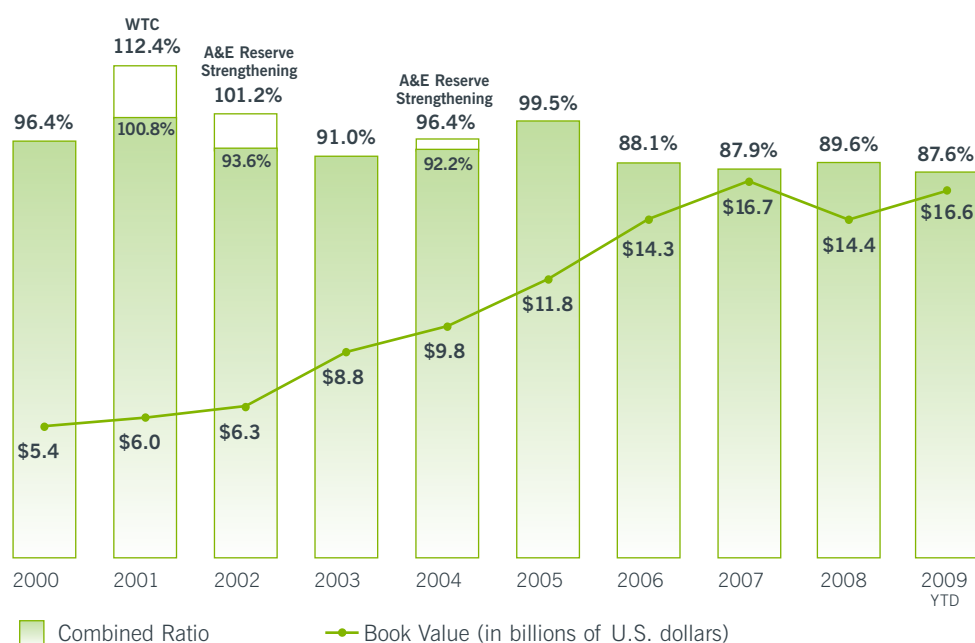


# Financial Update

## Second Quarter 2009



## Combined Ratio and Book Value Trend



## Investment Portfolio

(in millions of U.S. dollars, except ratios)

Invested assets, excluding cash	\$43,081
Asset allocation to fixed maturities	96%
Average credit quality of fixed maturities	AA
Average duration of fixed maturities	3.8 years
Average market yield of fixed maturities	5.6%
Average yield on invested assets	4.7%

## Capital Structure

(in millions of U.S. dollars, except per share data)

	June 30, 2009	December 31, 2008
Total debt	<b>\$ 3,538</b>	\$ 3,277
Total debt and trust preferreds	<b>3,847</b>	3,586
Shareholders' equity	<b>16,561</b>	14,446
Total capital	<b>20,408</b>	18,032
Tangible capital	<b>16,652</b>	14,285
Book value per share	<b>49.27</b>	43.30
Tangible book value per share	<b>38.10</b>	32.07

## Leverage Ratios

(in millions of U.S. dollars, except ratios)

	June 30, 2009	December 31, 2008
Debt to total capital	<b>17.3%</b>	18.2%
Debt to tangible capital	<b>21.2%</b>	22.9%
Reinsurance recoverables	<b>\$13,430</b>	\$13,917
Investments to shareholders' equity	<b>260%</b>	275%
Recoverables to shareholders' equity	<b>81%</b>	96%

## Consolidated Financial Highlights

(in millions of U.S. dollars, except per share data and ratios)	Q2 2009	Q2 2008	% Change
Net premiums written	<b>\$3,415</b>	\$3,598	<b>-5%</b>
Net premiums earned	<b>3,266</b>	3,428	<b>-5%</b>
Underwriting income	<b>390</b>	414	<b>-6%</b>
Net investment income	<b>506</b>	532	<b>-5%</b>
Operating income*	<b>706</b>	738	<b>-4%</b>
Net income	<b>535</b>	746	<b>-28%</b>
Operating cash flow	<b>760</b>	1,067	<b>-29%</b>
Diluted earnings per share*	<b>2.09</b>	2.16	<b>-3%</b>
ROE*	<b>18.0%</b>	17.8%	
Loss and loss expense ratio	<b>58.2%</b>	58.5%	
Combined ratio	<b>87.7%</b>	87.8%	

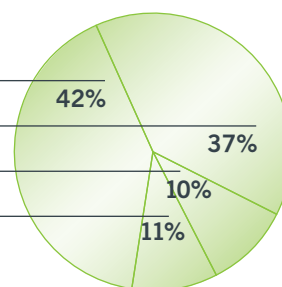
\*Excluding net realized gains (losses)

## Segment & Product Contributions Second Quarter 2009

### Segments—net premiums written

(in millions of U.S. dollars)

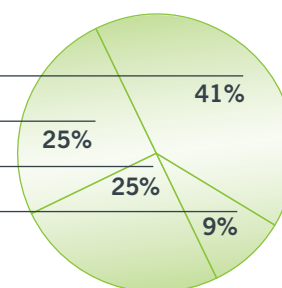
North American	<b>\$1,454</b>
Overseas General	<b>1,265</b>
Global Reinsurance	<b>329</b>
Life	<b>367</b>



### Segments—operating income\*\*

(in millions of U.S. dollars)

North American	<b>\$307</b>
Overseas General	<b>190</b>
Global Reinsurance	<b>185</b>
Life	<b>66</b>

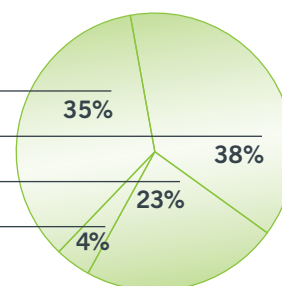


\*\*Excluding corporate expenses

### Products—net premiums written

(in millions of U.S. dollars)

Property and All Other	<b>\$1,188</b>
Casualty	<b>1,318</b>
Personal Accident (A&H)	<b>772</b>
Life	<b>137</b>



## ACE Limited

Evan Greenberg  
Chairman & Chief Executive Officer

Philip Bancroft  
Chief Financial Officer

Robert Cusumano  
General Counsel

Frank Lattal  
Chief Claims Officer

Paul Medini  
Chief Accounting Officer

Sean Ringsted  
Chief Risk Officer & Chief Actuary

Helen Wilson  
Sr. Vice President, Investor Relations

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NYSE: ACE

## Principal Operating Units and Business Leaders

<b>Insurance-North American</b> Brian Dowd	<b>Insurance-Overseas General</b> John Keogh	<b>Global Reinsurance</b> Jacques Bonneau	<b>Life</b> David Wolf	<b>Global Accident &amp; Health</b> Ed Clancy
<b>ACE USA</b> John Lupica	<b>ACE Asia Pacific</b> John Bassetto	<b>ACE Tempest Re</b> Erin Skala	<b>ACE Life</b> David Wolf	<b>Combined Insurance</b> Doug Wendt
<b>ACE Westchester</b> Dennis Crosby	<b>ACE European Group</b> Andrew Kendrick	<b>ACE Tempest Re Europe</b> Andreas Lewin	<b>ACE Tempest Life Re Bermuda</b> Ari Lindner	
<b>ACE Bermuda</b> Rees Fletcher	<b>ACE Latin America</b> Jorge Luis Cazar	<b>ACE Tempest Re USA</b> James Wixtead	<b>ACE Tempest Life Re USA</b> Ronald Colligan	
<b>ACE Private Risk Services</b> Bob Courtemanche	<b>ACE Far East</b> Neil Smith	<b>ACE Tempest Re Canada</b> Constantin Petalas		
	<b>ACE Global Markets</b> Richard Pryce			

## Rating Agency Ratings

	S&P	AM Best	Moody's	Fitch
Financial strength (Core operating insurance companies)	A+	A+	–	–
Senior debt (ACE Limited)	A-	a-	A3	A
Enterprise Risk Management	Strong	–	–	–

## The ACE Group is a major global provider of insurance and reinsurance protection.

Argentina	China	Gibraltar	Malaysia	Poland	Switzerland
Australia	Colombia	Hong Kong	Mexico	Portugal	Taiwan
Austria	Czech Republic	Hungary	Netherlands	Puerto Rico	Thailand
Bahrain	Denmark	Indonesia	New Zealand	Russia	Turkey
Belgium	Ecuador	Ireland	Norway	Saudi Arabia	United Arab Emirates
Bermuda	Egypt	Italy	Pakistan	Singapore	United Kingdom
Brazil	Finland	Japan	Panama	South Africa	United States
Canada	France	Korea	Peru	Spain	Vietnam
Chile	Germany	Macao	Philippines	Sweden	

ACE has offices in the countries listed above and conducts business with clients in more than 140 countries.

**Cautionary Statement Regarding Forward-Looking Statements:** Any forward-looking statements made in this financial update reflect the company's current views with respect to future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties, which may cause actual results to differ materially from those set forth in these statements. For example, the company's forward-looking statements could be affected by competition, pricing and policy term trends, the levels of new and renewal business achieved, market acceptance, changes in demand, the frequency of unpredictable catastrophic events, actual loss experience, uncertainties in the reserving or settlement process, new theories of liability, judicial, legislative and other governmental developments, litigation tactics, the amount and timing of reinsurance recoverables, actual market developments, rating agency action, possible terrorism or the outbreak and effects of war and economic, political, regulatory, insurance and reinsurance business conditions, as well as management's response to these factors, and other factors identified in the company's filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they are made. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



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