

A photograph of a sailboat racing on the ocean. The boat is white with a blue hull, and its sails are white and brown. The boat is leaning to the right, and the water is a deep blue. The sky is clear and blue. The text 'Swiss Re' and its logo are in the top right corner. The title 'Morgan Stanley European financials conference' and the name 'Stefan Lippe CEO' are in the middle left. A decorative pattern of white dots is in the bottom right.

Swiss Re



Morgan Stanley European financials conference

Stefan Lippe

CEO

2009 Highlights

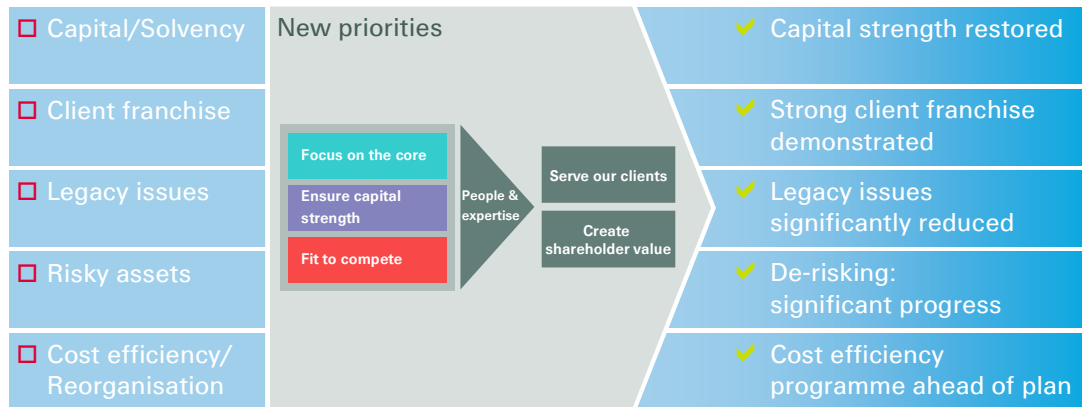
2009 Highlights Significant progress

- **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**
 - P&C combined ratio 88.3%, L&H benefit ratio 82.4%
- **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**

Delivering on our promises

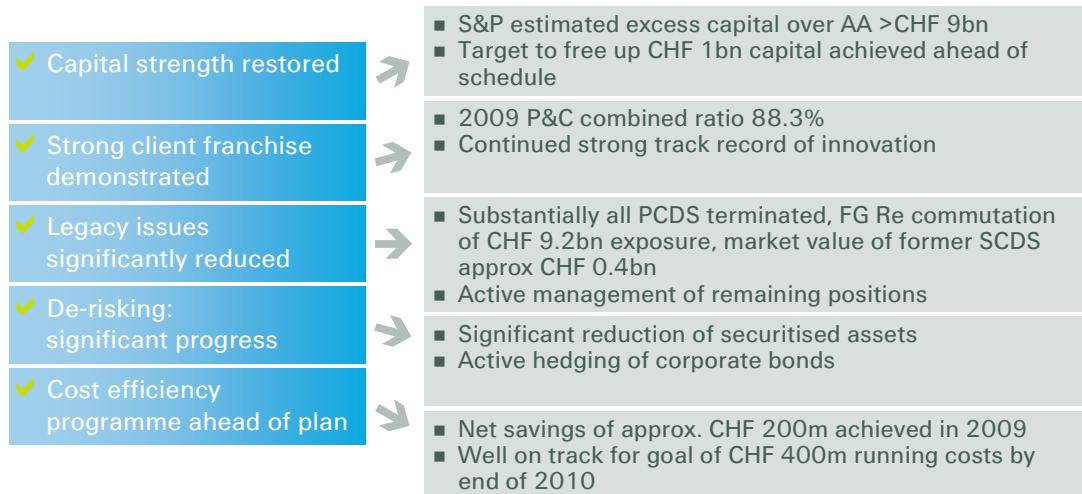
Beginning of 2009:
 Concerns over ...

FY 2009 results:
 Where we stand today



Where we stand today

As at 31 December 2009:

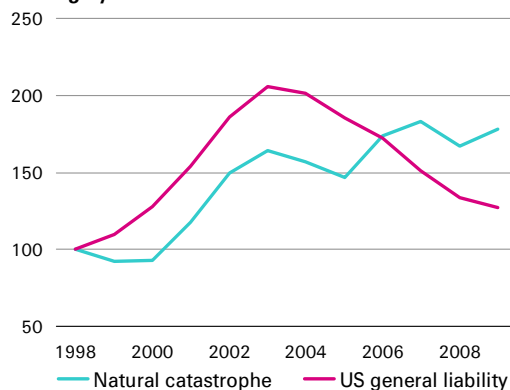


Target of 12% RoE average through the cycle established

Active cycle management

Cycle management & portfolio steering Why bother?

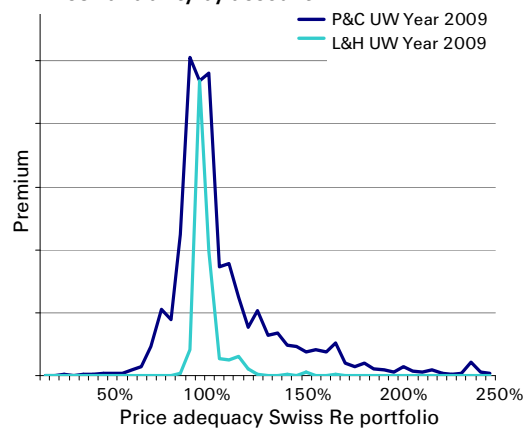
Pricing cycle



- Pricing cycles can be dramatic

Source: Camares, Council of Insurance Agents & Brokers

Price variability by account



- There is no single market clearing price

Re/insurance market inefficiencies create *significant* opportunities for outperformance

Cycle management and portfolio steering at Swiss Re

- The market is inefficient, creating the potential for outperformance
- Swiss Re's approach is founded on
 - Clarity of objective: maximising absolute Economic Profit
 - Top-down portfolio measurement and optimization
 - Separation of costing from the sales price decision
 - Consistent point of sale decision metrics, deal-level steering and performance measurement
- Active cycle management focuses on sustainable profitability

Swiss Re's cycle management and portfolio steering activities delivers results

Economic environment provides growth opportunities

Optimistic economic scenario ("straight recovery")

- Capital levels restored, credit spreads narrowing
- Consolidation, de-risking or deleveraging of banking insurance type of conglomerates will spur M&A activity. First signs already seen

→ Our solution: partner up in M&A via capital relief quota shares or Admin Re[®] transactions

Pessimistic economic scenario ("bumpy road")

- End of positive run-off in primary companies which supported past years' results
- Widening credit spreads
- Clients stretched on solvency

→ Our solution: support clients through capital relief quota shares or Admin Re[®] transactions

Swiss Re is able to support clients in both economic scenarios

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

Islamic insurance
 October 2009

- Retakaful operations opened in Malaysia offering Islamic insurance worldwide

MultiCat Mexico ILS
 October 2009

- USD 290m 3-year MultiCat securitisation for World Bank covering Mexican government against hurricane and earthquake risks

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

Cycle management in action

- Premiums reduced by CHF 1.4bn or 15% in January 2010 renewals
- 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

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
- Price adequacy improvement on Swiss Re's portfolio was due to cycle management actions
- 2010 treaty year combined ratio estimated at 93%, assuming a normal level of natural catastrophes
- Swiss Re has the capacity and expertise to execute large transactions, whether supporting clients in M&A or with their solvency position

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 execute large transactions, for example supporting clients in M&A or with their solvency position
- 12% ROE average through the cycle target

Q & A

Corporate calendar & contacts

Corporate calendar

| | | |
|------------------|-------------------------------------|-----------------|
| 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 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.