Long-term rate adequacy



- Successful July renewals with active portfolio shift from less profitable Casualty lines towards Property
- Long-term rate adequacy clearly above 2008, with and without adjustment of yield impact
- Outlook remains positive

Fit to compete

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Fit to compete

Actions taken to improve efficiency

Office realignment

- 14 out of 73 will be closed globally

Cost savings

- Running cost savings of > CHF 300m before restructuring costs achieved in H1 2009 vs. H1 2008
- Restructuring costs of CHF 130m in H1 2009
- Net savings after restructuring costs now expected to be > CHF 150m in 2009 compared to original CHF 100m target

→ Ahead of plan for 2009

We are on track
Building on our strengths

Focus on the core

Ensure capital strength

Fit to compete

People & expertise

- Efficiency programme ahead of plan
- Core business performs well and price increases continue at July renewals
- Results impacted by hedging and impairments
- Significant progress in de-risking in Legacy and Asset Management
- Substantial increase in excess capital position

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Key figures

CHF	Q2 2008	Q2 2009
■ Group net income[1]	0.6bn	-0.4bn
■ Group operating income	0.8bn	-0.5bn
Operating income continuing operations	1.1bn	-0.5bn
Operating income Legacy	-0.4bn	0.1bn
■ P&C combined ratio	91.0%	89.4%
	Q1 2009	Q2 2009
■ Shareholders' equity	23.6bn	23.8bn
■ Book value per share[2]	61.39	60.69

- Loss driven by hedging of corporate bonds, impairments and other non-cash items
- Core P&C and L&H business continues strong underlying performance

[1] Group net income attributable to shareholders (after interest payment for CPCI)
[2] Basic BVPS, excluding convertible perpetual capital instrument

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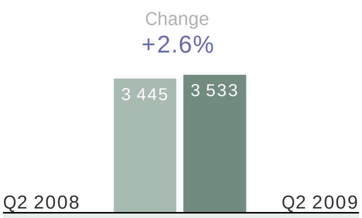
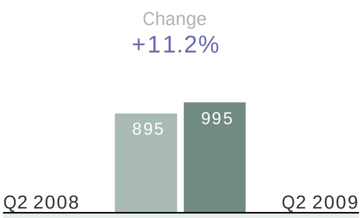
Property & Casualty
Strong underwriting performance continues

Premiums earned
CHF m



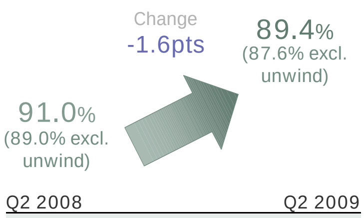
- Premium increase of 2.6% driven by underlying growth during 2009 renewals, partly offset by higher retrocession premiums
- At constant FX rates premiums increase by 1.1%

Operating income
CHF m



- The increase is driven by a strong underwriting result, realised gains in the ILS business and an increase in the non-traditional business result
- Excluding the impact from FX rates, operating income increases by 17.5%

Combined ratio, traditional
%



- Casualty lines improve due largely to the absence of adverse prior year development
- Higher losses in Aviation & Space
- Expense ratio improves by 1% pt

Property & Casualty
Excellent combined ratio

P&C traditional combined ratios

%, premiums and operating income in CHF m

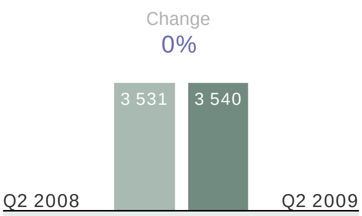
	Q2 2008	Q2 2009	Main drivers of change	Premiums	Operating income	H1 2009 (CR, trad.; %)
Property	64.9%	67.7%	Favourable net claims experience in the quarter	1 293	492	72.7%
Casualty	116.5%	103.8%		1 121	366	102.1%
Liability	111.6%	103.8%	Modest positive improvement in net experience	531	237	100.3%
Motor	88.1%	98.2%	Current quarter is in line with expectations while Q2 2008 benefited from favourable development	450	90	101.6%
Accident (A&H)	234.1%	122.1%	Absence of significant reserve adjustments experienced last year	140	39	111.4%
Specialty	89.2%	101.1%		1 005	79	98.0%
Credit[1]	107.5%	111.9%	Continuing pressure from the credit environment	310	-14	100.2%
Other Specialty	81.4%	96.3%	High loss activity in Aviation & Space	695	93	97.0%
Total traditional	91.0%	89.4%		3 419	937	89.8%
excl. unwind	89.0%	87.6%				88.1%
Total non-trad.				114	58	
Total				3 533	995	

[1] Credit excludes FG Re, now in Legacy

Life & Health
Results impacted by non-cash items

Operating revenues

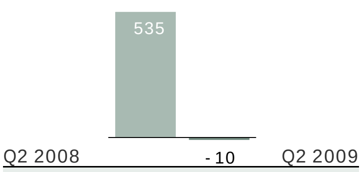
CHF m



- Excluding foreign exchange, premiums and fees were 2.0% higher, primarily driven by Admin Re® transactions which closed during the fourth quarter of 2008 and new traditional life business

Operating income

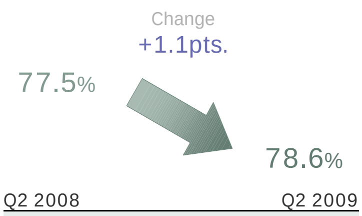
CHF m



- Mortality and morbidity in line with expectations
- VA loss of CHF 561m due to own credit and model changes (Q2 2008: 34m gain)
- Favourable impact of arbitration award CHF 237m including release of embedded derivative

Benefit ratio

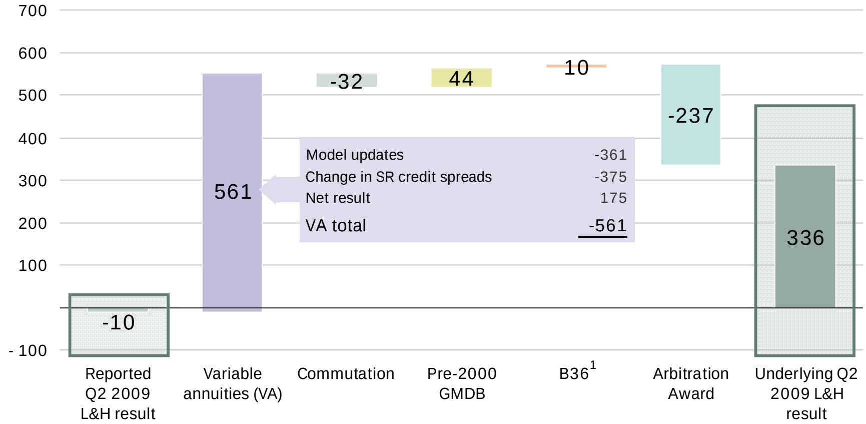
%



- Q2 2009 experience in line with expectations but less favourable than Q2 2008
- Includes approximately 0.8 points related to lower benefit reserves for VA

Life & Health
Drivers of Q2 2009 operating income

Underlying L&H operating income
CHF m

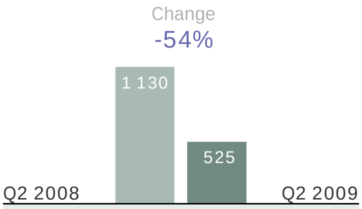


- Underlying L&H operating income around CHF 300m per quarter depending on mortality and morbidity experience and cedent reporting

[1] B36: fair value of embedded derivatives associated with certain treaties that are assumed/ceded by Swiss Re on a funds-withheld or modified coinsurance basis

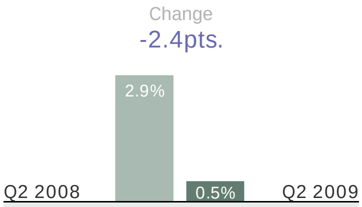
Asset Management
Positive economic results and capital appreciation

Operating income
CHF m



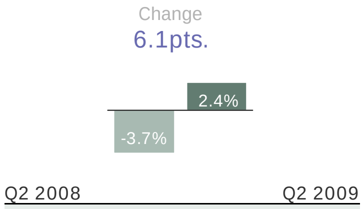
- AM investment portfolio of CHF 158.3bn (excl. unit-linked and with-profit)
- Income decreased from Q2 2008 mainly due to losses from hedges (CHF 1.1bn)
- Overall positive economic results with bonds outperforming hedges
- AM results include CHF -377m in impairments, a decrease of CHF 279m from Q1 2009
- Decrease in running yield to 4.8% in Q2 2009 (5.2% Q2 2008)

Return on Investments
%



- Q2 2009 RoI of 4.8% for rates, -2.4% for credit and -0.7% for equities and alternative investments
- ROI impacted by hedges, impairments and FX

Total return on inv. assets[1]
%



- Total return Q2 2009 of 11.3% for credit, -3.1% for rates and 6.8% for equities and alternative investments
- Significant gains from spread tightening, partially offset by higher yields

[1] Total return includes change in unrealised gains/losses

Legacy
Notional exposure decreased significantly

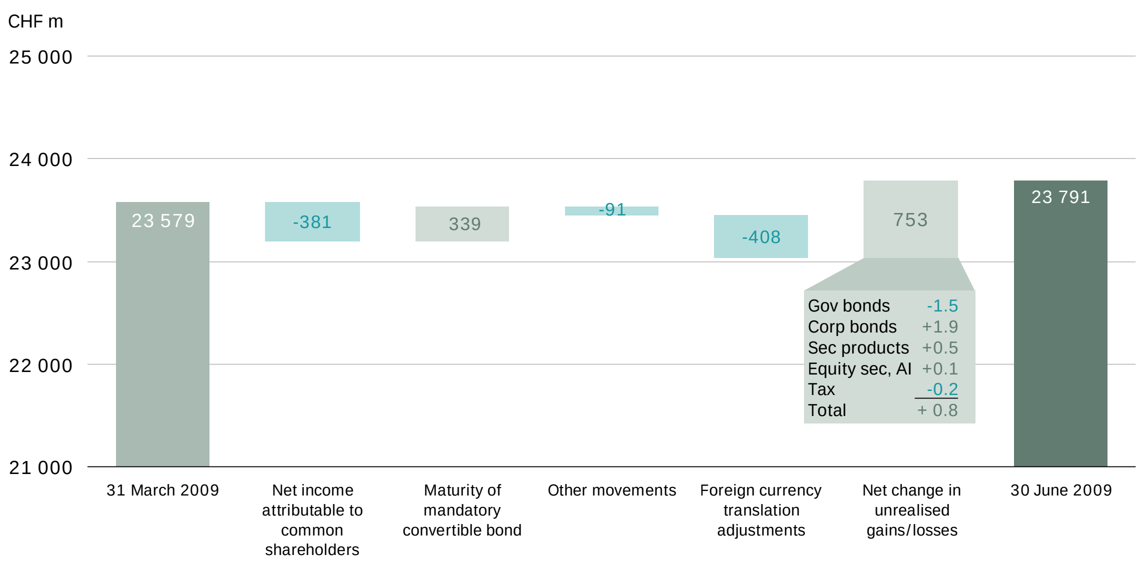
Operating income split

CHF m	Q2 2008	Q2 2009	
Portfolio CDS	21	325	■ Positions unwound and notional decreased substantially resulting in realised gains on Portfolio CDS positions during Q2 ■ Substantially all exposure terminated
Financial Guarantee Re	-44	-130	■ Commutation in Q2 reduced notional exposure by CHF 2.6bn ■ Loss driven by commutation expense and addition to technical reserves, primarily for RMBS
Former Trading Activities[1]	-345	-124	■ Impairments of CHF 225m primarily on securitised products in Q2, of which CHF 103m relates to former SCDS positions ■ Realised gains from sales of corporate bonds
Total	-368	71	

- Termination of substantially all PCDS, with a net decrease in notional of CHF 13.1bn in Q2 2009
- FG Re commutations of CHF 2.6bn notional in Q2 2009
- Continued run-off of positions in former trading activities, reducing bond notional exposure as market conditions improved

[1] Structured CDS is included in Former Trading Activities

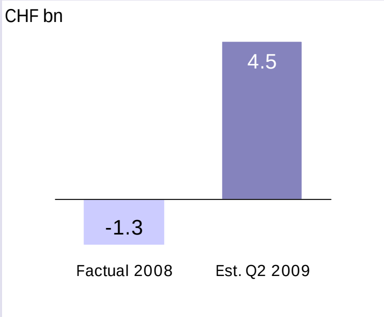
Shareholders’ equity Q2 2009
Improvement in unrealised losses partially offset by FX



Swiss Re's capital

External capital measures significantly above target levels

S&P excess capital above AA

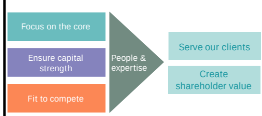


- Significant improvement in S&P capital adequacy mainly due to CPCI, ADC, tightening spreads, rising interest rates, and reduced exposures
- In the S&P capital model, the US GAAP valuation of insurance liabilities is adjusted for changes in interest rates
- Estimated Q2 2009 Solvency I ratio 186%

More than CHF 300m capital released year-to-date driven by Credit & Surety Re, Alternative Investments and announced sale of Conning

Q2 Highlights and outlook

We are on track



- Efficiency programme ahead of plan
- Strong and profitable core business and strong client franchise
- Results impacted by hedging and impairments
- Significant progress in de-risking in Legacy and Asset Management
- Substantial increase in excess capital position

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Corporate calendar & contacts

Corporate calendar

07 September	Investors' meeting	Monte Carlo
03 November	Third quarter 2009 results	Conference call
09 December	Investors' Day 2009	Zurich

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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 direct and indirect impact of the continuing deterioration in the financial markets and the efficacy of efforts to strengthen financial institutions and stabilise the credit markets and the broader financial system;
- changes in global economic conditions and the effects of the global economic downturn;
- the occurrence of other unanticipated market developments or trends;
- 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 Swiss Re's 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 carry-forwards 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 Swiss Re's hedging arrangements may not be effective;
- the lowering or loss of one of the financial strength or other ratings of one or more companies in the Group;
- risks associated with implementing Swiss Re's business strategies;
- the cyclicality 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;
- political risks in the countries in which Swiss Re operates or insures risks;
- the impact of current, pending and future legislation and regulation affecting us or our ceding companies, and regulatory and legal actions;
- the impact of changes in accounting standards;
- 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;
- changing levels of competition; and
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks.

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.