



Economic Value Management (EVM) 2008 results

Zurich, 07 May 2009



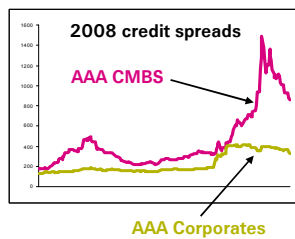
EVM methodology

- EVM is Swiss Re's integrated economic measurement and steering framework used for planning, pricing, reserving and managing the business
 - Splits performance of underwriting and investment activities
 - Recognises all profits on new business at inception, changes in estimates as they occur, and excludes future new business
 - Values assets and liabilities on a market consistent basis
 - Reflects best estimates
 - Measures performance after capital costs
- The EVM production process is not subject to the same control environment as annual and quarterly US GAAP reporting
- EVM 2008 is subject to a moderate assurance review, in line with the International Standard on Review Engagements 2400 and the Swiss Auditing Standard 910

Drivers of the EVM 2008 results

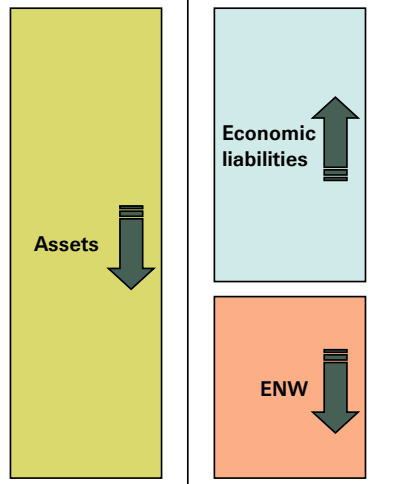
EVM balance sheet

Losses due to credit spread widening more than offset gains from lower risk-free interest rates

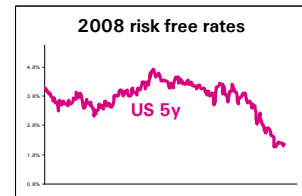


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 07 May 2009

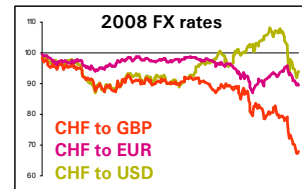
Slide 3



Decreasing risk-free rates led to a sharp increase of economic liabilities



Year-end devaluations against the Swiss Franc generated large currency translation losses on ENW



EVM income statement

CHF million	2007	2008
Profit		
New business profit/loss	784	-16 291
Previous years' business profit/loss	909	-2 443
Total profit/loss after capital costs	1 693	-18 734
Release of capital costs	3 196	5 610
Income before capital costs	4 889	-13 124

- Market dislocations resulted in significant mark-to-market losses, only partially offset by a strong performance in Property & Casualty and Life & Health

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 07 May 2009

Slide 4



EVM income statement

Business segments

CHF million	Property & Casualty	Life & Health	Asset Management	Legacy	Group items	Total
2008						
New business profit/loss	658	595	-12 366	-2 396	-2 782	-16 291
Previous years' business profit/loss	618	-141	0	-2 624	-296	-2 443
Total profit/loss after capital costs	1 276	454	-12 366	-5 020	-3 078	-18 734
Release of capital costs	978	666	1 213	488	2 265	5 610
Income before capital costs	2 254	1 120	-11 153	-4 532	-813	-13 124
2007¹						
New business profit/loss	1 787	1 247	-761	-1 534	45	784
Previous years' business profit/loss	851	-42	0	0	100	909
Total profit/loss after capital costs	2 638	1 205	-761	-1 534	145	1 693
Release of capital costs	1 601	1 136	728	69	-338	3 196
Income before capital costs	4 239	2 341	-33	-1 465	-193	4 889

Slide 5 ¹ Information is disclosed in line with the 2008 segments presentation basis



EVM 2008 key drivers

Property & Casualty

- **New business**

- EVM profit of CHF 658 million, compared to CHF 1 787 million in 2007
- The result reflects natural catastrophe losses in line with expectations but higher than 2007, lower volumes and margins, negative results in lines exposed to financial market risks (including trade credit), and negative foreign exchange movements

- **Previous years' business**

- EVM profit of CHF 618 million, compared to CHF 851 million in 2007
- Lower claims projections in all regions were partially offset by increased claims projections in workers' compensation and a large liability loss

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07 May 2009

Slide 6

EVM 2008 key drivers

Life & Health

■ New business

- EVM profit of CHF 595 million, compared to CHF 1 247 million in 2007
- Strong positive results for Life & Health traditional were offset by negative Variable Annuity performance. Admin Re® reported a strong new business result, but lower volume compared to 2007

■ Previous years' business

- EVM loss of CHF –141 million, compared to CHF –42 million in 2007
- Positive experience variances were more than offset by net increased claims projections and by negative developments for variable annuity business

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Slide 7

EVM 2008 key drivers

Asset Management

- EVM loss of CHF –12 366 million, compared to CHF –761 million in 2007
- The negative result is driven by the performance of the corporate bond and securitised asset portfolios, which significantly underperformed the liability-based EVM benchmark, and losses on the private equity and hedge fund portfolios

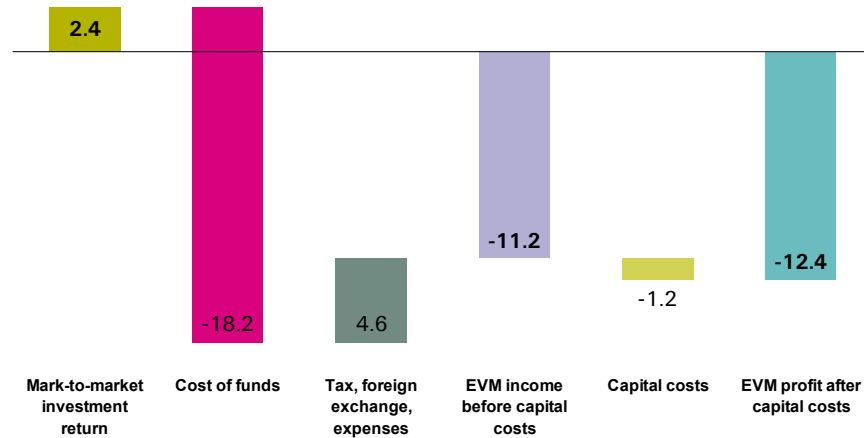
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Slide 8

EVM 2008 key drivers

Asset Management result

CHF billion



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Slide 9

EVM 2008 key drivers

Legacy

- EVM loss of CHF -5 020 million, compared to a (pro-forma) loss of CHF -1 534 million in 2007
- This result is largely due to additional mark-to-market losses on the Structured CDS portfolio, and to trading losses on total return swap portfolios relating to insurance-linked securities activities

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Slide 10



EVM 2008 key drivers

Group items

■ New business

- EVM loss for new business is CHF –2 782 million reflecting negative performance on portfolios excluded from the liability-based benchmark, negative mark-to-market movements on inflation-linked bonds and an increased valuation allowance on deferred tax positions

■ Previous years' business

- EVM loss on previous years business is CHF –296 million, mainly due to increased expense projections for letters of credit partially offset by lower EVM capital cost allocations to the segments

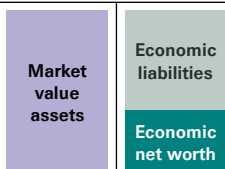


EVM 2007 and 2008 balance sheet

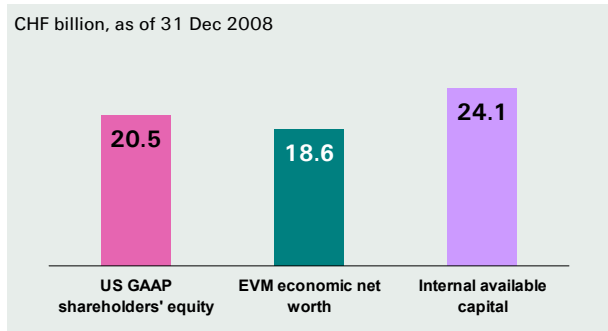
CHF billion	31 Dec 2007	31 Dec 2008
Assets		
Investments and cash	247.4	190.1
In-force business assets	193.0	221.2
- Property & Casualty	18.2	18.6
- Life & Health	173.3	202.3
- Other	1.5	0.3
Other assets	0.3	5.1
Total assets	440.7	416.4
Liabilities		
In-force business liabilities	340.9	351.4
- Property & Casualty	74.6	70.9
- Life & Health	263.2	279.5
- Other	3.1	1.0
Debt	28.3	25.6
Other liabilities	33.1	20.8
Total liabilities	402.3	397.8
Economic net worth	38.4	18.6

EVM 2008 Group economic net worth

Overall economic balance sheet



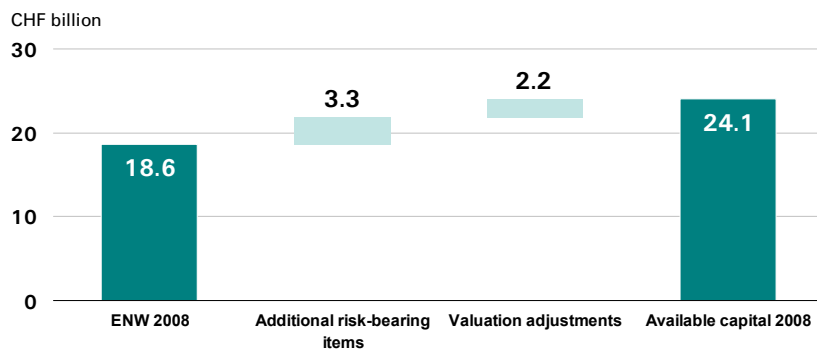
- Group economic net worth (ENW) is the difference between the market value of assets and the economic value of liabilities
- ENW is the EVM estimate of shareholders' equity



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 07 May 2009

Slide 13

EVM 2008 economic net worth and available capital

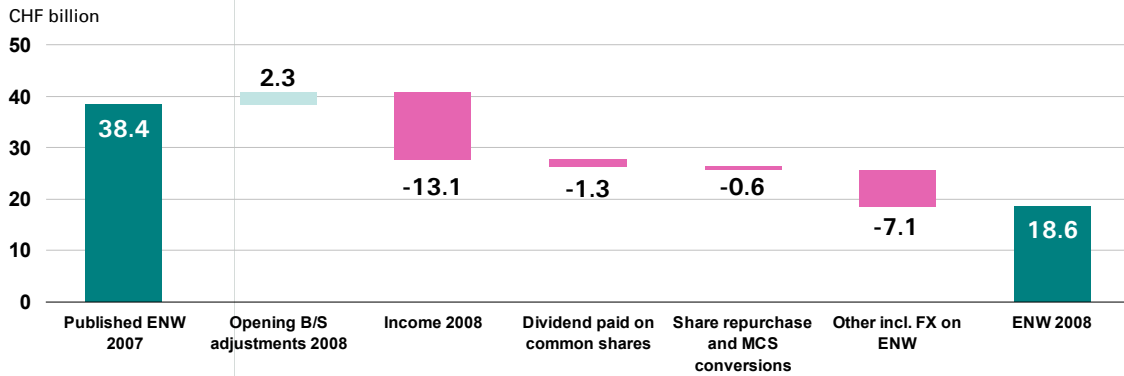


- Available capital is based on ENW
- ENW is adjusted for additional risk-bearing items (mainly hybrid capital) and valuation differences (mainly on capital cost reserves) in line with the Swiss Solvency Test (SST) framework

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 07 May 2009

Slide 14

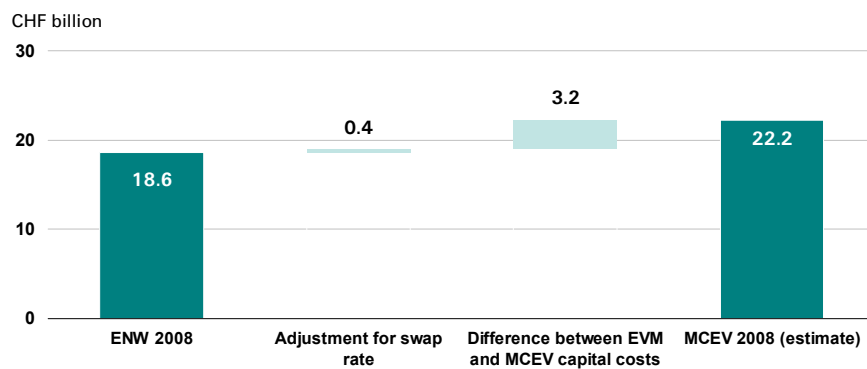
EVM 2008 economic net worth roll forward



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Slide 15

MCEV and EVM 2008 comparison MCEV recognises higher value than EVM



- In line with current MCEV Guidelines, swap yield curves are used as reference rates with no credit for liquidity premiums
- EVM frictional capital costs (FCC) are a 4% charge on EVM capital
- MCEV costs of residual non hedgeable risks (CRNHR) are estimated at 3% on 99.5% value at risk (VaR), lower than EVM FCC

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 07 May 2009

Slide 16



Appendix

2008 EVM results
07 May 2009

Slide 17



EVM income statement

Property & Casualty

CHF million	Property & Specialty	Casualty	Total
2008			
New business profit/loss	624	34	658
Previous years business profit/loss	615	3	618
Total profit after capital costs	1 239	37	1 276
Release of capital costs	415	563	978
Income before capital costs	1 654	600	2 254
2007¹			
New business profit/loss	1 460	327	1 787
Previous years business profit	1 388	-537	851
Total profit after capital costs	2 848	-210	2 638
Release of capital costs	766	835	1 601
Income before capital costs	3 614	625	4 239

Slide 18

¹ Information is disclosed in line with the 2008 segments presentation basis



EVM 2008 income statement

Life & Health

CHF million	Traditional Life	Accident & Health	Admin Re®	Total
2008				
New business profit/loss	185	78	332	595
Previous years business profit/loss	-596	315	140	-141
Total profit/loss after capital costs	-411	393	472	454
Release of capital costs	416	145	105	666
Income before capital costs	5	538	577	1 120
2007				
New business profit/loss	439	36	772	1 247
Previous years business profit/loss	-390	371	-23	-42
Total profit/loss after capital costs	49	407	749	1 205
Release of capital costs	745	211	180	1 136
Income before capital costs	794	618	929	2 341

Slide 19



Comparison of 2008 US GAAP

shareholders' equity to ENW by segment

CHF billion	Property & Casualty	Life & Health	Other	Total
Additional discounting	4.4	-3.7	-3.6	-2.9
MtM on assets & debt			2.9	2.9
Reserving basis				
- GAAP margins		10.3		10.3
- Other	0.8	-1.1	-2.1	-2.4
Recognition differences	0.7	0.5	-2.0	-0.8
Goodwill & other intangibles			-4.8	-4.8
Additional tax liability	-1.3	0.1	0.6	-0.6
Other	-0.1	0.1	-0.3	-0.3
Frictional capital costs	-0.3	-3.0		-3.3
Total	4.2	3.2	-9.3	-1.9

Slide 20

EVM capital allocation by segment

EVM capital costs are allocated taking internal risk, regulatory and rating agency capital requirements into consideration. For illustration, this slide exhibits the 2007 and 2008 capital cost allocation keys

CHF billion	Property & Casualty	Life & Health	Asset Management	Legacy	Group items	Total
Allocation at year end FX						
■ 2008	13.7	6.7	5.3	0.4	-0.5	25.6
■ 2007 ¹	21.3	12.7	3.9	0.2	-1.1	37.0

CHF billion	Property & Casualty	Life & Health	Asset Management	Legacy	Group items	Total
Allocation at constant FX as of 31 Dec 2008						
■ 2008	13.7	6.7	5.3	0.4	-0.5	25.6
■ 2007 ¹	19.3	10.6	3.9	0.2	-0.9	33.1

2008 EVM results
 07 May 2009

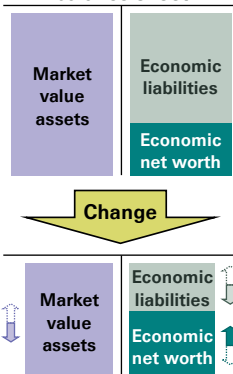
Slide 21

¹ Information is disclosed in line with the 2008 segments presentation basis

EVM 2008 sensitivities

Goals and methodology

Overall economic balance sheet



EVM sensitivities illustrate the impact on actual EVM figures to changes in EVM key parameters. EVM sensitivities are estimated on the following basis:

- Changes are applied in isolation rather than showing combined effects
- No management action is taken in reaction to changes

2008 EVM results
 07 May 2009

Slide 22

EVM 2008 sensitivities
 Group sensitivities (1)

CHF billion	Change in 2008 new business profit	Change in economic net worth as of 31.12.2008
Group sensitivities		
Change in frictional capital costs		
- Decrease by 100bps (from 4% to 3%)	0.2	1.1
10% decrease in equity/property capital values	n/a	-1.2
Change in reference rates (yield curve)		
- Increase by 100bps	n/a	0.2
- Decrease by 100bps	n/a	-0.3

2008 EVM results
 07 May 2009
 Slide 23

EVM 2008 sensitivities
 Group sensitivities (2)

CHF billion	Change in economic net worth as of 31.12.2008
Group sensitivities	
Inclusion of a liquidity premium in the valuation of EVM insurance liabilities	
- Set reference rates equal to Government rates + 50bps	4.2
- Set reference rates equal to Government rates + 100bps	8.0
- Set reference rates equal to Government rates + 150bps	11.5

2008 EVM results
 07 May 2009
 Slide 24



EVM 2008 sensitivities

Life & Health specific (1)

CHF billion	Change in 2008 new business profit	Change in economic net worth as of 31.12.2008
Life & Health specific sensitivities		
Reduce lapse rates by 10% (e.g. from 8% to 7.2%)	0.1	1.5
Mortality and morbidity rates reduced by 5%		
– Mortality	0.2	4.7
– Longevity	0.0	-0.3
– Morbidity	0.0	0.5
Remove all allowance for future mortality improvement		
– Mortality	-0.3	-7.7
– Longevity	0.1	0.8

Slide 25



EVM 2008 sensitivities

Life & Health specific (2)

CHF billion	Change in 2008 new business profit	Change in economic net worth as of 31.12.2008
Life & Health specific sensitivities		
Mortality / Longevity trend rates		
– Set future mortality improvement assumption at 100bps p.a. (mortality business)	0.3	5.2
– Increase future mortality improvement assumption by 100bps p.a. (longevity business)	-0.1	-0.9

2008 EVM results
07 May 2009

Slide 26



EVM 2008 sensitivities

Property & Casualty

CHF billion	Change in 2008 new business profit	Change in economic net worth as of 31.12.2008
Property & Casualty specific sensitivities		
Change in weighted average term to settlement		
- Increase by 10%	0.1	0.5
- Decrease by 10%	-0.1	-0.5
Projected future claims cost		
- Increase new business claims by 10% (e.g. increase loss ratio from 60% to 66%)	-0.6	n/a

2008 EVM results
07 May 2009

Slide 27



Corporate calendar & contacts

Corporate calendar

12 May	EVM results 2008	Conference call
05 August	Second quarter 2009 results	Conference call
03 November	Third quarter 2009 results	Conference call
09 December	Investors' Day 2009	Rueschlikon

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2008 EVM results
07 May 2009

Slide 28

Cautionary note on non-GAAP financial measures

This presentation on Economic Value Management ("EVM") contains non-GAAP financial measures. EVM is not based on US GAAP, which are the principles in accordance with which Swiss Re prepares its financial statements, and should not be viewed as a substitute for US GAAP financial measures. Among other items, the EVM income statement (and its components) should not be viewed as a substitute for the income statement (and its line items) included as part of Swiss Re's US GAAP consolidated financial statements, and the economic net worth (ENW) figure should not be viewed as a substitute for shareholders' equity as reported in Swiss Re's US GAAP consolidated balance sheet. Nonetheless, Swiss Re believes that EVM provides meaningful measures to evaluate its business.

2008 EVM results
 07 May 2009
 Slide 29

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:

- the direct and indirect impact of the continuing deterioration in the financial markets and the efficacy of efforts to strengthen financial institutions and stabilise the credit markets and the broader financial system;
- changes in global economic conditions and the effects of the global economic downturn;
- the occurrence of other unanticipated market developments or trends;
- 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 Swiss Re's 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 carry-forwards 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 Swiss Re's 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;
- risks associated with implementing Swiss Re's business strategies;
- 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;
- political risks in the countries in which Swiss Re operates or insures risks;
- the impact of current, pending and future legislation and regulation affecting Swiss Re or its ceding companies, and regulatory and legal actions;
- the impact of changes in accounting standards;
- the impact of 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.

Slide 30