



Financial Strength Ratings: AM Best: A+ (Outlook: Stable) S&P: A+ (Outlook: Positive)

- ACE is a global commercial property and casualty insurance and reinsurance company - insurance is our only business
- Physical presence in 50+ countries, with more than 15,000 employees serving the insurance needs of commercial and individual customers in more than 140 countries
- The ACE MENA Region is headquartered in Bahrain and includes businesses in Saudi Arabia, Egypt and Pakistan as well as a representative office in the UAE. ACE MENA provides tailored property, casualty, energy, power generation, financial lines and accident and health insurance solutions for a diverse range of clients in the region

Key Financial Measures

Financial Summary

(in millions of US dollars, except ratios)	Q4 2009	Full year 2009
Gross written premiums	\$4,507	\$19,164
Net written premiums	3,305	13,299
Operating income*	683	2,759
Net income	953	2,549
Net investment income	512	2,031
Operating cash flow	1,003	3,335
Combined ratio	89.6%	88.3%
ROE*	14.2%	16.2%

Five Year Financial Performance (2004-2009)

(Compound annual growth rates and averages)

Operating income*	22.5%
Shareholders' equity	14.8%
Average return on equity*	15.6%
Average combined ratio	90.6%

*Excludes net realised gains (losses)

Balance Sheet & Liquidity

(as of 31/12/09)

Net Loss Reserves - \$24.2 billion

Tangible Capital - \$19.4 billion

Net loss reserves and tangible capital of more than \$43 billion represent ACE's strong ability to pay claims

Total Capital - \$23.3 billion

Defines an insurance company's ability to take risk

Debt to Capital Ratio - 14.2%

ACE's ratio is conservative for our capital position

Book Value - \$19.7 billion

Book value has grown \$5.2 billion or 36% since year-end 2008

Invested Assets - \$46.5 billion

Invested assets have grown \$6.8 billion since year-end 2008

Risk Management

Managing Asset Risk

\$46 Billion Conservative Investment Portfolio

- Predominantly investment grade fixed income and broadly diversified across geographies, sectors and issuers
- Average credit rating is AA; average duration is less than 4 years
- ACE does not invest in collateralised debt obligations (CDOs) or collateralised loan obligations (CLOs)
- Mortgage-backed securities:
 - 89% are AAA rated
 - 84% of the RMBS portfolio is backed by federal agencies
 - Minimal sub-prime exposure

Managing Liability Risk

Disciplined Underwriting Culture:

- We embrace risk as long as we understand it and can generate an acceptable return
- We manage the company to earn an underwriting profit and ACE has earned a cumulative underwriting profit since its inception in 1985
- 2009 Underwriting Income - \$1.6 billion
- 2009 Combined Ratio - 88.3%
- Loss Reserve transparency - ACE Global Loss Triangles available (www.acelimited.com)

External Perspectives

Investment Community

Equity Analyst Ratings as of 31/12/09: 19 buy/3 hold

ACE's Share Price: For the third quarter of 2009, ACE's share price decreased 6% compared to the S&P Property & Casualty Insurance Index's 0% increase and traded between 0.86 and 1.00 times book value

Credit Default Swap (CDS) Pricing on ACE: The cost of CDSs (which protect investors from a bond issuer's default on principal and interest payments) on ACE Limited has remained relatively stable, averaging 75 in the fourth quarter of 2009 and ranging between 70 and 79

Rating Agencies

Financial Strength Ratings of A+ from Standard & Poor's and A.M. Best on ACE's core operating insurance companies

Positive Outlook from Standard & Poor's. Stable Outlook from A.M. Best, Fitch and Moody's

ACE's Enterprise Risk Management rating of "Strong" from S&P is in the top 15% of 165 North America and Bermuda companies rated