

Swiss Re



Goldman Sachs European Financials Conference

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Madrid, 9 June 2010



About Swiss Re



Swiss Re today

✓ Capital strength restored →

✓ Strong client franchise demonstrated →

✓ Legacy issues significantly reduced →

✓ De-risking: significant progress →

✓ Cost efficiency programme ahead of plan →

As at 31 March 2010:

- S&P estimated excess capital over AA >USD 12bn
- Dividend CHF 1 for 2009, first step in returning to normal dividend policy

- Continued strong track record of innovation

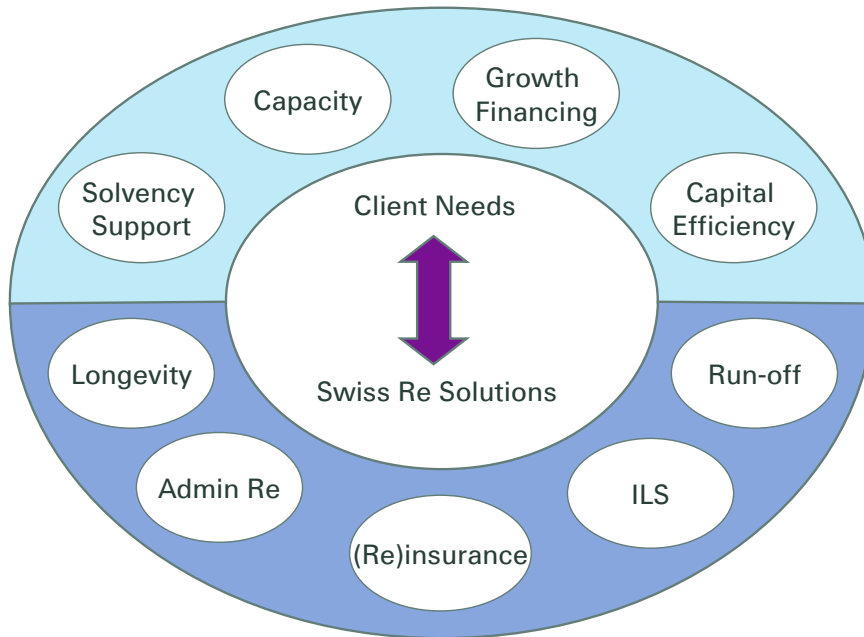
- Substantially all PCDS terminated, FG Re commutation of USD 8.8bn exposure
- Active management of remaining positions

- Significant reduction of securitised assets
- Active hedging of corporate bonds

- 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

Working with clients to deliver innovative solutions



Examples include:

- Agricultural solution in co-operation with the Chinese government
- Involvement in the creation of PERILS
- Longevity swaps – UK and Australia

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

EVM 2009 income statement

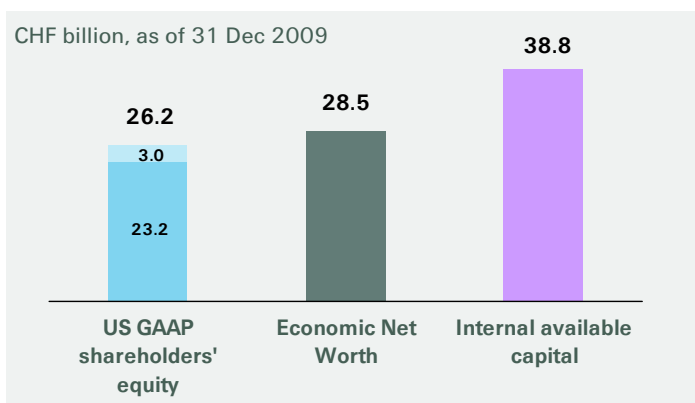
Excellent result

CHF million	2008	2009
Profit		
New business profit/loss	-16 291	6 120
Previous years' business profit/loss	-2 443	960
Total profit/loss after capital costs	-18 734	7 080
Release of capital costs	5 610	2 814
Income before capital costs	-13 124	9 894

- The excellent result reflects strong performance in Asset Management, Property & Casualty and Life & Health

2009 Economic Net Worth

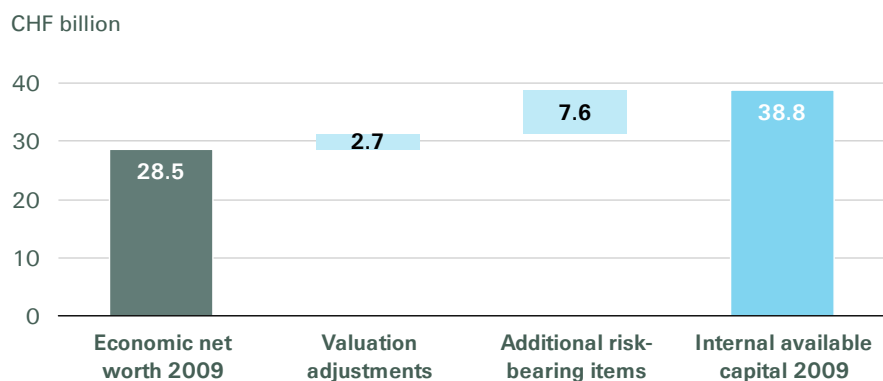
- Economic Net Worth (ENW) is the difference between the market value of assets and the economic value of liabilities
- ENW is the EVM estimate of shareholders' equity



- US GAAP shareholders' equity includes CHF 3 billion from the CPCI
- The CPCI is not included in ENW



EVM 2009 Economic Net Worth and available capital



- Internal available capital is based on ENW
- ENW is adjusted for valuation differences (mainly on capital cost reserves) and additional risk-bearing items (hybrid capital and CPCI) in line with the Swiss Solvency Test (SST) framework
- Internal capital required at end 2009 was CHF16 billion



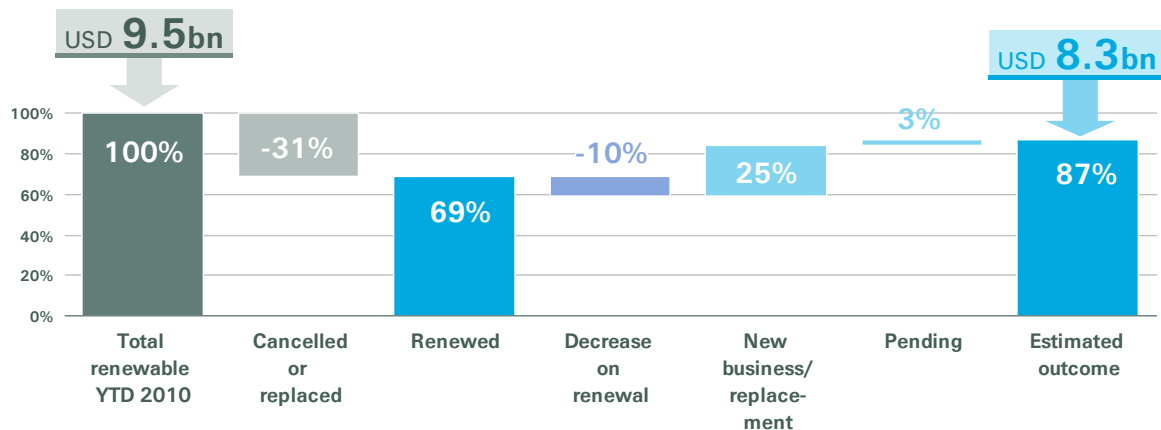
P&C Renewals

YTD 2010 renewals

Lower volumes, cycle management improves price adequacy



Total treaty portfolio



- Overall market continues to soften with price decrease of around 2%
- Cycle management actions, portfolio shifts help to improve price adequacy on Swiss Re's portfolio by 2% points
- Volume reduction driven by repositioning of credit reinsurance portfolio and non-renewal of Chinese quota shares and European motor business in January

January 2010 renewals

Cycle management in action

- Premiums reduced by CHF 1.4bn or 15% in January 2010 renewals
- Despite an estimated 2% drop in prices, the price adequacy on Swiss Re's portfolio improved 2% points from portfolio and cycle management actions
- 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	

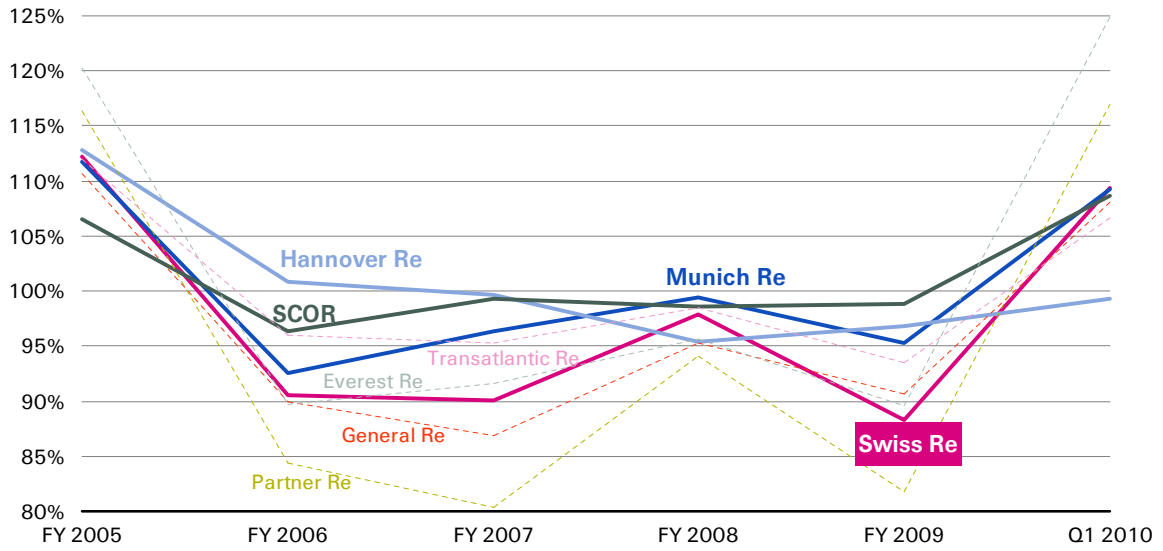
April 2010 renewals

Premium volume and price adequacy maintained

- Continued focus on active cycle management and portfolio steering
- Increased client retentions and available capacity lead to continued modest price erosion for most markets and lines
- Selective capacity deployment, and portfolio shifts allow Swiss Re to maintain price adequacy
- Japan: sluggish primary market premium development, reinsurance market slightly softer
- SEA, India: widespread discounting in the market, with many programmes below Swiss Re's hurdle rates. Swiss Re deploys capacity selectively

Cycle management delivers

Combined ratio comparison



→ Active capital allocation and cycle management delivers results

Source: Company reports and Swiss Re Economic Research & Consulting
 Combined ratios as published, Swiss Re incl. Credit and excl. FG Reinsurance



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**



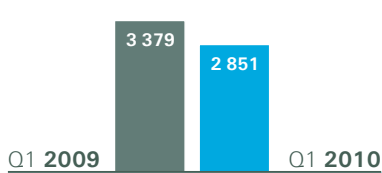
Property & Casualty

Natural catastrophes impact result

Premiums earned

USD m

-15.6%

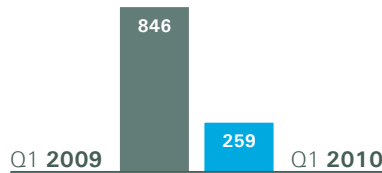


- Premiums earned decreased by 15.6%, mainly driven by active cycle management and portfolio steering, particularly at January 2010 renewals
- At constant fx rates premiums earned decreased by 19.3%

Operating income

USD m

-69.4%

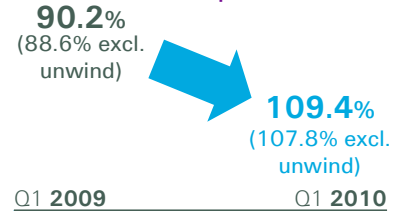


- Decrease driven by natural catastrophe experience
- Net investment income declined by USD 0.1bn

Combined ratio, trad.

%

+19.2pts



- Net impact from natural catastrophes was 26% pts, which is 19% pts above expected
- Expense ratio increased by 1.9% pts due to the reduction in premium volume, partly offset by the absolute expense saving



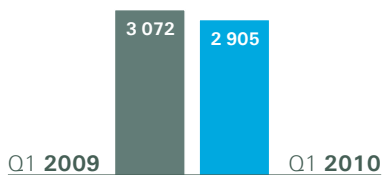
Life & Health

Strong underwriting performance

Operating revenues

USD m

-5.4%

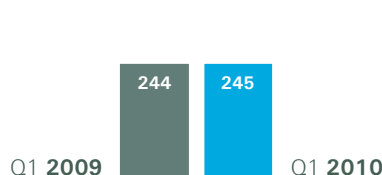


- Lower premium and fee income driven by retrocession transaction which resulted in approximately 14% lower premium volume, partly offset by new business
- Excluding FX and the retrocession agreement noted above, premiums and fees were 3.5% higher than in Q1 2009, driven by new traditional life business across all regions

Operating income

USD m

+0.4%

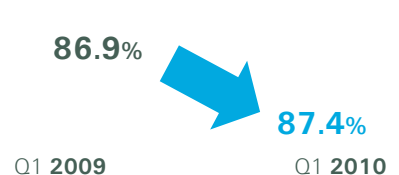


- Strong mortality experience, mainly in North America and Asia partly offset by unfavourable morbidity experience
- VA and pre-2000 GMDB gain of USD 55m (Q1 2009 USD 92m gain)

Benefit ratio

%

+0.5pts.

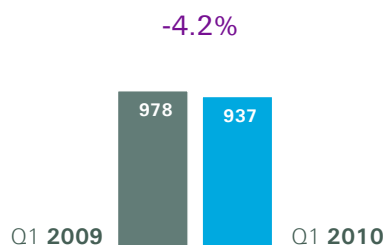


- Strong mortality partly offset by unfavourable morbidity
- Approx. 1.0 % points increase in ratio related to VA and pre-2000 GMDB. Impact for both periods was positive, but Q1 2010 was less positive than Q1 2009

Asset Management Strong total return

Operating income¹

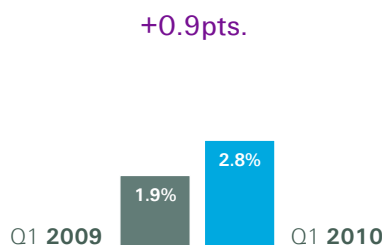
USD m



- AM investment portfolio of USD 143bn (excl. unit-linked and with-profit)
- AM fixed income running yield of 4.2% (4.7% in Q1 2009)
- Decrease in impairments to USD 90m, (Q1 09: USD 569m)
- Lower realised gains than Q1 09
- Short duration reduced in Q1, DVO1 USD 6.6m

Return on Investments

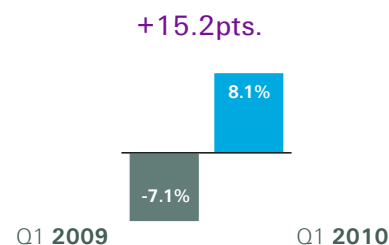
%



- RoI of 2.0% for rates, 4.4% for credit and 5.2% for equities and alternative investments
- Positive performance on equity and alternative investments more than offsets lower investment income

Total return²

%



- Total return 17.9% for credit, from continued spread tightening and improved market performance in certain securitised asset classes and 3.2% for rates as rates continue to decline
- 12.5% for equities and alternative investments
- Increase in shareholders' equity of USD 1.5bn in credit and 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

Swiss Re's capital strength Further strengthening in Q1 2010

- Q1 2010 estimated S&P excess capital over AA >USD 12bn
- Q1 increase driven by increased available capital, lower asset liability duration mismatch, less capital required for P&C due to cycle management and reduction of credit reinsurance and for L&H due to retro transaction
- Q1 2010 estimated Solvency I ratio > 200%
- Q1 2010 estimated SST > 200%



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.