Swiss Re

Investors' Day

London

11 June 2010

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Today's agenda

■ Introduction	Susan Holliday, Head IR
■ Update on our business priorities	Stefan Lippe, CEO
■ Asset Management	David Blumer, CIO
Q&A	
Break	
■ Swiss Solvency Test (SST)	George Quinn, CFO
Q&A	

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Update on our business priorities

Stefan Lippe, CEO

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Market environment

- Growth outlook for the reinsurance industry in the next decade is moderate but stable

P&C outlook
Market growth
(average annual)
6.5%
Cession rates up from 10.7% to 11.2%

L&H outlook
Market growth
(average annual)
3.7%
Cession rates down from 13.2% to 10.6%

- Capital will remain an industry issue
- Consolidation among insurers will continue
- Insurers will remain focused on managing asset risk

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Our mission

To be the leading player in the wholesale (re)insurance industry

Clients
The preferred partner

Investors
An excellent investment

Employees
The place to succeed

Competitors
A serious challenge

Society
A credible partner

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The roadmap

Build on what we are good at

Superior performance
- Reinsurance
- Admin Re®
- Asset Management

Smart expansion
- Large industrial risks
- Longevity
- Emerging Markets

Be integral to the success of our clients

Drivers of our success

Significant risk capacity	Size
Risk knowledge	Skill-set
Best-in-class solutions	Innovation
High counterparty security	Credit quality
Effective financial structure	Capital efficiency
Targeted client approach	Client relationships
Top-class brand	Reputation

To be the leading player in the wholesale (re)insurance industry

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Asset Management

David Blumer, CIO

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Key messages

- Asset Management is responsible for managing the Group's investments in a prudent way
- Asset Liability Matching (ALM) is the cornerstone of the investment process
- Risk Budgeting is used to allocate capital and manage risk

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Overview

- Investment decisions are based on expected future cash flows from the underwriting operations. These aim to generate economic returns and support the capital base of the Group
- Asset Management is fully integrated into the EVM framework
- Risk Budgeting establishes a transparent and accountable investment process
- A prudent investment process requires a dedicated organisation and robust infrastructure
- Investment mandates are clearly defined and are executed by internal or external portfolio managers

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Asset Management organisation

CIO

David Blumer

CIO Office
- Asset allocation
- Portfolio steering
- Portfolio analytics

Rates
- Responsible for government and agency bonds

External Investment Mandates
- Screening, due diligence and negotiation with portfolio managers
- Point of contact for all external managers
- Responsible for Hedge Funds

Alternative Investments
- Responsible for Private Equity and Real Estate investments
- Group resource for strategic development

AM Operations
- Operation and middle office support for AM, Legacy and Treasury
- Project management
- Quality assurance

Asset Management expertise is shared throughout the Group

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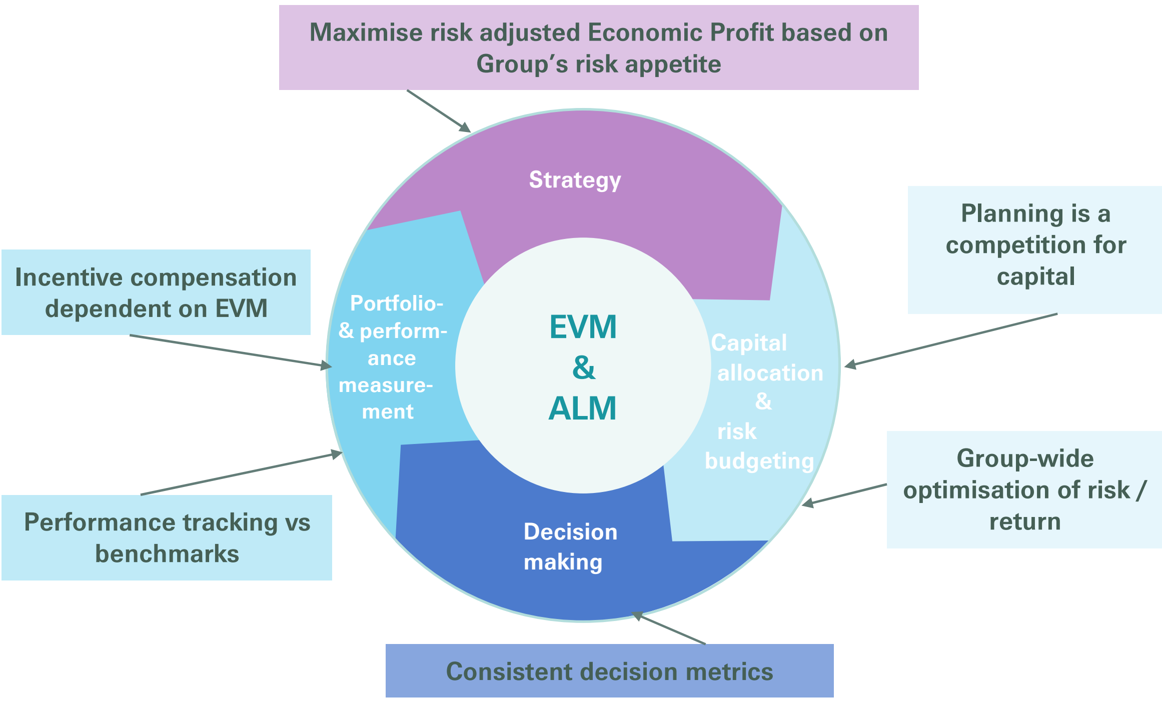
Innovation and knowledge sharing	■ Provides market expertise to Group product development e.g. longevity ■ Supports development of ILS through financial markets experience and expertise ■ Advisory role for long-tail, investment sensitive insurance products
Product support	■ Provides input into discount curve parameters used for underwriting pricing tools ■ Execution support for L&H products including Admin Re® ■ Valuation and due diligence support for transactions
Sustainability	■ Manages the Group's sustainability portfolio ■ Maintains the Group's commitment to Socially Responsible Investments

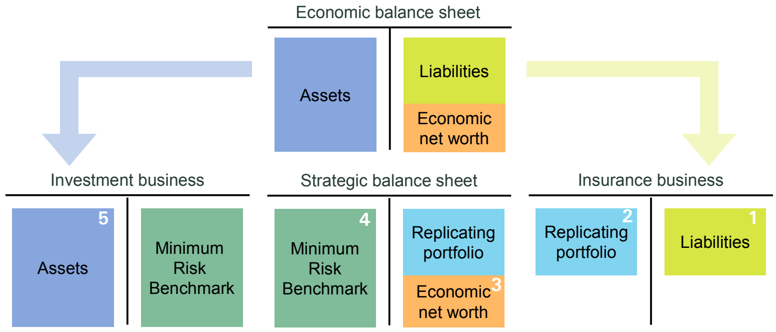
➔ Asset Management knowledge supports the core reinsurance business

Asset Management Process

Swiss Re's performance cycle
Asset management is fully integrated into the Group's framework



EVM methodology provides the investment portfolio foundation



1. The expected cash flows generated from the underwriting business can be estimated over time and represent the market value of the outstanding liabilities
2. The expected cash flows could be matched with a theoretical asset portfolio consisting of zero-coupon bonds
3. The Economic Net Worth of the firm corresponds to the difference between the economic values of the assets and the liabilities
4. The Minimum Risk Benchmark consists of the Replicating Portfolio and the Economic Net Worth
5. With the Minimum Risk Benchmark defined there is a clear separation of responsibilities between the underwriting and investment business, which is key for proper ALM

Introduction to Risk Budgeting

Financial market impacts	Both liabilities and assets are exposed to different financial market risks e.g. interest rate risk
Constraints	The Minimum Risk Benchmark is theoretical and therefore standard industry risk and return matrices are not available for matching the liabilities' basis risk
Introducing an investment benchmark	With the introduction of the Investment Benchmark we translate the Minimum Risk Benchmark using industry recognised and investable indices
Result	Enables matching of the expected liability cash flows and actively manages exposure through the allocation of risk capital

➔ Risk Budgeting turns a theoretical benchmark into an investable portfolio

➔ Risk capital is allocated through a transparent and flexible investment process

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Risk Budgeting

Asset allocation → Active risk taking

	Minimum risk benchmark	Investment benchmark	Invested portfolio
Composition	Synthetic cash flow	Market indices	Invested securities
Comment	– Theoretical, not investable – Minimises the firm's market risk from an *economic* perspective	– Including risk, liquidity and capital considerations – Active steering of financial market exposure	– Portfolio managers' securities selection – Flexible investment delegation

➔ Clearly defined allocation of risk capital and responsibilities, allows transparency and accountability

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Strategic asset allocation process

Determine Business Needs & Objectives	■ Liability profile, volatility and embedded financial market risks ■ Group and local liquidity requirements
Determine Restrictions	■ Determine available capital and capacity for risk taking ■ Determine tolerance for ALM mismatch ■ Determine admissible investments & preferred investment universe
Model Portfolio Alternatives	■ Model portfolio alternatives that match objectives and restrictions for given risk tolerance and alternative scenarios ■ Assess sensitivities to incremental changes in asset allocation ■ Optimise risk & return within given restrictions ■ Review sensitivity of results to change in assumptions

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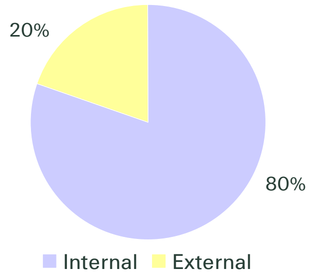
Active portfolio management

Similar structures for internal and external mandates

- Once the Investment Benchmark is created, investment mandates are allocated to internal or external portfolio managers
- The mandates provide investment guidance, transparent restrictions and analytical limits for each portfolio relative to a defined commercial benchmark
- The mandate guidelines are entered into front office systems where pre- and post-trade compliance is monitored

Mandate content	Restrictions
Benchmark	Index by currency and weight
Investment universe	Asset class, sector, geography
Limits and restrictions	Divergence, concentrations
Compliance	Breaches, cross trading, downgrade

Investments by mandate
Market value end Q1 2010



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Portfolio monitoring

Principles	Close monitoring of investments and their development in terms of exposure, risk and sensitivity Measurement at steps in the value chain to ensure efficiencies and early recognition of issues
Exposure	**Gross** exposure for accounting and regulatory reporting **Net** exposure for active management of hedging programme
Risk	**VaR** is a common and familiar measure but has limitations **Stress Test** allows for application of pre-defined scenarios on the current portfolio and assessment of the outcome
Sensitivity	Used to explore the immediate impact of a change in a single variable **DV01** and **CR01** are the most common

→ Swiss Re actively monitors investments using a variety of measures

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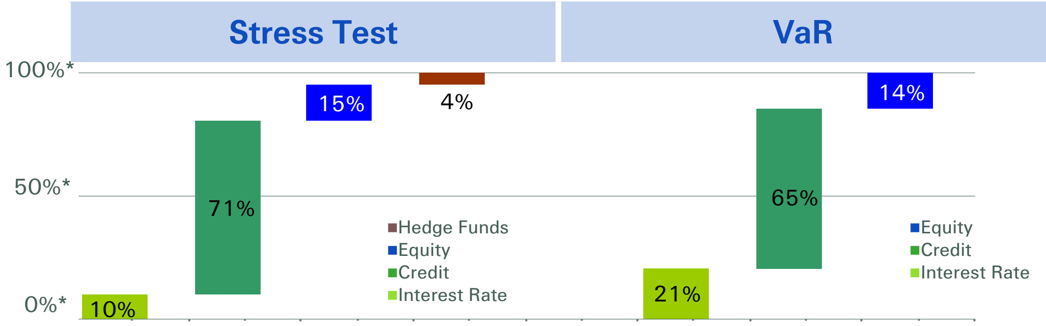
Risk usages
Credit risk is our largest exposure



	Stress Test	VaR
Risk Measure Objective	Loss potential in stress events	Short term loss potential
Methodology	Scenario analyses	Historical simulation
Remarks	▪ Captures both liquid and illiquid risks ▪ Main driver is overall exposure to credit markets	▪ Enables monitoring of risk origination from liquid market instruments ▪ Common measure and therefore useful for comparison reasons

➔ Risk is the vital steering tool for Risk Budgeting and consistent and granular risk measures are critical for monitoring asset allocations

*usage of risk per asset class as % of total current aggregate risk without considering diversification effects

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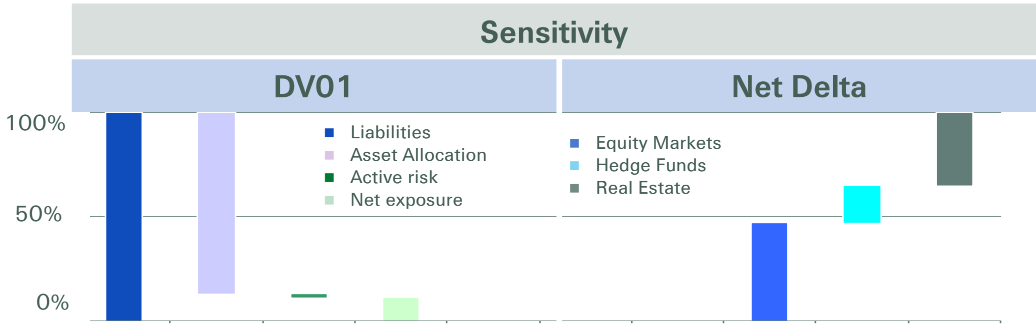
Portfolio sensitivity
Closely monitored and can be easily adjusted



	DV01	Net Delta
Purpose	The impact in USDm for 1bps parallel shift in the yield curve	Exposure to net asset values
Remarks	▪ Short USD 6.6m Net DV01 due to expectation of increasing interest rates ▪ Important measure for the matching of outstanding liabilities	▪ The current exposure is mainly through strategic and Private Equity holdings. ▪ The net delta can be adjusted through derivatives

➔ Sensitivities to financial markets are a critical aspect of prudent investment management and are actively monitored

Data as at 31 March 2010

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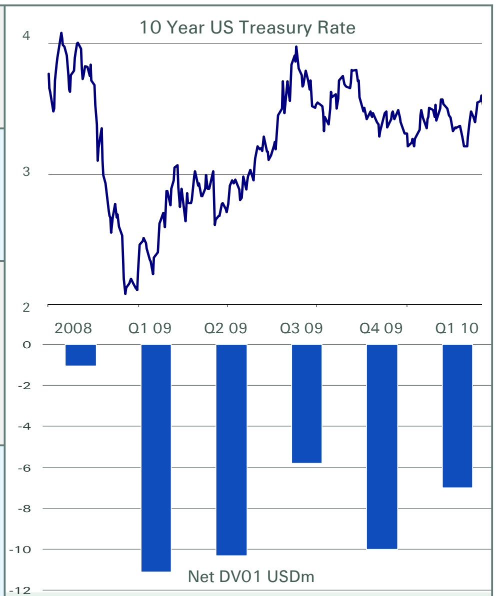
Duration management

Market View	In early 2009 interest rates were low, yet it was anticipated that interest rates would rise
Measure	To capture the benefits of rising interest rates the duration measure DV01 should be shortened
Execution	Through the Investment Benchmark an active short position relative to the liability duration was established and implemented through investment mandates
Active Management	As interest rates increased we have reduced our short duration position



DV01 is the sensitivity of Swiss Re's economic net worth (ENW) per basis point shift in the yield curve.

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Conclusion

Basic principle

A transparent, accountable and flexible investment process of matching outstanding liabilities, based on an economic view and within defined limits, controls and decisions

Capital and risk allocation

Risk Budgeting enables a controlled and structured governance of the investment decision, fully in line with the Group's risk tolerance and capital utilisation

Consistency

A flexible investment mandate framework, with industry standard metrics available for portfolio managers, enables prompt action as market conditions change

➔ Swiss Re's investment process is transparent, controlled and flexible

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Investment Portfolio

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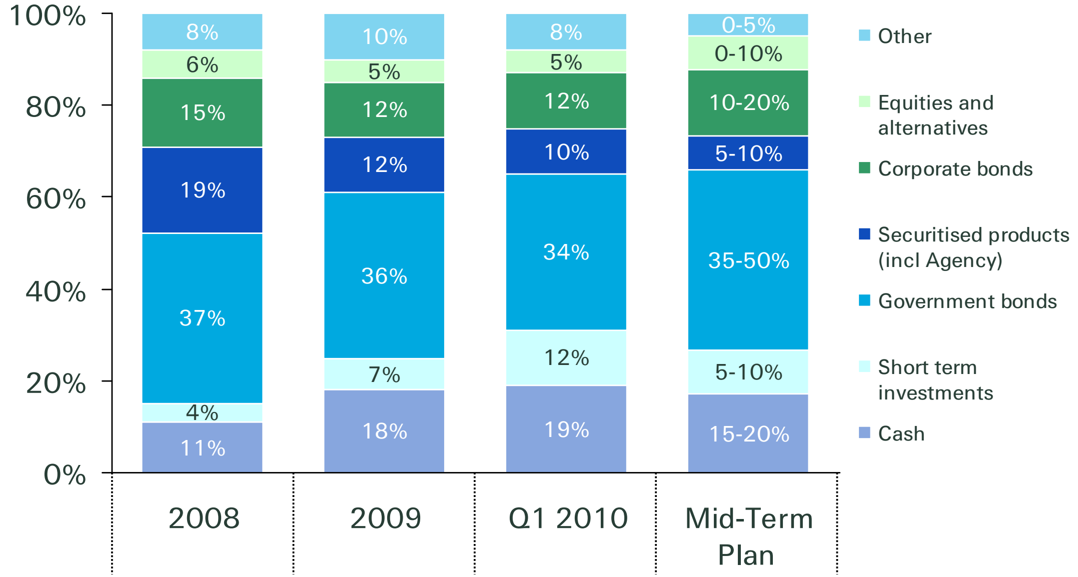
Swiss Re´s investment portfolio



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Medium term investment plan

	Govt bonds / bills	Corporate bonds	Securitized products	Equities	Alternative Investments
Market outlook / Rationale	Yield increase at long end of curve. Short–term investments becoming more attractive.	Given robust macro outlook in US and existing headwinds (e.g. sovereign risk, stimulus withdrawal), IG corporate credit is attractive	Reduction in government programmes for securitized products, higher uncertainty over pre-payment rates and refinancing	Our long term investment outlook remains cautious	Investment landscape in 2010 likely to remain tactical, thus good environment for hedge funds with focus on market neutral strategies.
Planned Exposure Directions	→	↑	↓	↑	↗
Planned portfolio shifts	Keep current portfolio allocation	Invest proceeds from Securitised products Reduction in hedges	Decrease allocation by pay-downs and selected sell-offs	Rebuild minimum equity allocation with a long-term investment view	Potential increase in HF allocation PE and RE: keep current portfolio allocation

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Solvency II

- Asset Management, in conjunction with Risk Management, closely monitors developments in Solvency II, particularly in the field of market risk
- Swiss Solvency Test and Solvency II bring investment risk into the regulatory capital adequacy calculation. Compared to Solvency I, this will increase capital requirements for certain types of investments e.g. equities and PE
- As a result insurance companies are likely to have more conservative investment portfolios, leading to lower ROEs across the sector
- A continued focus on underwriting returns is expected

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Q&A

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Corporate calendar & contacts

Corporate calendar

05 August 2010	**Second Quarter 2010 results**	Conference call
13 September 2010	**Investors and Media meeting**	Monte Carlo
04 November 2010	**Third Quarter 2010 results**	Conference call
17 February 2011	**Annual Results 2010**	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

John Piper
+44 20 7933 4287

Simone Fessler
+41 43 285 7299

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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.

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.