

Swiss Re



Deutsche Bank Swiss equities seminar

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Introduction to Swiss Re



Swiss Re

Swiss Re is a leading and highly diversified global (re)insurance company.

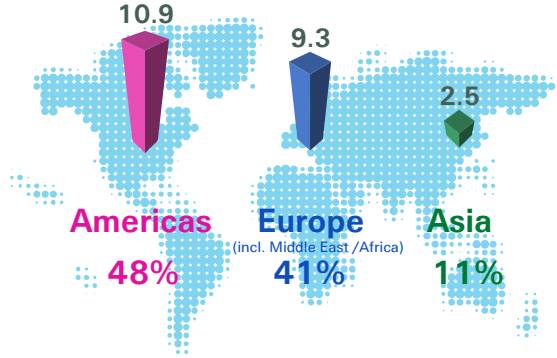
- **146 years of experience** in providing wholesale re/insurance and risk management solutions.
- **We deliver both traditional and innovative offerings** in Property & Casualty and Life & Health that meet our clients' needs.
- **A pioneer in insurance-based capital market solutions**, we combine financial strength and unparalleled expertise for the benefit of our clients.
- **Our financial strength** is currently rated:
Standard & Poor's: A+/stable; Moody's A1/stable; A.M. Best: A/stable



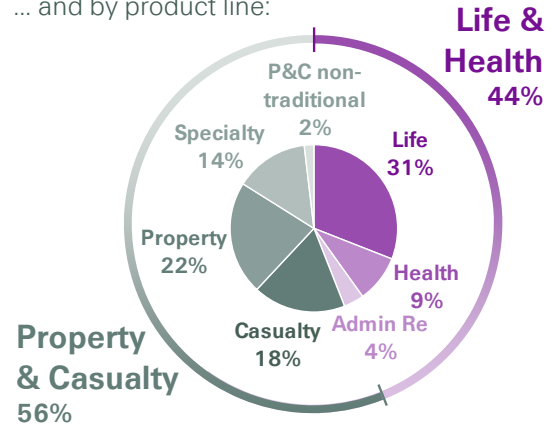
Swiss Re is broadly diversified by geography and product line

Premiums earned 2009 (USD 22.7 billion)

by region (in USD bn)



... and by product line:



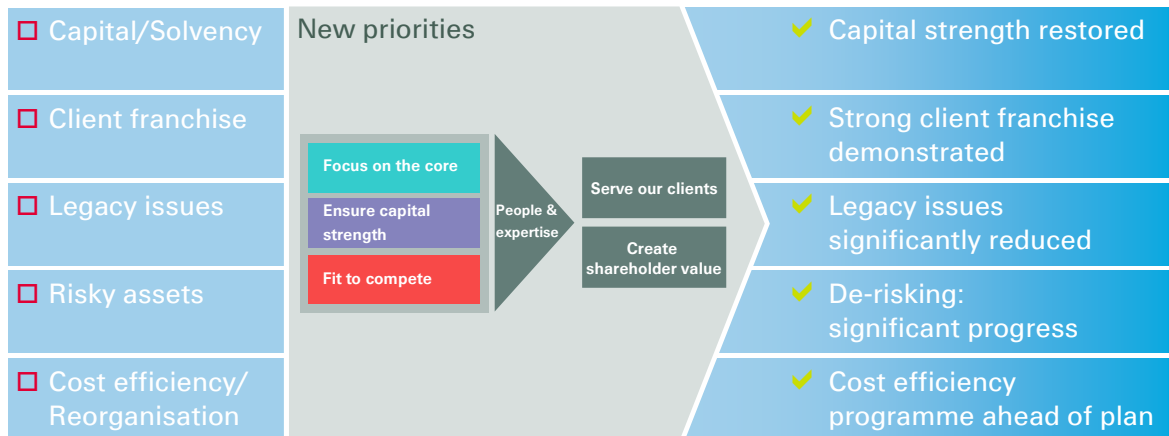
- Swiss Re benefits from geographic and business mix diversification and has the ability to reallocate capital to achieve profitable growth
- Combines accumulated expertise of over 146 years and continuing research with a widely recognised strong track record of innovation



Delivering on our promises

Beginning of 2009:
Concerns over ...

Where we stand today



2009 EVM Summary

Excellent result

- **EVM measures the risk adjusted economic performance of the firm**
 - EVM is used for steering the business and assessing performance
- **EVM profit CHF 7.1 billion**
- **Strong performance by Asset Management, P&C and L&H**
- **Economic Net Worth increased 53% to CHF 28.5 billion**
 - ENW per share CHF 83.2
 - Includes all expected cashflows from redemption of CPCI

Where we stand today

As at 31 March 2010:

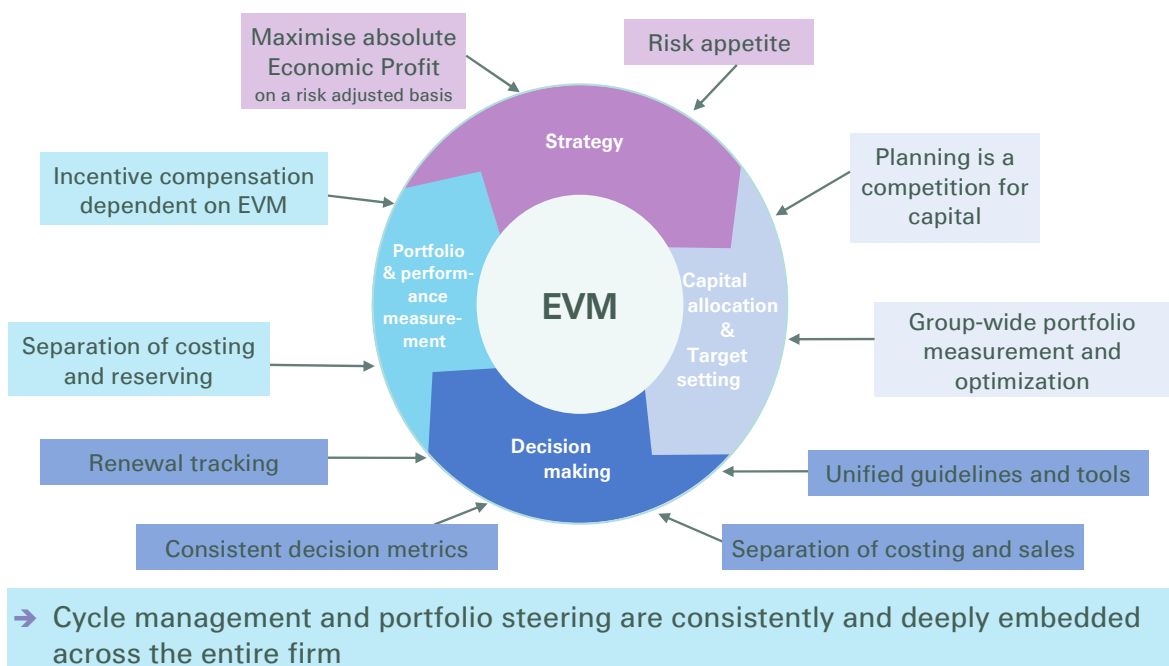
✓ Capital strength restored	➔	<ul style="list-style-type: none"> ■ S&P estimated excess capital over AA >USD 12bn ■ Dividend CHF 1 for 2009, first step in returning to normal dividend policy
✓ Strong client franchise demonstrated	➔	<ul style="list-style-type: none"> ■ Continued strong track record of innovation
✓ Legacy issues significantly reduced	➔	<ul style="list-style-type: none"> ■ Substantially all PCDS terminated, FG Re commutation of USD 8.8bn exposure ■ Active management of remaining positions
✓ De-risking: significant progress	➔	<ul style="list-style-type: none"> ■ Significant reduction of securitised assets ■ Active hedging of corporate bonds
✓ Cost efficiency programme ahead of plan	➔	<ul style="list-style-type: none"> ■ Fit to compete programme largely completed (including ~ 10% headcount reduction), on target for CHF 400m reduction in running costs by end 2010

Target of 12% RoE average through the cycle established

Creating value

for our clients and shareholders

Cornerstones of Swiss Re's cycle management & portfolio steering

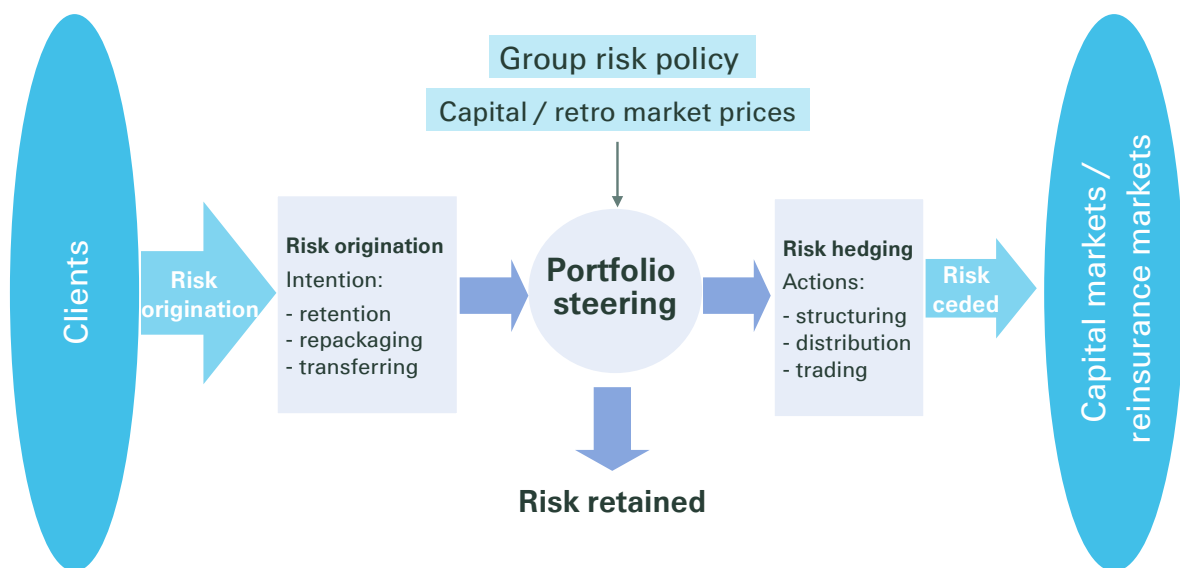


Cycle management and portfolio steering at Swiss Re

- 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 delivers results

Risk transformation plays a central role within portfolio steering



Re/insurance risk transformation addresses many needs

Primary motivation	Examples	
	Property & Casualty	Life & Health
Peak risk management	Nat cat	Extreme mortality
Earnings volatility management	Nat cat Property single risk	
Capital efficiency	Nat cat	EV securitisations Life retro deal
Cycle management	BH quota share	
Arbitrage	Nat cat	

→ Re/insurance hedging provides solutions for both Swiss Re and our clients

Insurance Linked Securities The fundamentals for ILS remain strong

- The underlying rationale for Insurance Linked Securities (ILS) remains valid:
 - Protection mainly for natural catastrophe risks that continue to grow
 - Also protects extreme mortality, event cancellation, credit reinsurance, motor, and industrial accidents
 - Diversifying asset with superior returns
 - Collateralised, multi-year capacity from an alternative market
 - Deal structures improved to minimise credit and counterparty risk

→ The economic logic for transferring insurance risk to the capital markets remains convincing



The Swiss Re Approach

Swiss Re offers a unique approach to Insurance Linked Securities -- a one-stop-shop for **origination, structuring, distribution and trading** with a dedicated team that focuses on ILS



Origination & Structuring

Dedicated team with deep understanding of the product and extensive relationships with outside service providers and agencies



Distribution

Dedicated sales force who maintain a unique relationship with investors worldwide for primary and secondary activity in the cat market.

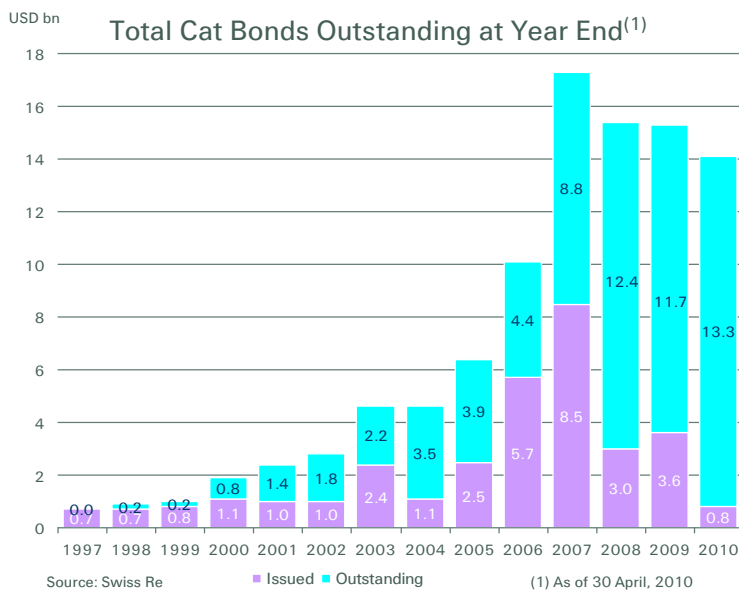


Trading

Swiss Re traded approximately USD 800m of ILS in the secondary market in 2009



Cat Bond Market Update



- Fundamentals of the market are strengthening
 - Active trading of cat bonds reflects increased appetite for sector
 - Entry of new sponsors and investors expand the market
- Total 2009 issuance exceeded 2008 level
- Outstanding bonds USD 14 bn
- 51% of 2009 issuances underwritten by Swiss Re

➔ Swiss Re has been a leader in the sector since its inception



ILS outlook for Swiss Re

- Swiss Re's ILS expertise is part of our core offering to clients, and a foundation for our own hedging strategy
- Swiss Re drives innovation in the ILS sector: First cat bond using a European windstorm index based on PERILS¹ industry loss estimates
- Demand for scarce nat cat capacity and convergence of price levels between reinsurance and capital markets will further accelerate ILS issuances
- Growth is also expected in the securitisation of extreme mortality risks (pandemics) and, over time, longevity risks
- Swiss Re was a founder of the Life & Longevity Markets Association (LLMA) in February 2010 to develop a liquid traded market for longevity and mortality risks

➔ Swiss Re continues to drive the ILS market as sponsor, underwriter and innovation leader

¹ Pan-European Risk Insurance Linked Service



First quarter 2010



Q1 2010 Highlights

High nat cats, strong underlying performance

- **Q1 2010 net income of USD 158m (vs USD 130m in Q1 2009)**
 - EPS CHF 0.5, (USD 0.5)
- **Shareholders' equity increased by USD 0.8bn to USD 26.2bn**
 - Book value per ordinary share CHF 72.2, up 7%, (USD 68.6)
- **P&C result impacted by higher than expected nat cats (USD 540m pre-tax above normal levels) but underlying business strong**
- **Estimated excess capital >USD 12bn above AA capital requirement at end March 2010**



Summary

Building on our strengths

- Strong underlying results and client franchise
- Capital strength and expertise position us well to support clients
- Recent large losses expected to increase risk awareness and create a stabilising influence on pricing
- Fit to Compete programme largely completed (including ~10% headcount reduction), on target for CHF 400m reduction in running costs by end 2010
- Active cycle management to continue, focus on sustainable profitability in line with 12% through the cycle ROE target



Q & A



Corporate calendar & contacts

Corporate calendar

11 June 2010	Investors' Day	London
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

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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.