



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

- ACE is one of the world's largest providers of commercial property and casualty insurance and reinsurance—insurance is our only business
- Physical presence in 53 countries, with more than 15,000 employees serving the insurance needs of commercial and individual customers in more than 170 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)	Q2 2010	Q2 2009
Gross written premiums	\$5,154	\$5,117
Net written premiums	3,420	3,415
Operating income*	688	706
Net income	677	535
Net investment income	518	506
Operating cash flow	868	760
Combined ratio	89.7%	87.7%
ROE*	13.8%	16.5%

Five Year Financial Performance (2005-2009)

(Compound annual growth rates and averages)

Operating income*	22.5%
Shareholders' equity	14.8%
Average return on equity*	15.7%
Average combined ratio	90.6%

*Excludes net realised gains (losses)

Balance Sheet & Liquidity

(as of 30/06/10)

Net Loss Reserves - \$23.9 billion

Tangible Capital - \$21.2 billion

Net loss reserves and tangible capital of more than \$45 billion represent ACE's strong ability to pay claims

Total Capital - \$25.0 billion

Defines an insurance company's ability to take risk

Debt to Capital Ratio - 13.2%

ACE's ratio is conservative for our capital position

Book Value - \$21.4 billion

Book value has grown \$4.8 billion or 29% since 30/06/09

Invested Assets - \$48.5 billion

Invested assets have grown \$5.5 billion since 30/06/09

Risk Management

Managing Asset Risk

\$48.5 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:
 - 92% are AAA rated
 - 87% of the RMBS portfolio is backed by federal agencies

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 30/06/10: 19 buy/3 hold

ACE's Share Price: For the second quarter of 2010, ACE's share price decreased 2% compared to the S&P Property & Casualty Insurance Index's 4% decrease and traded between 0.78 and 0.89 times book value

Stock Index Inclusion: As of July 2010, ACE Limited is a component of the benchmark S&P 500 and Russell 1000 stock indices of large capitalisation companies

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