Swiss Re

Annual results 2010

Analyst and investor meeting

Zurich, 17 February 2011

Swiss Re

Today's agenda

■ Introduction	Susan Holliday, Head IR
■ Progress update	Stefan Lippe, CEO
■ Business performance and targets	George Quinn, CFO
■ Renewals and outlook	Stefan Lippe, CEO
■ Questions & answers	

Introduction

Susan Holliday, Head IR

Progress update

Stefan Lippe, CEO

Progress update

- Capital strength more than restored, ratings outlook positive
- Client franchise protected and strengthened
- Efficiency program completed
- Legacy run-off essentially complete
- CPCI terminated and repaid ahead of schedule
- Clear strategic priorities
- Aligned management structure

➔ Next step is to adjust the organisation's legal structure to support strategic priorities and take full advantage of our strong position

Business performance and targets

George Quinn, CFO

2010 Highlights

Strong progress, substantially higher dividend

- Strong growth in net income, up 74% to USD 0.9bn (USD 2.3bn excl. CPCI)
- Continued very strong P&C performance (combined ratio 93.9%), good results from L&H and Asset Management
- Legacy de-risking goals achieved and CPCI terminated early (repaid January 2011)
- CPCI termination absorbed by internal capital generation, shareholders' equity flat at USD 25.3bn
- Book value per share up 11.8% to USD 74.02 (CHF 68.99)
- CHF 2.75 dividend[1] proposed, to be paid from reserves from capital contributions

[1] Swiss withholding tax exempt distribution out of reserves from capital contributions
Excl. CPCI refers to excluding all impacts relating to the CPCI (interest, premium, FX remeasurement) see Appendix for more detail

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Key figures

USD, unless otherwise stated

	FY 2009	FY 2010	Q4 2010
Group net income[1]	0.5 bn	0.9 bn	-0.7bn
Group net income excl. CPCI[2]	0.7bn	2.3bn	0.5bn
P&C combined ratio	88.3%	93.9%	88.8%
Return on equity published	2.3%	3.6%	-11.0%
Return on equity excl. CPCI[2]	3.3%	9.2%	7.1%
Earnings per share published (USD)	1.46	2.52	-2.12
(CHF)	*1.49*	*2.64*	*-2.21*
Earnings per share excl. CPCI (USD)[2]	2.06	6.62	1.39
(CHF)	*2.13*	*6.93*	*1.46*
Shareholders' equity[3]	25.3bn	25.3bn	
Book value per share (USD)[4]	66.18	74.02	
(CHF)	*67.72*	*68.99*	

1 Group net income attributable to shareholders (after CPCI and excluding non-controlling interests)
2 Excl. CPCI refers to excluding all impacts relating to the CPCI (interest, premium, FX remeasurement)
3 Shareholders' equity excluding non-controlling interests
4 Basic BVPS, excluding CPCI and non-controlling interests

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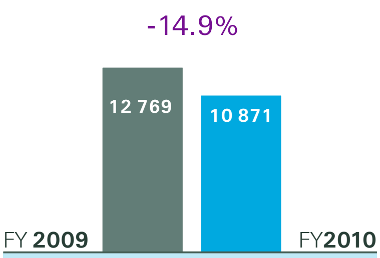
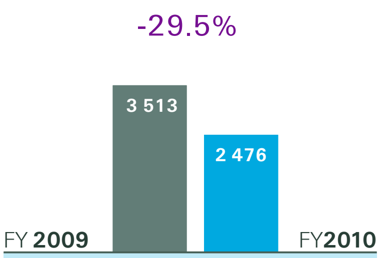
Property & Casualty
Very good result despite higher large loss experience

Premiums earned
USD m



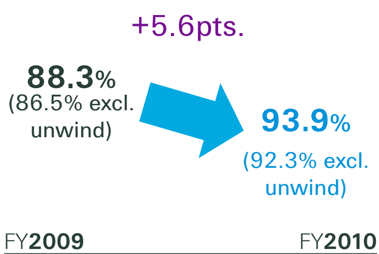
- Decrease reflects active portfolio steering decisions taken during the January 2010 renewals

Operating income
USD m



- Reduction mainly driven by higher large loss experience and lower net investment income

Combined ratio, trad.
%



- Nat cat impact for 2010 is 3% pts above expected level, while in 2009 nat cat impact was 4%pts below expectation
- Q4 2010 combined ratio 88.8%, nat cat impact 2%pts below expectations
- Favourable net reserve development in 2010 of 0.8%pts

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Property & Casualty
Very strong underwriting but high large loss experience

P&C traditional combined ratios

%, premiums and operating income in USD m

	FY 2009	FY 2010	Main drivers of change	Premiums	Operating income	CR Q4 2010
Property	**70.1%**	**86.6%**	■ Increase driven by higher nat cat experience in 2010	**4 575**	**644**	**75.8%**
Casualty	**106.8%**	**114.6%**		**3 292**	**723**	**114.0%**
Liability	111.4%	120.4%	■ 2010 impacted by high loss experience, including Deepwater Horizon	1 683	370	116.0%
Motor	98.2%	106.6%	■ Unfavourable premium updates and prior year development	1 236	169	116.8%
Accident (A&H)	113.6%	114.2%	■ In line, low volume	373	184	97.0%
Specialty	**92.1%**	**80.8%**		**2 621**	**873**	**78.8%**
Credit	100.9%	69.6%	■ Improved technical margin after 2010 portfolio changes, better net claims experience	782	366	80.9%
Other Specialty	87.7%	85.5%	■ Modest improvement	1 839	507	77.7%
Total traditional	**88.3%**	**93.9%**		**10 488**	**2 240**	**88.8%**
excl. unwind	86.5%	92.3%				87.2%
Total non-trad.				**383**	**236**	
Total				**10 871**	**2 476**	

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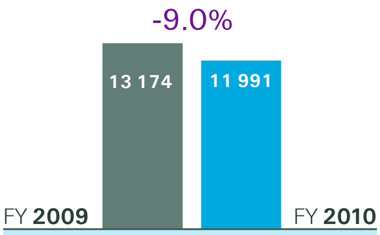
Life & Health
Significant improvement in operating performance

Operating revenues

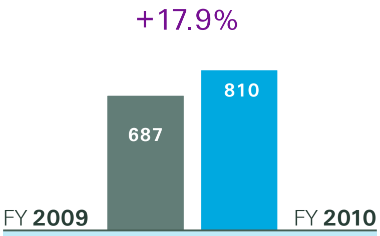
USD m



- Excluding FX and retrocession, premiums and fees were 3% higher than in FY 2009, driven by new traditional life business in Asia and Americas and new traditional health business, primarily in Asia

Operating income

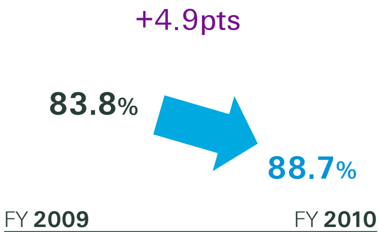
USD m



- Mortality experience better than expectations, but less favourable than prior year
- Morbidity within expectations for both periods
- Investment income USD 156m lower than FY 2009
- VA and pre-2000 GMDB gain of USD 112m (FY 2009 loss of USD 594m)
- 2009 includes USD 331m from arbitration award

Benefit ratio[1]

%

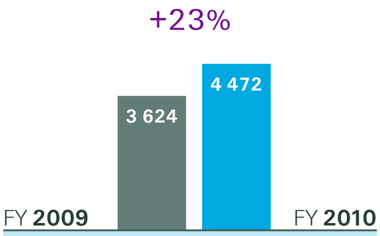


- Approximately 2% point increase related to the effect of the prior year rescission of a disability contract and certain commutations
- Approximately 3% point increase attributed to less favourable mortality / morbidity experience

[1] Benefit ratio excludes the impact of VA & pre-2000 GMDB from all periods presented

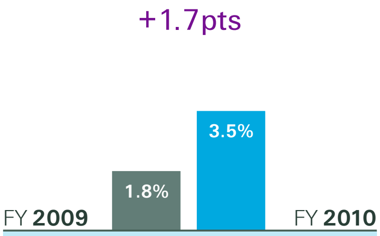
Asset Management
Strong and stable performance

Operating income[1]
USD m



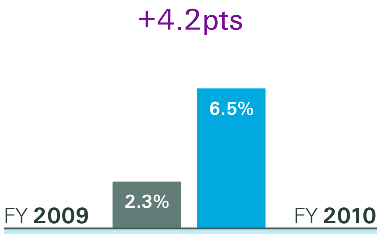
- AM investment portfolio of USD 143.7bn (excl. unit-linked and with-profit)
- AM fixed income running yield of 4.1%, Q4 2010 4.1%
- Impairments USD 0.3bn (FY 09 USD 1.4bn), Q4 2010 impairments USD 61m
- Duration now matched

Return on Investments
%



- RoI of 3.0% for rates, 4.8% for credit and 3.7% for equities and alternative investments
- Q4 2010 RoI of 3.3% for rates, 4.7% for credit and 2.5% for equity and alternative investments

Total return[2]
%



- Total return of 4.4% for rates, 10.3% for credit and 11.4% for equities and alternative investments
- Total return driven by lower interest rates and positive performance in credit
- Q4 2010 total return of -5.9% driven by higher interest rates

1 Minority interests included in operating income but excluded from the RoI and total return
2 Total return includes change in unrealised gains/losses

Legacy
Process essentially complete

Operating income split

USD m	FY 2009	FY 2010
Financial Guarantee Re	-326	-61
Former Trading Activities	454	47
Total	**128**	**-14**

- Key de-risking goals achieved
- Now focused on run-off of lower risk positions

Legacy will no longer be reported as separate segment from 2011 and will be included as part of Group Items

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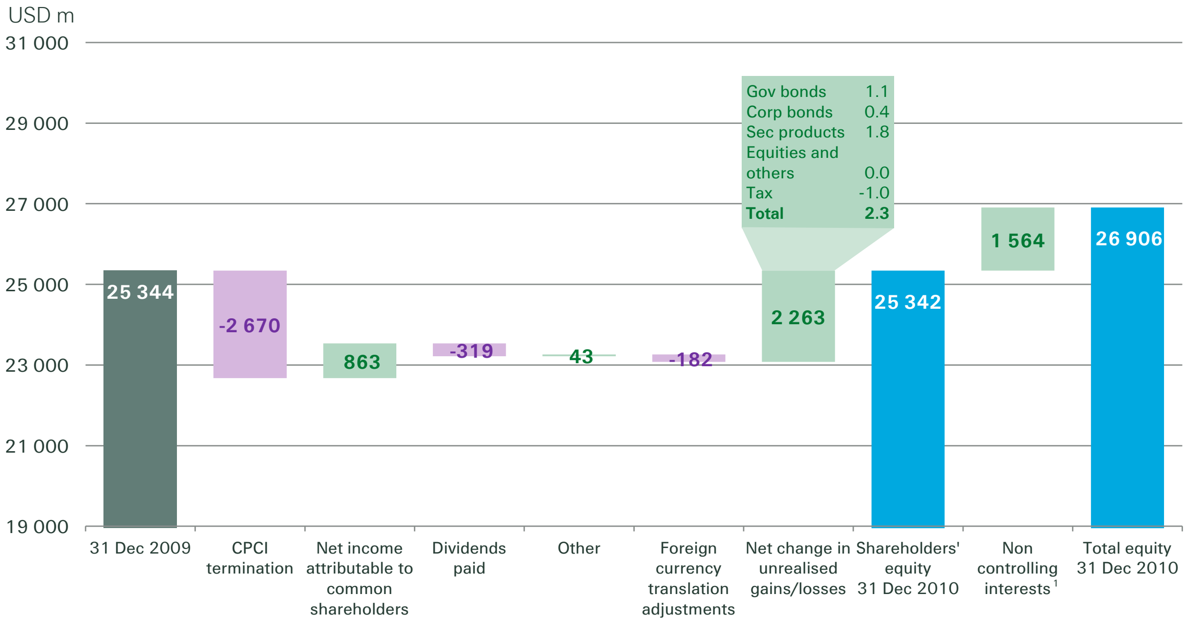
Total equity FY 2010

Internal capital generation offsets CPCI termination



[1] See page 27 of 2010 Financial Review for details

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Swiss Re's capital

Capital adequacy remains excellent

Estimated Group capital adequacy measures as of 31 December 2010

Swiss Solvency Test / Internal model	>200%	SST green zone threshold: 100%
S&P excess capital over AA level	>USD 10bn	Internal goal: meet AA requirements
Solvency I	>200%	Minimum regulatory requirement: 100%

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Capital management
Return to normal dividend

- Strong capital position allows Swiss Re to return to a normal dividend policy and take advantage of business growth opportunities
- Therefore the BoD will propose to the AGM
  - → Dividend of CHF 2.75 per share, in the form of a tax exempt distribution from legal reserves from capital contributions, total reserves available CHF 9.8bn
  - → Capital motions will be presented to the AGM in April to simplify the capital structure and improve flexibility

- We expect to utilize existing excess capital in the business; if the capital cannot be deployed at attractive returns we will undertake further capital management actions

Swiss Re

Financial targets
Background

For Swiss Re, volumes and margins are expected to grow over the next five years

- Capacity intensive, bespoke transactions for global clients are attractive, driven by regulatory change and require global expertise and high levels of capacity
- Casualty pricing will respond as recent inadequate levels become obvious
- L&H margins improve as economic models gain credibility, volumes will grow as economic recovery stimulates demand (offset by reduced cession rates)
- Higher growth in emerging markets will continue with improving margins
- Expenses will rise more slowly than volumes, as our competitiveness in regional and national markets improves

Our central economic view is similar to the market (interest rates, inflation, general economic activity) → Our objective is to achieve attractive returns that are not reliant on macro economic factors

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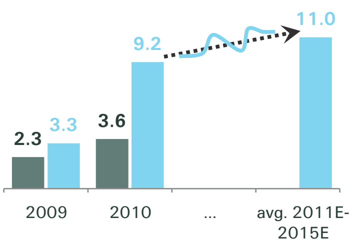
Financial targets
Credible but ambitious targets

ROE 700 bps above risk free average over 5 years

in %

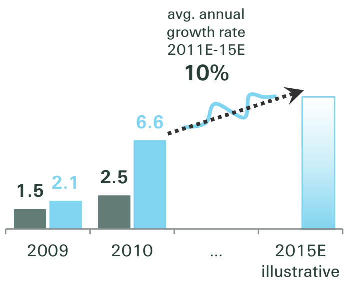


■ ROE published
■ ROE excl. CPCI

Risk free: US Gov 5 years

EPS growth 10% average annual growth rate over 5 years

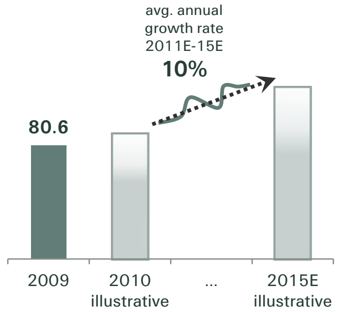
in USD[1]



■ EPS published
■ EPS excl. CPCI

ENW per share growth plus dividend 10% average annual growth rate over 5 years

in USD[1]



■ ENW per share

ENW 2010 to be published 24 March 2011

[1] Assumes constant foreign exchange rate

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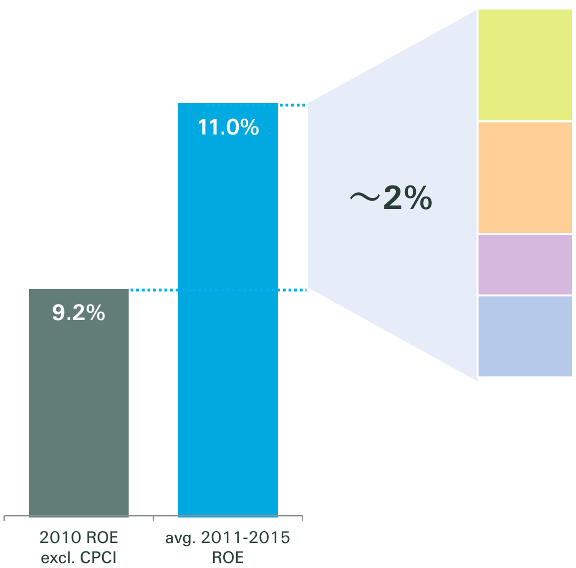
Improving returns and capturing future earnings growths



P&C growth - expiry of quota share, increased demand driven by regulatory changes, improvement in casualty market partly offset by slightly reduced margins

L&H new business growth driven by regulatory changes and economic growth

Interest effect on shareholders' equity and dividends

Changes to asset allocation in line with medium term plan

- Interest rates have a limited impact on earnings but can have a significant impact on reported shareholders' equity

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Renewals and outlook

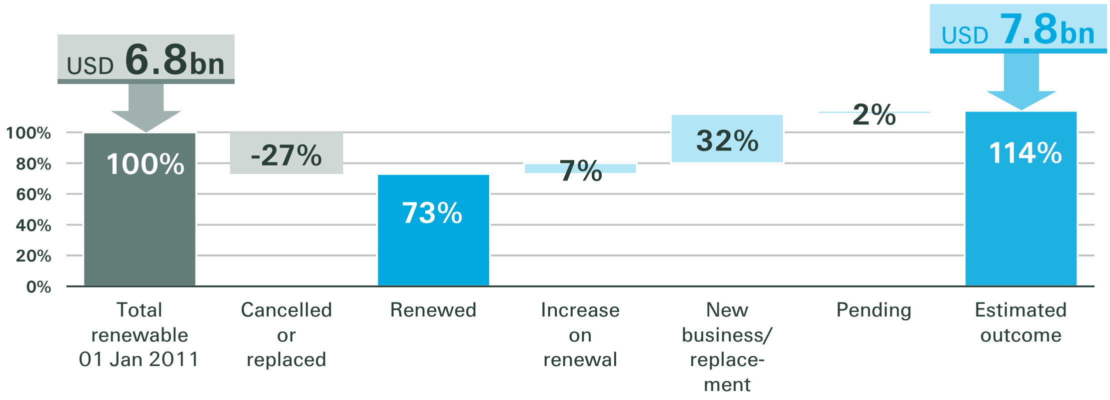
Stefan Lippe, CEO

Swiss Re

January 2011 renewals

Strong growth underlines client franchise

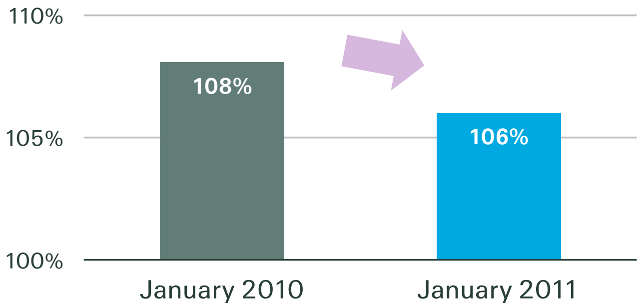
Total treaty portfolio



- Increased demand for tailored solutions from large clients
- Strong growth from increased client demand, especially in high growth markets including Asia, combined with better terms and conditions

January 2011 renewals
Portfolio quality

Risk adjusted price adequacy
Treaty portfolio



- Average reinsurance market prices declined by 4-7%
- Swiss Re was able to outperform the market based on its disciplined underwriting and success on non-commodity placements
- Swiss Re's risk-adjusted price adequacy fell by 2%
- 2011 combined ratio estimated at 94%, assuming a normal large loss burden

US GAAP combined ratio, including unwind of discount

Our starting position

Capital strength re-established	■ Termination of convertible perpetual capital instrument ■ Significant excess capital above "AA", positive rating outlooks ■ Prepared for SST/Solvency II
Strong client franchise	■ Top quality P&C portfolio with industry leading operating performance ■ One of the biggest L&H players with outstanding mortality risk expertise
Cautious asset management positioning	■ Legacy run-off substantially completed ■ Conservative investment portfolio focussed on asset liability matching
Increased efficiency	■ Fit to compete cost saving programme completed with a reduction in costs of CHF 420m

Swiss Re

The roadmap

Build on what we are good at

Outperform our peers

- **Reinsurance**
- **Admin Re®**
- Asset Management

Smart expansion

- **Corporate Solutions**
- Longevity
- Emerging Markets

The leading player in the wholesale re/insurance industry

Swiss Re

Focus on three distinct businesses

Holding

	Reinsurance	**Corporate Solutions**	**Admin Re®**
Mission	To be the world's leading reinsurer	To be a lean, global player in large commercial business	To be a recognised force in the closed life book market
Business positioning	The foundation of our strengths	A key opportunity for growth	Providing diversified earnings

Subject to applicable securities law restrictions – see "Important notice for holders of Swiss Re securities"

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Objectives of new corporate structure

- **Sharpen focus on individual client needs** with three distinct Business Units with tailored strategies and differentiated product and service delivery to fully capitalize on attractive growth opportunities
- **Increase transparency** over allocated capital and assets, performance, and value of individual Business Units
- **Address proactively regulatory demand** for greater transparency on large international insurance groups
- **Increase accountability** through full accountability for the entire business performance including P&L and balance sheet
- **Strengthen flexibility** to capitalise on emerging opportunities
- **Deploy capital** to businesses with the most economic value potential

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Growth drivers for Swiss Re

Growth drivers next 3 years	Swiss Re opportunities
Hardening of P&C market	Rebalancing our Casualty portfolio, Reinsurance and Corporate Solutions
Berkshire Hathaway quota share ends 2012	Adds 25% potential growth in P&C Reinsurance and Corporate Solutions
Higher capital demands and further industry consolidation	Admin Re® Large deals P&C and L&H Reinsurance
Recovery of global economy	Reinsurance P&C and L&H Corporate Solutions Asset Management as we move to our medium term asset allocation
Emerging market growth	Reinsurance and Corporate Solutions Large deals P&C and L&H

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Summary and outlook

- Successful January renewals; increased client demand and growth in all regions
- Proposed dividend of CHF 2.75, free of Swiss withholding and income taxes
- Future growth driven by improving cycle, increased solvency related demand from clients and M&A in the sector
- Establishing a group structure to fit with our business priorities, so increasing accountability, transparency and flexibility of the business model

- We are fully focussed on improving returns and capturing future earnings growth

Swiss Re

Questions & answers

Swiss Re

Corporate calendar & contacts

Corporate calendar

25 March 2011	**Investors' Day**	Zurich
15 April 2011	**147th Annual General Meeting**	Zurich
05 May 2011	**First Quarter 2011 results**	Conference call
04 August 2011	**Second Quarter 2011 results**	Conference call
03 November 2011	**Third Quarter 2011 results**	Conference call
09 December 2011	**Investors' Day**	

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- 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 financial strength or other ratings of one or more of the companies in the Group or developments adversely affecting the ability to achieve improved ratings;
- 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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The Exchange Offer will not be extended to holders (in their capacities as such) of American Depositary Shares representing Swiss Re Shares ("ADSs"). Holders of ADSs will receive a notice from JPMorgan Chase Bank N.A., the depositary (the "ADS Depositary") in respect of the Exchange Offer. Moreover, at Swiss Re's request, the ADS Depositary will be terminating the ADS program.

The receipt of cash consideration under the Exchange Offer by a U.S. shareholder may be a taxable transaction for U.S. federal income tax purposes and may be a taxable transaction under applicable U.S. state and local, as well as foreign and other, tax laws.

European Economic Area; United Kingdom

In the European Economic Area, the Exchange Offer and documents or other materials in relation to the HoldCo Shares will only be addressed to, and will only be directed at, (i) qualified investors in a relevant member state within the meaning of Article 2(1)(e) of the Prospectus Directive, as adopted in the relevant member state, and (ii) persons who hold, and will tender, the equivalent of at least €50,000 worth of Swiss Re Shares (collectively, "permitted participants"). These documents may not be acted or relied upon by persons in the EEA who are not permitted participants.

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