



Third quarter 2009 results

Conference call – Zurich, 03 November 2009



Today's agenda

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

Today's agenda

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

Third quarter 2009 results
 Conference call
 Zurich, 03 November 2009
 Slide 3

Q3 Highlights



- **Q3 2009 net income of CHF 334m**
 - Results impacted negatively by accounting effect of corporate bond hedges, impairments
- **Shareholders' equity increased by CHF 2.4bn to CHF 26.2bn**
 - Book value per share of CHF 67.6, up 11.4%
- **Strong performance of core business**
 - P&C, L&H and AM
- **De-risking – good progress in Legacy**
 - Notional exposure reduced by CHF 14.0bn in Legacy and AM
 - Commutation of CHF 6.6bn notional exposure in FG Re
 - SCDS: liquidation of one contract and a partial sale of underlying assets for gain of CHF 221m
- **Capital strength further improved**
 - > CHF 6bn excess to AA requirement estimated at end Q3 2009

Third quarter 2009 results
 Conference call
 Zurich, 03 November 2009
 Slide 4

Key figures

CHF	Q3 2008	Q3 2009
■ Group net income¹	-0.3bn	0.3bn
■ Group operating income	-0.6bn	0.6bn
Operating income continuing operations	0.4bn	0.6bn
Operating income Legacy	-1.0bn	0.0bn
■ P&C combined ratio	99.6%	84.5%
	Q2 2009	Q3 2009
■ Shareholders' equity	23.8bn	26.2bn
■ Book value per share²	60.7	67.6

- Excellent underwriting performance
- Results impacted by hedging of corporate bonds and impairments
- Good progress in de-risking in Legacy

Third quarter 2009 results
 Conference call
 Zurich, 03 November 2009

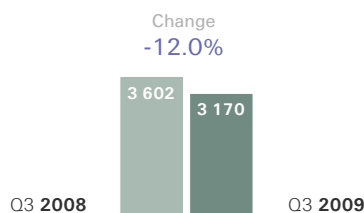
Slide 5

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

Property & Casualty Excellent underwriting result

Premiums earned

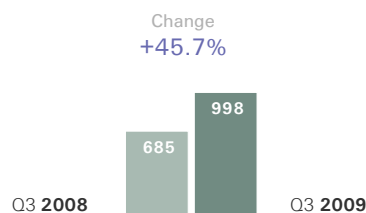
CHF m



- Premium decrease driven by higher retrocession and lower volumes due to selective underwriting and cycle management
- At constant FX rates premiums decreased by -11%

Operating income

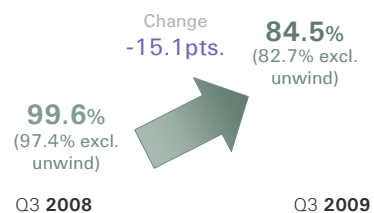
CHF m



- Excellent underwriting result and favourable claims experience in Property and Specialty
- Excluding the impact from FX rates, operating income increased by 49.6%

Combined ratio, traditional

%



- Impact from nat cats in the quarter was 9% pts below expected
- Expense ratio increases by 1.3pts. due to lower premium volume
- Expenses flat in absolute terms

Slide 6



Property & Casualty

Excellent underwriting result

P&C traditional combined ratios

%, premiums and operating income in CHF m

	Q3 2008	Q3 2009	Main drivers of change	Premiums	Operating income	CR, trad.; %
Property	79.7%	65.8%	♦ Favourable nat cat experience	1 303	455	70.4%
Casualty	125.3%	110.8%		1 002	276	104.7%
Liability	119.3%	121.6%	♦ Prior year premium updates and claims experience	430	147	105.6%
Motor	123.4%	101.8%	♦ Modest impact from hailstorm Wolfgang and absence of reserve strengthening	449	69	101.7%
Accident (A&H)	149.5%	105.7%	♦ Favourable premium development from prior years and absence of reserve strengthening	123	60	109.7%
Specialty	93.7%	82.0%		727	217	93.7%
Credit ¹	123.0%	98.3%	♦ Absence of reserve strengthening	234	22	99.7%
Other Specialty	78.9%	74.2%	♦ Good claims experience and favourable premium updates from prior years	493	195	91.0%
Total traditional excl. unwind	99.6%	84.5%		3 032	948	88.2%
	97.4%	82.7%				86.5%
Total non-trad.				138	50	
Total				3 170	998	

Slide 7

¹ Credit excludes FG Re, now in Legacy

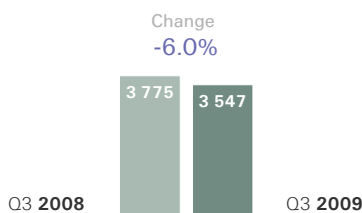


Life & Health

Strong underwriting performance

Operating revenues

CHF m

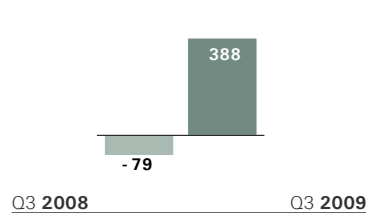


- At constant FX rates premiums and fees were stable
- Higher fee income in Admin Re[®] from inclusion of Barclays Life and improved market conditions, offset by natural run-off of portfolio

Slide 8

Operating income

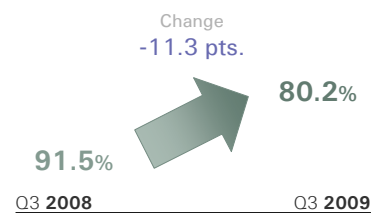
CHF m



- Strong mortality experience
- Arbitration panel clarification of outstanding matter on disability income treaty contributed CHF 105m
- Improved credit spreads reduced the impact of B36 losses (Q3 2009 CHF 19m loss, Q3 2008 CHF 119m loss)
- VA and pre-2000 GMDB CHF 23m loss, driven by change in Swiss Re credit spread (Q3 2008 CHF 79m loss)

Benefit ratio

%



- Favourable mortality experience as compared with the prior period; morbidity at expectations
- Includes approximately 5 points from the arbitration award

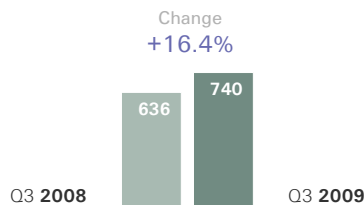


Asset Management

Improved market conditions and significant capital appreciation

Operating income

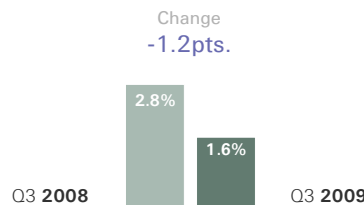
CHF m



- AM investment portfolio of CHF 160.8bn (excl. unit-linked and with-profit)
- AM results include CHF -263m impairments and CHF -706m impact from hedging of corporate bonds
- AM running yield of 4.6%

Return on Investments

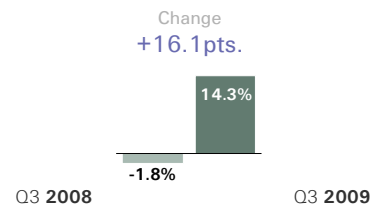
%



- Q3 2009 RoI of 4.3% for rates, -0.1% for credit and -7.7% for equities and alternative investments
- RoI for equities and alternative investments mainly impacted by hedges offset by unrealised gains in shareholders' equity
- RoI impacted by hedges, lower yields, impairments and FX

Total return on inv. assets¹

%



- Total return Q3 2009 of 23.2% for credit, 10.5% for rates and 6.8% for equities and alternative investments
- Total return driven by unrealised gains in rates and credit

Slide 9

¹ Total return includes change in unrealised gains/losses

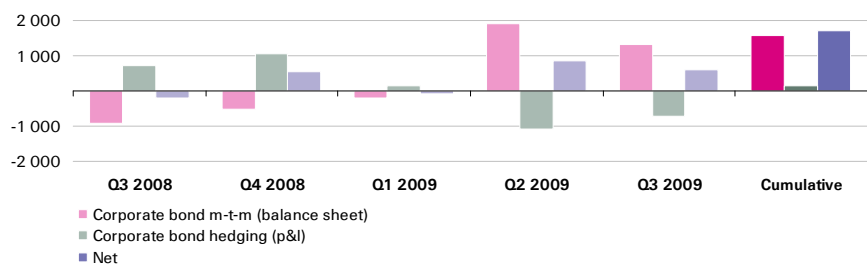


Corporate bond hedging

Successful hedging strategy

Corporate bond hedging, Asset Management

CHF m



- During Q3 2009, mark-to-market gains of CHF 1.3bn recorded in the balance sheet. Hedging reduced operating income by CHF 0.7bn in the quarter
- Realised gains of CHF 266m from sales of corporate bonds during Q3 2009

Third quarter 2009 results
Conference call
Zurich, 03 November 2009

Slide 10



Legacy

Continued significant decrease in notional exposures

Operating income split

CHF m	Q3 2008	Q3 2009	
Financial Guarantee Re	-7	-209	<ul style="list-style-type: none"> Loss driven by commutation expenses and addition to technical reserves Commutation in Q3 2009 reduced notional exposure by CHF 6.6bn Total exposure down 68%, RMBS exposure down 90% in first nine months of 2009
Former Trading Activities ¹	-967	231	<ul style="list-style-type: none"> Realised gains of CHF 221m from liquidation and auction of a portion of the floating rate notes from former Structured CDS Impairments of CHF 70m
Total	-974	22	

- FG Re commutation of liabilities resulting in large reduction in notional exposure
- Legacy corporate bonds nearly all disposed of as market conditions improved

Third quarter 2009 results
Conference call
Zurich, 03 November 2009

Slide 11

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



De-risking

Continued progress as markets improve

Actions taken in 2009

Asset exposures

CHF bn	Net reductions		
	Q3 2009	9M 2009	
Corporate bonds	-2.8	-7.8	→ Sales continue into rebounding market
AM	-2.7	-6.6	
Legacy	-0.1	-1.2	
Securitised products	-4.4	-12.6	→ AM sales mainly in Agency. Sales and pay-downs in Legacy especially RMBS, CMBS and credit cards
AM	-3.5	-11.0	
Legacy	-0.9	-1.6	
Equity & Alt. Investments	-0.2	-0.6	→ Redemptions in Hedge Fund of Funds (pre-hedging)
Total reductions in portfolio	-7.4	-21.0	

Notional liability exposures

CHF bn	Net reductions		
	Q3 2009	9M 2009	
Portfolio CDS	0	-13.1	→ Substantially all PCDS transactions terminated. Notional exposure reduced to approx. CHF 0.8bn
FG Re	-6.6	-9.2	→ Commutation of notional exposure with two counterparties during 2009

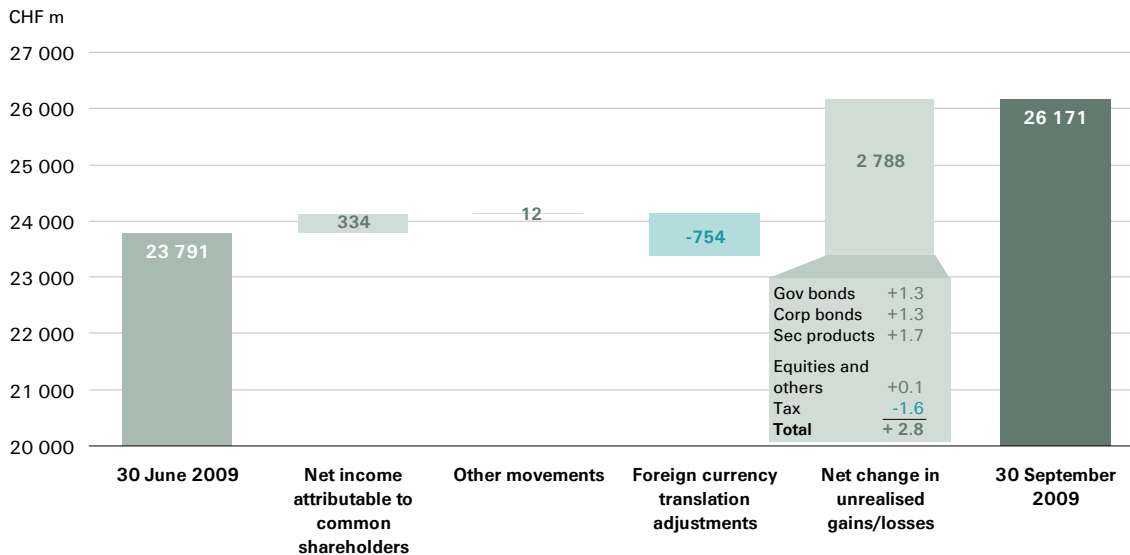
Third quarter 2009 results
Conference call
Zurich, 03 November 2009

Slide 12



Shareholders' equity Q3 2009

Increase of CHF 2.4bn driven by improvement in unrealised gains/losses, partially offset by FX



Slide 13



Swiss Re's capital

Further strengthening in Q3 2009

- S&P estimated excess capital over AA >CHF 6bn
- Q3 2009 Solvency I ratio estimated >200%
- Improvements driven by tightening credit spreads and reduced exposures
- More than CHF 500m of CHF 1bn target for capital savings achieved year to date, driven by Credit & Surety Re, Alternative Investments, and sale of Conning (closed in Q4)

Third quarter 2009 results
Conference call
Zurich, 03 November 2009

Slide 14

Today's agenda

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

Third quarter 2009 results
 Conference call
 Zurich, 03 November 2009
 Slide 15

Summary

Building on our strengths



- **Very strong core business**
 - P&C: first nine months 2009 combined ratio of 88.2%
 - L&H: first nine months 2009 benefit ratio of 81.9%
 - New and innovative deals in P&C and L&H e.g. Mexican ILS, Chinese agriculture, Longevity swaps
- **Capital strength further improved**
 - > CHF 6bn excess to AA requirement estimated at end Q3 2009
- **Capital release on track**
 - Reduction in required capital of >CHF 0.5bn YTD out of CHF 1bn target
- **De-risking – significant progress**
 - Notional exposure reduced by CHF 14.0bn in Q3, CHF 43.3bn first nine months
 - PCDS, FG Re, SCDS
- **Fit to Compete programme ahead of plan**
 - Net savings after restructuring costs for 2009 now expected to be CHF 150-200m compared to original CHF 100m target

Third quarter 2009 results
 Conference call
 Zurich, 03 November 2009
 Slide 16

Outlook

Building on our strengths



- The market fundamentals point towards higher prices (lower yields, under-priced lines of business, end of positive run-off for industry)
- The recovery of industry capital and absence of hurricanes may partially delay the market correction
- The quality of Swiss Re's portfolio, our capital strength and our track record of cycle management mean we are well positioned for the renewal season

Third quarter 2009 results
Conference call
Zurich, 03 November 2009

Slide 17

Today's agenda

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

Third quarter 2009 results
Conference call
Zurich, 03 November 2009

Slide 18



Corporate calendar & contacts

Corporate calendar

09 December 2009	Investors' Day 2009	Zurich
18 February 2010	Annual results 2009	Zurich
07 April 2010	146th Ordinary Annual General Meeting	Zurich

Investor Relations contacts

Hotline +41 43 285 4444	E-mail Investor_Relations@swissre.com
-----------------------------------	---

Susan Holliday +44 20 7933 3890	Ross Walker +41 43 285 2243	Chris Menth +41 43 285 3878
---	---------------------------------------	---------------------------------------

Marc Habermacher +41 43 285 2637	Simone Lieberherr +41 43 285 4190
--	---

Third quarter 2009 results
Conference call
Zurich, 03 November 2009

Slide 19



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 cyclical nature 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.

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.

Slide 20