Swiss Re

First quarter 2009 results

Conference call – Zurich, 7 May 2009

Swiss Re

Today's agenda

- **Introduction**
  Susan Holliday, Head IR
- **Opening remarks**
  Stefan Lippe, CEO
- **Business performance**
  George Quinn, CFO
- **Strategy and outlook**
  Stefan Lippe, CEO
- **Questions & answers**

Swiss Re

Note on risk factors

- Global financial markets have been experiencing extreme volatility and disruption for over 18 months. Future material deterioration in business conditions may have a significant impact on Swiss Re's capital and liquidity positions
- As a result of the extreme and unprecedented volatility and disruption, we are exposed to significant financial, capital market and other risks, including movements in interest rates, credit spreads, equity prices, and currency movements, changes in rating agency policies or practices, the lowering or loss of financial strength or other ratings and counterparty risk
- In Q1 2009 Swiss Re adopted FSP FAS 115-2, the new US GAAP guidance on other-than-temporary impairment. Please see page 22 of the Q1 2009 report for further details
- Please see the cautionary note on forward-looking statements on slide 36 of this presentation and the note on risk factors on page 56 of the Q1 2009 report

Swiss Re

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Swiss Re

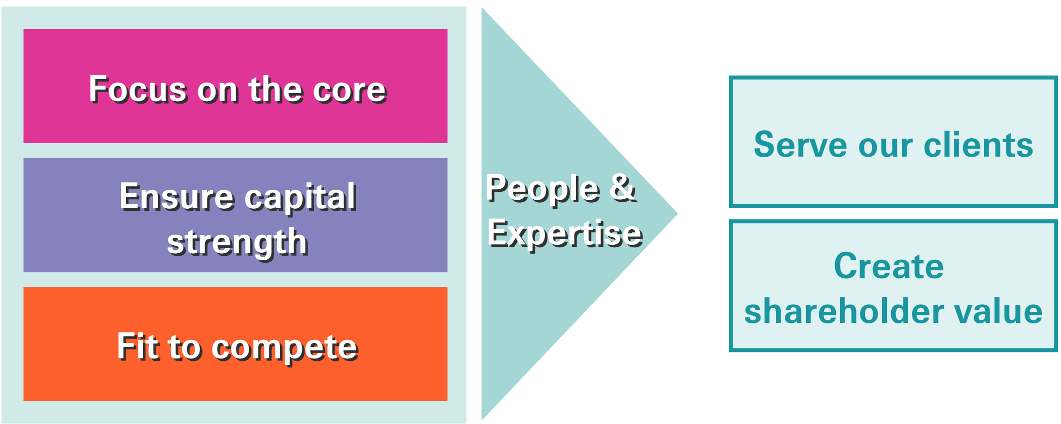
Q1 Highlights

- Capital strength restored
- Excellent underwriting performance in P&C and L&H
- Strong franchise demonstrated in January and April renewals; pricing momentum and demand continue to grow
- Investment result weaker due to de-risking and impairments
- Continued de-risking in AM, Legacy and in reinsurance
- Efficiency programme well underway
- Clear, simple priorities established and implemented

Swiss Re

Our priorities

Building on our strengths



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Key figures

Swiss Re

CHF	Q1 2008	Q1 2009
Group net income	0.6bn	**0.2bn**
Group operating income	0.7bn	**0.3bn**
Operating income continuing operations	2.1bn	0.3bn
Operating income Legacy	-1.4bn	0.0bn
P&C combined ratio	96.4%	**90.2%**
	FY 2008	**Q1 2009**
Shareholders' equity	20.5bn	**23.6bn**
Book value per share[1]	60.96	**61.39**

- Excellent technical result in P&C and L&H
- De-risking strategy in Asset Management leads to lower running yield
- Convertible perpetual capital instrument issued to Berkshire Hathaway contributed to solid capital base

[1] Basic BVPS, excluding convertible perpetual capital instrument

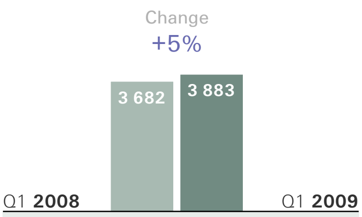
Swiss Re

Property & Casualty

Consistently strong underwriting performance

Premiums earned

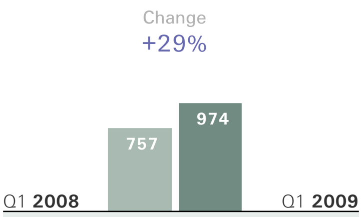
CHF m



- Premium increase driven by attractive growth in the January 2009 renewals including large transactions, more than offsetting increased impact of quota share
- At constant FX rates increase in earned premium is 6%

Operating income

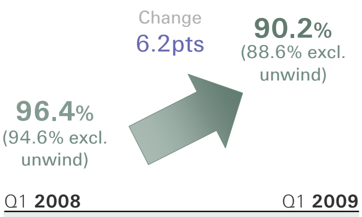
CHF m



- Increase driven by strong underwriting result in Property, which more than offset the higher loss activity in Specialty
- Investment income remains stable at CHF 0.6bn
- Q1 2009 realised gains of CHF 43m (mainly ILS) versus losses of CHF -42m in in the first quarter 2008

Combined ratio, traditional

%



- Improvement driven by property lines, due to favourable loss experience including a lower net nat cat burden
- Higher loss activity in Speciality, mainly Aviation & Space

Swiss Re

Property & Casualty

Excellent combined ratio

P&C traditional combined ratios

%, premiums and operating income in CHF m

	Q1 2008	Q1 2009	Main drivers of change	Premiums	Operating income
Property	**103.8%**	**77.2%**	Lower net impact from natural catastrophes and improved net loss experience in the rest of the portfolio	**1 406**	**432**
Casualty	**102.8%**	**100.7%**		**1 303**	**405**
Liability	95.7%	97.9%	Favourable premium development in prior years	777	275
Motor	104.5%	105.9%	Modest increase due to premium & commission updates in prior years	358	59
Accident (A&H)	125.6%	102.4%	Absence of prior year negative reserve development	168	71
Specialty	**76.8%**	**94.8%**		**1 002**	**154**
Credit[1]	92.6%	88.6%	Favourable premium development in prior years	316	62
Other Specialty	70.0%	97.7%	More significant man made losses incurred in Q1 2009	686	92
Total traditional	**96.4%**	**90.2%**		**3 711**	**991**
excl. unwind	94.6%	88.6%			
Total non-trad.				**172**	**-17**
Total				**3 883**	**974**

[1] Credit excludes FG Re, now in Legacy

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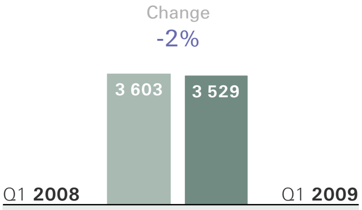
Life & Health

Improved market conditions

Operating revenues

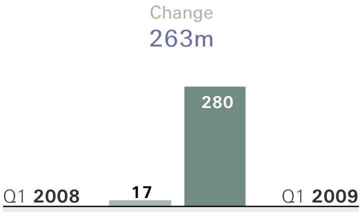
CHF m



- Excluding foreign exchange, premiums and fees were 1.9% higher, driven by the Barclays Life transaction in Admin Re® and new business in traditional life

Operating income

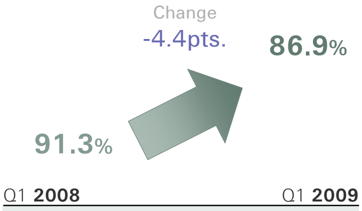
CHF m



- Strong mortality experience
- Non-cash gain from change in fair value of embedded derivatives on funds withheld treaties of CHF 34m (Q1 08: CHF 49m loss)
- Lower interest rates and lower volatility drove VA gain of CHF 76m (Q1 08: CHF 20m loss)
- Pre-2000 GMDB gain of CHF 30m (Q1 08: CHF 28m loss) includes higher lapse experience

Benefit ratio

%



- Favourable mortality results, driven primarily by the US segment
- Morbidity slightly below expectations
- Includes approximately 2.8 points improvement related to lower benefit reserves for VA (1.1pts) and pre-2000 GMDB (1.7pts)

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Asset Management & Legacy

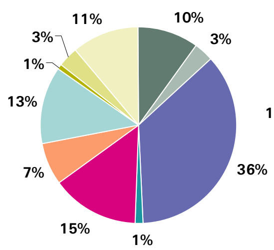
Overall investment portfolio

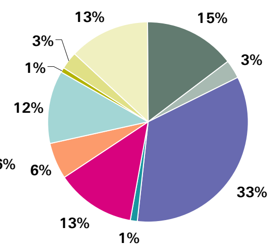
Continued de-risking

CHF bn	End FY 2008	End Q1 2009
Balance sheet values	181.2	190.1
Unit-linked investments	-17.8	-17.0
With-profit business	-3.2	-3.2
Investments for own account	**160.2**	**169.9**

- Investment portfolio increased to CHF 169.9bn mainly due to foreign exchange impact
- CHF 159.3bn is in Asset Management and CHF 10.6bn is in Legacy
- 57% invested in cash, short-term investments, treasuries or government backed

Legend
- Cash and cash equivalents
- Short-term investments
- Government bonds
- Equities
- Corporate bonds
- Agency securitised products
- Other securitised products
- Mortgages
- Loans (incl. policy loans)
- Other investments (incl. real estate)





- Increased allocation to government bonds and short term investments
- Focus on matching liability benchmark
- Continued de-risking, with resulting fall in RoI

Asset Management
Returns impacted by de-risking

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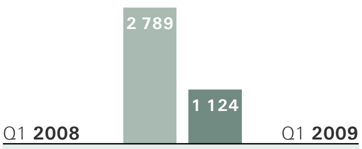
Operating income

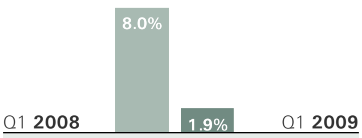
CHF m



- Income decreased from Q1 2008 mainly as a result of reducing the risk profile and impairments of CHF 793m primarily on securitised products and corporate bonds
- 3 month LIBOR rate decreased approx. 150bps from Q1 2008
- Decreased running yield from 5.3% to 4.9% in Q1 2009

Return on Investments

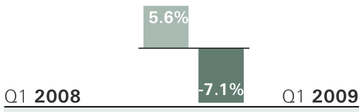
%



- Q1 2009 RoI of 7.5% for rates, 0.5% for credit and -15.3% for equities and alternative investments
- RoI impacted by FX, impairments and duration reduction

Total return on inv. assets[1]

%



- Total return Q1 2009 of -4.9% for rates mainly driven by rising interest rates, -3.3% for credit and -34.3% for equities and alternative investments

[1] Total return includes change in unrealised gains/losses

Legacy
Small positive in Q1

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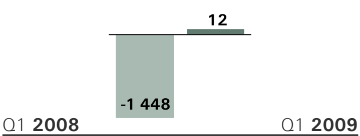
Operating income

CHF m



- Improved result in Q1 09

Operating income split[1]

CHF m	Q1 2008	Q1 2009	
Structured CDS	- 799	- 116	Unrealised mark-to-market losses; Impairments of underlying positions brought on balance sheet
Portfolio CDS	-67	39	Gain for Q1 due to decrease in the base correlation, which measures the likelihood of multiple and simultaneous defaults, and a reduction in time to maturity
Financial Guarantee Re	-19	-15	No significant changes
Former trading activities	- 563	104	Total gains and interest of CHF 215m mainly from mark-to-market on derivatives and investments in TRS; Impairments of CHF 111m

[1] Including expenses totalling CHF 38m for Legacy

Structured CDS mainly includes ABS delivered in form of floating rate notes due to unwind of a majority of the structured CDS position

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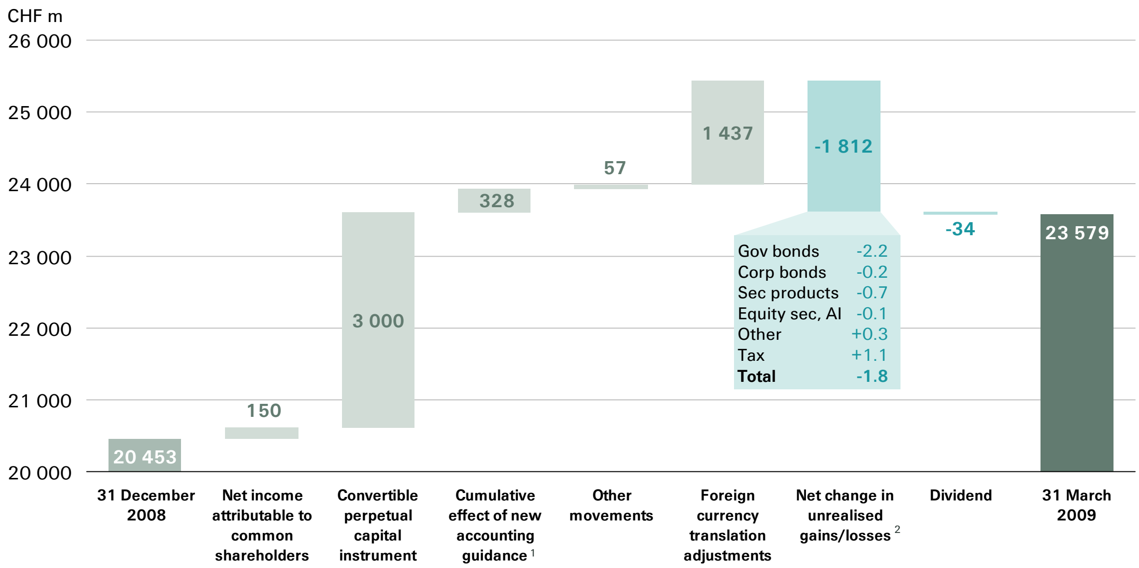
Shareholders' equity Q1 2009

Improvement driven by convertible and FX, partly offset by higher interest rates



[1] Cumulative effect of adoption of new accounting guidance

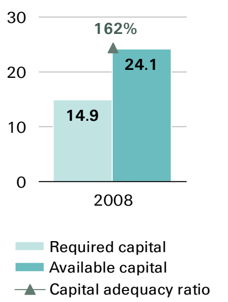
[2] Net change in unrealised gains/losses includes CHF -448m for other-than-temporary impairment

Swiss Re

Swiss Re's capital

Capital levels restored

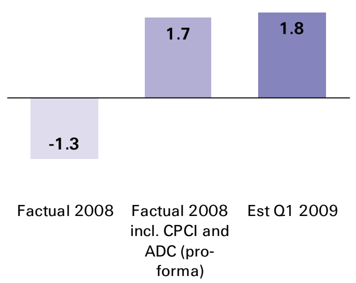
Internal capital model
Available/required capital
CHF bn
as of 31 Dec 2008



Rating agencies

Excess capital above AA

CHF bn



- Substantial improvements in Q1 2009 in all capital measures
- FY08 estimates of internal available capital revised downward for final economic net worth (ENW) mainly due to FX effects
- FY08 revised ENW causes internal capital adequacy to reduce from est. 207% to 162%. CPCI and ADC restore capital to 175-200% range
- Change has no impact on capital requirements as rating is a more significant constraint
- FY08 Solvency I ratio 164.2% (excess margin of CHF 6.8bn)

Swiss Re

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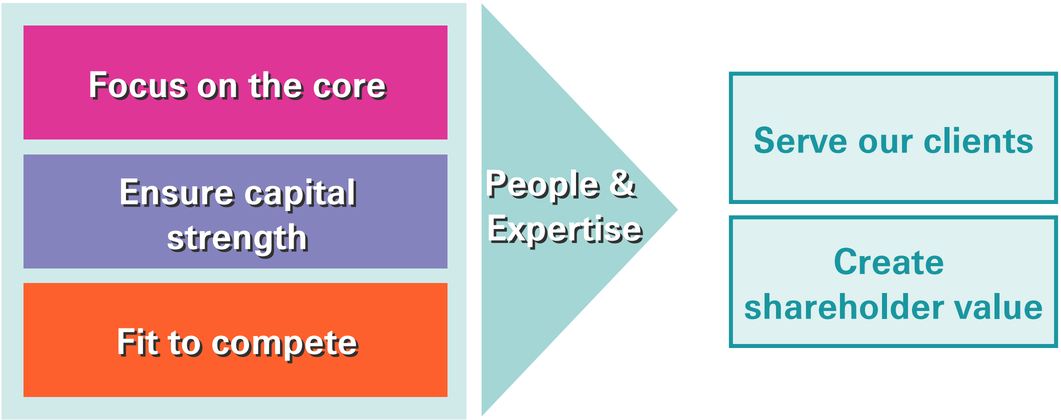
Swiss Re

Our priorities

Building on our strengths



Focus on the core
Ensure capital strength
Fit to compete

Swiss Re

Realignment of Swiss Re´s business

Reflecting our new priorities

	Core	Re-positioned	Exit
Property & Casualty	■ Reinsurance ■ Commercial insurance ■ Insurance Linked Securities ■ Run-off	■ Credit & Surety Re	
Life & Health	■ Mortality reinsurance ■ Health reinsurance ■ Longevity reinsurance ■ Admin Re®	■ US XXX life	■ Variable Annuities
Asset Management	Asset classes ■ Rates ■ Credit ■ Equities	Asset classes ■ Securitised Products ■ Alternative Assets	
Legacy			■ SCDS ■ PCDS ■ FG Re ■ Trading activities
	Grow profitably	**Reprice, reduce, release capital**	**Run-off**

Focus on the core
Ensure capital strength
Fit to compete

Swiss Re

Key changes in P&C and L&H

Simplicity, capital preservation, efficiency

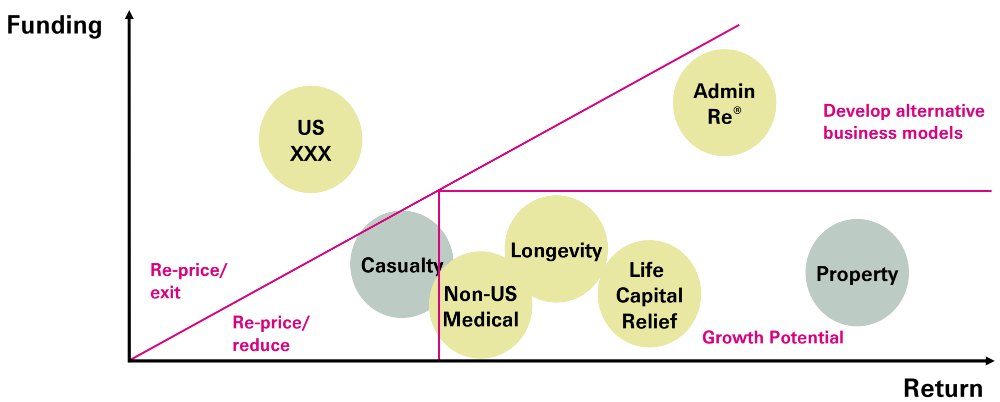
		Focus on the core	Ensure capital strength	Fit to compete
P&C	■ **Credit & Surety Re** – capacity to be reduced	✔	✔	✔
L&H	■ **US XXX Life** – significant repricing to reflect funding risk, anticipate significant reduction in volume	✔		✔
	■ **Variable Annuities** – no new business	✔		✔

First quarter 2009 results
Conference call
Zurich, 07 May 2009

Focus on the core
Ensure capital strength

Swiss Re

Drawing the line



■ Returns are currently most attractive in property

➔ Admin Re® is potentially high return but has high capital and funding requirements, so seek alternative business models

➔ Reprice/exit where returns are low and funding requirements high

Focus on the core
Ensure capital strength
Fit to compete

Swiss Re

AM strategy
Reduce risk, redeploy capital to P&C and L&H

- Focus on asset liability matching
- Asset allocation driven by longer term considerations overlaid with short to medium term tactical positioning
- New cash flows invested in cash, short term, government and agency
  - Lower yields
  - More flexibility
- Selective sales of corporate bonds and securitised products, active management of private equity and hedge fund investments
- Active hedging to protect downside
- Hold high quality assets for pull to par

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Focus on the core
Ensure capital strength
Fit to compete

Swiss Re

Asset management
De-risking

		Focus on the core	Ensure capital strength	Fit to compete
AM	**Credit**			
	– continued hedging and reduced weighting of corporate bonds	✔	✔	
	Securitized products			
	– net reduction of positions	✔	✔	✔
	Alternative Investments			
	– Strategic holdings: exited certain positions	✔	✔	
	– Private equity: opportunistic reduction in positions; secured some unfunded commitment release	✔	✔	✔
	– Hedge funds: significant reduction of fund of funds investments	✔	✔	✔

Focus on the core

Ensure capital strength

Swiss Re

Asset de-risking

Actions in Q1 2009

Actions taken	CHF bn
Net reduction in corporate bond exposure	
Asset Management	-2.1
Legacy	-0.4
Net reduction in securitised products exposure	
Asset Management	-3.9
Alternative Investments	
Sales of strategic holdings positions	-0.1
Total reductions in portfolio (pre-hedging)	**-6.5**

Asset Management

- Corporate Credit: Selected sales of certain credit exposures, kept credit protection in place
- Securitised Products: Selected sales and reductions occurred as principal was paid down due to amortisations. Extended selected hedges on CMBX, ABX index and CDS
- Alternative Investments: Initiated reduction through redemptions of hedge funds and reduced strategic holdings. Achieved release of certain unfunded commitments in private equity

Legacy

- Actively manage underlying assets in SCDS by bringing on balance sheet

Focus on the core

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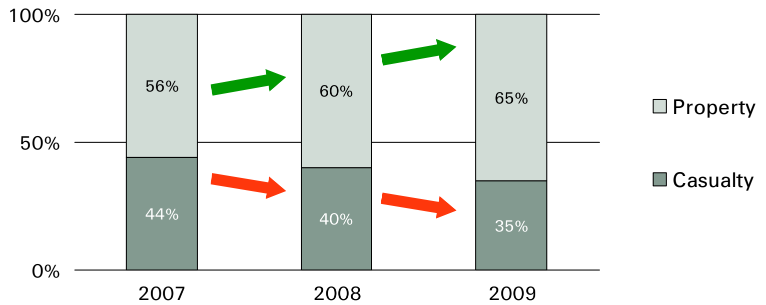
Active Capital Allocation in P&C

Deploy capital where returns are highest

- Strong underwriting discipline led to volume reductions in soft 2007 – 2008 market
- Growth in the hardening market of 2009
- Shift away from Casualty and towards Property, reflecting relative attractiveness of the segments. Expected to continue until casualty pricing adjusts for lower interest rates
- Reduced capacity compensated by large deals

Business mix development for treaty traditional, YTD April renewals:



Focus on the core

We provide a unique value proposition to our clients

Large transactions continue to be very attractive

Swiss Re

Recent capital relief transactions

- **US life client**
  Yearly renewable term reinsurance covering mortality risk
- **Australian life client**
  Longevity Swap on in force block of lifetime annuities portfolio
- **European life client**
  Capital relief via structured life reinsurance
- **US P&C client**
  Large quota share on homeowners portfolio

Risk swaps and Sidecars

- **Risk swaps**
  Used to exchange US catastrophe exposure (US Hurricane/California EQ) for Japanese catastrophe exposure
- **Sidecars**
  New investors for peak natural catastrophe capacity

➔ **Swiss Re deploys capital to large, profitable deals for key clients**

Focus on the core

Successful April renewals

Pricing momentum has accelerated since January

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- April price quality stronger than in January
- Active portfolio steering improves price quality beyond market average
- Lower interest rate environment should continue upward pressure on pricing

Long-term Price Adequacy

Focus on the core

Swiss Re

YTD April 2009 renewals:

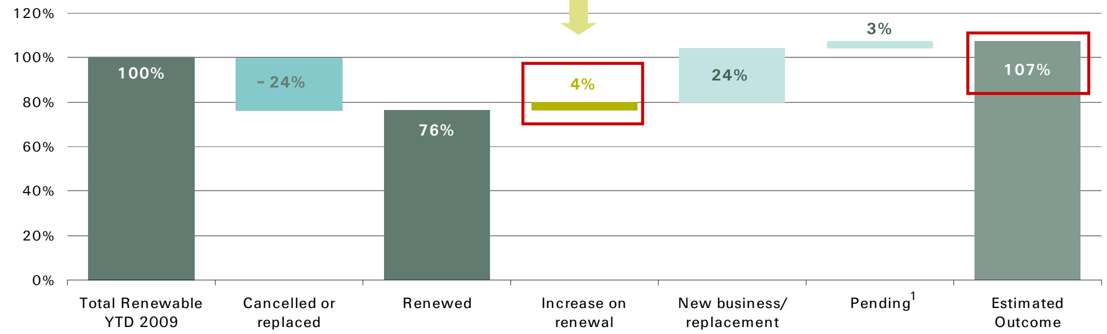
Premium growth at attractive prices

Total traditional treaty portfolio

CHF **9.3**bn

Rates	1%
Change in share	2%
Exposure growth	2%
Increase on renewed block	5%

CHF **9.9**bn



➔ Swiss Re targets underwriting year combined ratio of 95% (assuming a normal level of natural catastrophes)

All renewal figures are estimated and calculated at constant foreign exchange rates

[1] Pending column includes pending new business

Focus on the core

Ensure capital strength

Swiss Re

April cycle management

Shifts to best priced segments, geographies

+ **Americas: firmer for Nat Cat**
  - Natural catastrophe margins improving
  - Primary property prices increasing for cat-exposed business
+ **Japan: increased exposure**
  - Price improved
  - Increased share of wallet for major clients
− **India: reduced capacity**
  - De-tariffication has significantly eroded primary prices
  - Swiss Re sharply reduced exposure to proportional property treaties

Swiss Re

Fit to compete

Fit to compete

Target cost savings

- Cost savings of at least CHF 200m in 2009 and 2010
- Leading to a reduction in expenses run-rate of CHF 400m by end 2010, with restructuring costs of CHF 100m in 2009

Measures

- Create lean, efficient organisation through a worldwide office network consolidation and streamlined processes
- Reduce global headcount of 11 560 by approximately 10%

Achievements in Q1

- Management expenses reduced by CHF 122m vs Q1 2008

Focus on the core

Ensure capital strength

Fit to compete

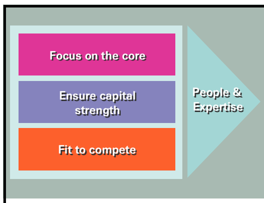
People & Expertise

Swiss Re

Targets

Mid-term focus in volatile market conditions

- **Generate sufficient organic capital before March 2012 to avoid dilution**
- **14% return on capital in (re)insurance**
- **AA level of capital adequacy**
- **Reduction in expenses run-rate of CHF 400m by end 2010**



Swiss Re

We are on track

- **Capital strength restored**
- **Continued de-risking in AM, Legacy and reinsurance expected to generate capital saving CHF 1bn in next 12 months**
- **Excellent underwriting performance in P&C and L&H in Q1**
- **Strong franchise demonstrated in January and April renewals; pricing momentum and demand continue to grow**
- **Efficiency programme well underway**
- **Clear, simple priorities established and implemented**

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Swiss Re

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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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 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;
- 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.