Swiss Re

Annual results 2009

Analyst and investor meeting

Zurich, 18 February 2010

Swiss Re

Today's agenda

- Introduction — Susan Holliday, Head IR
- Business performance — George Quinn, CFO
- Summary & outlook — Stefan Lippe, CEO
- Questions & answers

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Introduction

Susan Holliday, Head IR

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Business performance

George Quinn, CFO

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2009 Highlights

Significant progress

- **2009 net income of CHF 506m (vs. CHF 864m loss in FY 2008)**
  - EPS CHF 1.5
- **Shareholders' equity increased by CHF 5.7bn to CHF 26.2bn**
  - Book value per ordinary share of CHF 67.7 up 11.1%
- **Strong performance of core business**
- **De-risking – Legacy run-off ahead of schedule**
- **Excess capital > CHF 9bn above AA capital requirement estimated at 31 December 2009**
- **Proposed dividend CHF 1 per share**

Key figures

CHF	FY 2008	FY 2009	Q4 2009
Group net income[1]	-0.9bn	0.5bn	0.4bn
P&C combined ratio	97.9%	88.3%	88.3%
Return on equity	-3.4%	2.3%	7.0%
Shareholders' equity	20.5bn	26.2bn	26.2bn
Book value per share[2]	61.0	67.7	67.7
Earnings per share	-2.6	1.5	1.2
Proposed dividend per share	0.1	1.0	

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

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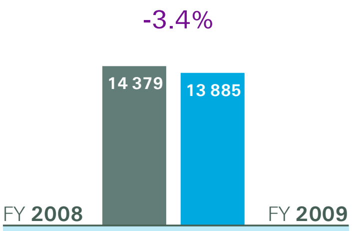
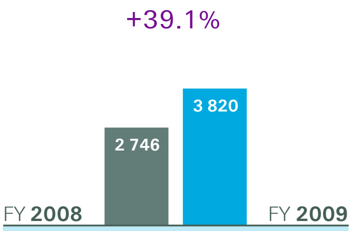
Property & Casualty
Excellent underwriting result

Premiums earned
CHF m



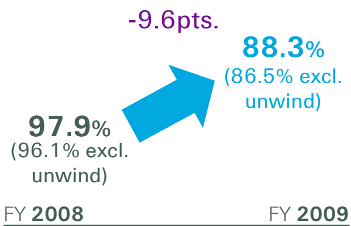
- Maintained volume, at constant FX rates premiums decrease by -1%

Operating income
CHF m



- Increase driven by excellent underwriting result
- Excluding FX impact, operating income increases by 50%

Combined ratio, trad.
%



- Impact from nat cats 4% pts. below expected (Q4 2009 6% pts.)
- No prior year reserving impact due to ADC
- Expense ratio stable at 10.4%
- Q4 2009 combined ratio 88.3%

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Property & Casualty
Excellent underwriting result

P&C traditional combined ratios

%, premiums and operating income in CHF m — CR, trad.; %

	FY 2008	FY 2009	Main drivers of change	Premiums	Operating income	Q4 2009
Property	**76.6%**	**70.1%**	■ Favourable nat cat experience in 2009	**5 329**	**1 850**	**69.0%**
Casualty	**120.4%**	**106.8%**		**4 484**	**1 315**	**113.9%**
Liability	126.9%	111.4%	■ No prior year reserve impact in 2009	2 279	769	130.1%
Motor	92.0%	98.2%	■ 2008 benefited from favourable prior year development	1 639	340	86.6%
Accident (A&H)	161.8%	113.6%	■ No prior year reserve impact in 2009	566	206	125.9%
Specialty	**94.7%**	**92.1%**		**3 510**	**614**	**86.5%**
Credit	119.7%	100.9%	■ 2008 was impacted by reserve strengthening in prior years	1 165	71	104.6%
Other Specialty	83.2%	87.7%	■ Higher claims in Aviation & Space partly offset by good experience in other lines	2 345	543	74.7%
Total traditional	**97.9%**	**88.3%**		**13 323**	**3 779**	**88.3%**
excl. unwind	96.1%	86.5%				86.5%
Total non-trad.				**562**	**41**	
Total				**13 885**	**3 820**	

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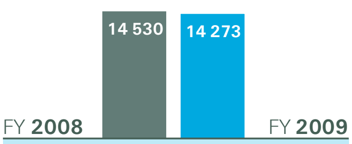
Life & Health
Strong underwriting performance

Operating revenues

CHF m

-1.8%

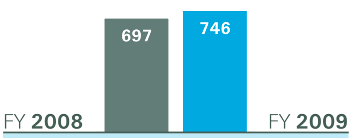


- Excluding FX, premiums and fees were 2.7% higher in 2009, driven by Admin Re® transactions closed in Q4 2008 and new traditional life business

Operating income

CHF m

+7.0%



- Excluding FX impact, operating income increases by 27%
- Strong mortality experience, but less favourable than prior year
- Improved credit spreads reduced the impact of B36 losses (FY 2009 CHF 32m loss, FY 2008 CHF 358m loss)
- VA and pre-2000 GMDB loss of CHF 594m due to own credit spreads and model changes (Q4 2009 CHF 73m loss, FY 2008 CHF 371m loss)

Benefit ratio

%

-3.1pts.

- Approx. 5.0% points improvement related to VA and pre-2000 GMDB due to improved financial markets
- Includes approx. 2.0% points positive impact from the arbitration award (operating income impact CHF 342m)

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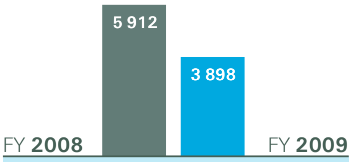
Asset Management
From de-risking to portfolio construction

Operating income
CHF m

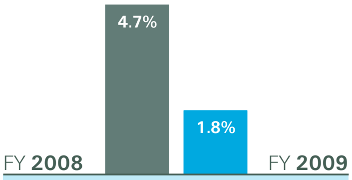
-34.1%



- AM investment portfolio of CHF 154bn (excl. unit-linked and with-profit)
- AM fixed income running yield of 4.3%
- Operating income includes CHF -1.5bn impairments and CHF -1.9bn impact from hedging of corporate bonds

Return on Investments
%

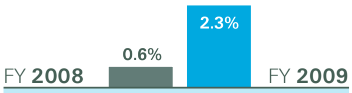
-2.9pts.



- RoI of 5.0% for rates, 0.3% for credit and -1.9% for equities and alternative investments
- Q4 2009 RoI of 20.8% for equities and alternative investments, 5% for credit and 3.5% for rates

Total return[1]
%

+1.7pts.



- Total return FY 2009 of 7.7% for credit, 0.7% for rates (due to rising interest rates) and -3.0% for equities and alternative investments
- Total return includes movements in unrealised gains/losses in shareholders' equity of CHF +4.1bn for credit and CHF -3.3bn for rates

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

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Asset Management
Achievements in 2009

- Securitised products – decrease of CHF 13.1bn (33%) in Asset Management exposure while preserving capital
- Corporate bonds – focus on economic value preservation, adjusted hedging programme for impact of de-risking and market outlook
- Alternative investments – private equity negotiated commitment reductions of CHF 0.5bn and sales of direct investments of CHF 0.1bn, m-t-m gain on Atradius of CHF 0.2bn in Q4 2009, fund of fund hedge fund redemptions of CHF 0.6bn
- 35% decrease in expenses
- Maintained short duration position on assets in expectations of rising interest rates, reduced during the year as interest rates rose (DV01 CHF 10m)
- Effective 1 December 2009, the management of CHF 22 billion of the credit and securitised portfolios was outsourced to BlackRock

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Legacy
Substantially reduced risks and positive results

Operating income split

CHF m	FY 2008	FY 2009	
Financial Guarantee Re	-128	-353	■ Loss primarily driven by expenses related to two large commutations ■ CHF 9.2bn notional reduction due to commutations
Former Trading Activities[1]	- 5 762	492	■ Gains of CHF 400m from unwind of former Portfolio CDS transactions ■ Realised gains on the auction and liquidation of former Structured CDS positions of CHF 221m ■ Impairments of CHF -447m offset gains ■ Significant notional reduction in former trading activities during 2009
Total	**-5 890**	**139**	

■ Significant reduction in exposures in all areas

[1] Structured CDS and remaining PCDS is included in Former Trading Activities

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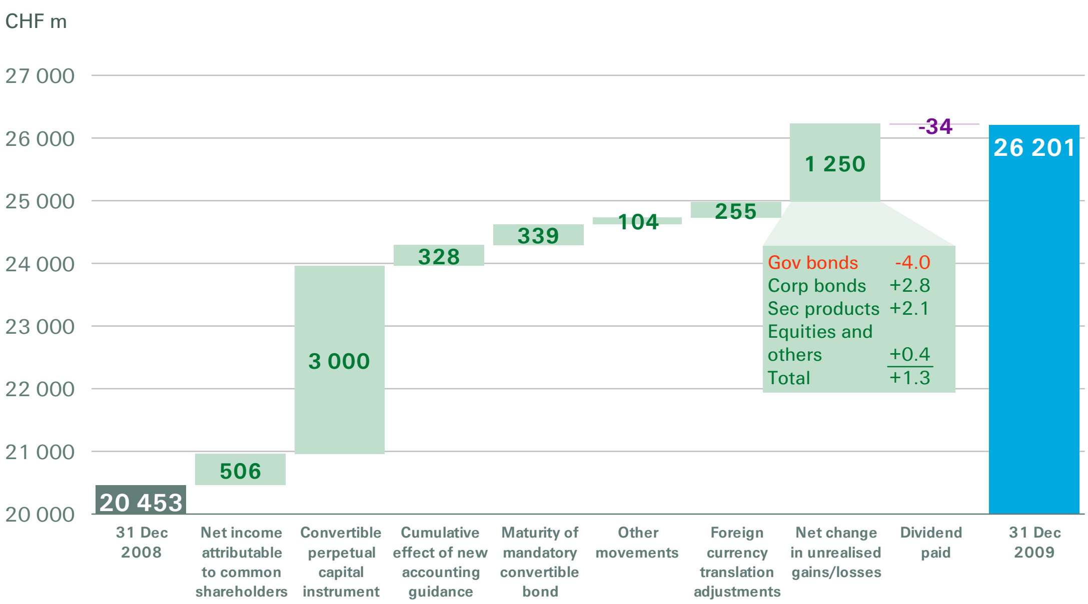
Shareholders' equity FY 2009
Improvements partly offset by rise in interest rates



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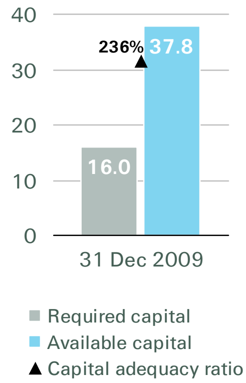
Swiss Re's capital strength
Fully restored in 2009

- S&P estimated excess capital over AA >CHF 9bn
- Q4 improvement driven by tightening credit spreads and reduced exposures
- FY 2009 Solvency I ratio > 200%
- CHF 1bn target for internal capital savings achieved ahead of schedule, driven by Credit & Surety Re, Alternative Investments and sale of Conning

Internal capital model
Est. available/required capital
CHF bn



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Summary & outlook

Stefan Lippe, CEO

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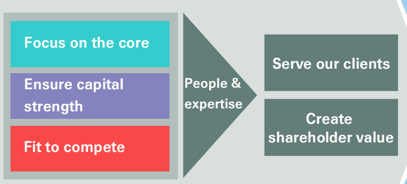
Delivering on our promises

Beginning of 2009:
Concerns over ...

- Capital/Solvency
- Client franchise
- Legacy issues
- Risky assets
- Cost efficiency/ Reorganisation

New priorities



FY 2009 results:
Where we stand today

- ✔ Capital strength restored
- ✔ Strong client franchise demonstrated
- ✔ Legacy issues significantly reduced
- ✔ De-risking: significant progress
- ✔ Cost efficiency programme ahead of plan

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Where we stand today

✔ Capital strength restored	■ S&P estimated excess capital over AA >CHF 9bn ■ Target to free up CHF 1bn capital achieved ahead of schedule
✔ Strong client franchise demonstrated	■ 2009 P&C combined ratio 88.3% ■ Continued strong track record of innovation
✔ Legacy issues significantly reduced	■ Substantially all PCDS terminated, FG Re commutation of CHF 9.2bn exposure ■ Active management of remaining positions
✔ De-risking: significant progress	■ Significant reduction of securitised assets ■ Active hedging of corporate bonds
✔ Cost efficiency programme ahead of plan	■ Net savings of approx. CHF 200m achieved in 2009 ■ Well on track for goal of CHF 400m running costs by end of 2010

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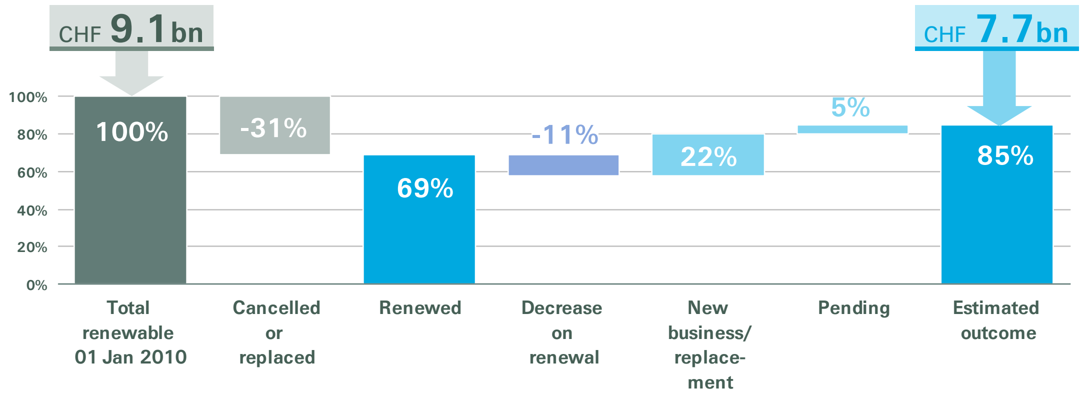
Continued track record of innovation
Some examples

Longevity transaction December 2009	■ First public sector longevity transaction ■ Longevity risk cover to a local government pension fund in the UK on CHF 1.7 billion of pensioner liabilities
MultiCat Mexico ILS October 2009	■ USD 290m 3-year MultiCat securitisation for World Bank covering Mexican government against hurricane and earthquake risks
Longevity swaps Dec 2008/Oct 2009	■ Longevity swaps for Australian companies, first to be closed outside UK
China agricultural reinsurance July 2009	■ Cat risk protection for Beijing municipal government ■ Helps stimulate agricultural productivity in China and can ultimately reduce global concerns of food security

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

January 2010 renewals

Total treaty portfolio



- Market softening led to price reductions of 2% of premium volume
- Reduction in exposures led to a further 13% reduction in premium volume

January 2010 renewals

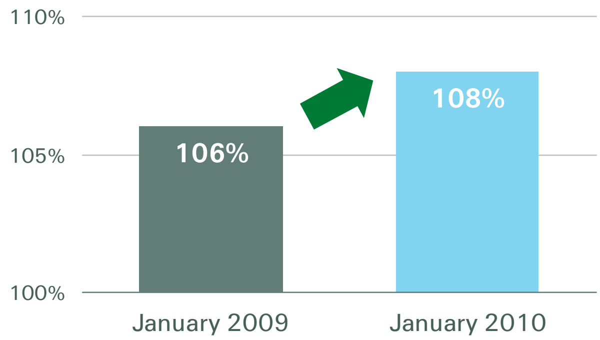
Why did we cut top line?

- Continued focus on active cycle management and portfolio steering
- Additional decrease in volume from strategic re-positioning and cancellation of large underperforming transactions

Major portfolio changes	CHF million	Rationale
Credit reinsurance	-500	Strategic re-positioning and price adequacy
Chinese solvency QSs	-300	Price adequacy
Large underperforming European motor QS	-200	Price adequacy
Total	**-1 000**	

January 2010 renewals
Improvement in price adequacy and expected combined ratio

Long-term rate adequacy, total treaty portfolio



- Swiss Re estimates a 2010 treaty year combined ratio of 93% assuming a normal level of natural catastrophes

January 2010 renewals
We are market leader not a follower

- January renewals volume down approx. 15%
- Despite an estimated 2% drop in prices, the price adequacy on Swiss Re's portfolio improved 2% points from portfolio and cycle management actions
- 2010 treaty year combined ratio estimated at 93%, assuming a normal level of natural catastrophes

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Target

12% ROE average through the cycle

ROE is calculated as net income for ordinary shareholders divided by average common shareholders' equity

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Summary and outlook
Building on our strengths

- Strong core business and client franchise
- De-risking well under way and expected to be completed in 2010
- Capital strength restored
- Proposed dividend CHF 1, first step in returning to a normal dividend policy
- Active cycle management to continue, focus on sustainable profitability
- We have the capacity and expertise to do large transactions, for example driven by solvency concerns or to support our clients in M&A

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Questions & answers

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Corporate calendar & contacts

Corporate calendar

12 March 2010	**Publication of Annual Report 2009**	
07 April 2010	**146th Annual General Meeting**	Zurich
06 May 2010	**First quarter 2010 results**	Conference call
11 June 2010	**Investors' Day**	London
05 August 2010	**Second quarter 2010 results**	Conference call
04 November 2010	**Third quarter 2010 results**	Conference call

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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:

- 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 one of the financial strength or other ratings of one or more companies in the Group;
- 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;
- 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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