Letter to shareholders

Walter B. Kielholz
Chairman of the Board of Directors

Stefan Lippe
Chief Executive Officer

We are pleased to report another successful quarter. Net income was USD 1.3 billion, which translates into a return on equity of 20.5%.

Dear shareholders

Today we are pleased to report to you another successful quarter. Net income was USD 1.3 billion, which translates into a return on equity of 20.5%. All segments contributed to these results, which were supported by a moderate natural catastrophe experience and positive one-offs. Our underlying earnings power is very strong and our conservative asset management approach is proving to be appropriate in these times of heightened financial market volatility.

Excellent net income and increase in shareholders' equity
Swiss Re reported excellent net income of USD 1.3 billion for the third quarter of 2011. Earnings per share were USD 3.94 (CHF 3.46). Shareholders' equity rose USD 3.0 billion to USD 27.8 billion. Return on equity increased to 20.5%.

Very strong underlying earnings power in P&C business
Property & Casualty reported operating income of USD 1.0 billion. This result was based on a very strong underlying performance, further reserve releases and a moderate natural catastrophe experience in the quarter. Premiums earned increased 18.0% or 13.1% at constant foreign exchange rates, reflecting successful renewals and new business written during 2011, particularly in Asia. The combined ratio was very strong at 80.8%.

Life & Health operating income rose 21.8% to a solid level of USD 145 million. Premiums and fee income increased 6.8% or 1.7% at constant foreign exchange rates. The increase was largely due to growth in the Asia traditional life and health businesses and the Americas traditional life business. The benefit ratio improved to 83.6%.

Asset Management delivered a very strong operating income of USD 1.2 billion and an annualised return on investments of 6.7%, with a significant contribution from net realised investment gains of USD 354 million, mainly from government bonds. The annualised total return on investments was 20.8%, largely driven by unrealised gains of USD 3.9 billion, mainly from government bonds.

Given the heightened volatility in financial markets as a result of continued economic uncertainties in the quarter, Swiss Re has and will continue to maintain a conservative asset management strategy. The company's exposure to sovereign debt issued by peripheral eurozone countries remains very low at USD 74 million. The exposure to Greek sovereign debt is nil.

Fourth-quarter event
The floods in Thailand are expected to have a severe impact on industrial businesses that have established manufacturing facilities locally. As the flooding is still ongoing, it is currently not possible to evaluate damage, repair times and supply chain interruptions. As a result, a reliable claims estimate cannot be determined at this time.

Change in the Executive Committee
Swiss Re also announces that Brian Gray, Chief Underwriting Officer and member of the Executive Committee, has chosen to retire early to return to Canada, as of 30 April 2012 after more than 26 years of service. His successor will be announced in the first quarter of 2012.

New structure progressing well
A next step in transitioning to Swiss Re's new holding structure has been to strengthen our regional representation at senior leadership level with the appointment of three Regional Presidents to the Executive Committee of Swiss Re Ltd, effective 1 January 2012. As announced on 3 October 2011, the regional heads from the Reinsurance Business Unit will each take on the newly established role of Regional President alongside their current responsibilities. Serving as senior Swiss Re Group representatives in their particular regions, the three Regional Presidents are as follows:

- Jean-Jacques Henchoz, responsible for Europe, Middle East and Africa (EMEA), joined Swiss Re in 1998 and served as CEO of Swiss Re Canada until mid-2010.
- Martyn Parker, responsible for Asia, joined Swiss Re in 1996 with the acquisition of Mercantile and General Re. He has been head of Swiss Re's Reinsurance Asia division since 1 June 2006.
- J. Eric Smith, responsible for the Americas, joined Swiss Re in July 2011 from USAA Life Insurance Co. where he had been President from 2010. Prior to that, he was President of Allstate Financial Services for seven years.

On 3 October 2011, we also announced that Swiss Re's Board of Directors will propose Robert Henrikson, Chairman and former Chief Executive Officer of MetLife, Inc., for election to the Board at the next Annual General Meeting on 13 April 2012. If elected, he will succeed Robert A. Scott who will resign from the Board after reaching retirement age. With his extensive experience in the insurance industry as a Chief Executive Officer as well as Chairman of MetLife's Board of Directors, Robert Henrikson brings with him a deep expertise in the business of some of our most important clients and in the US market.

Financial targets are Swiss Re's most important priority
Swiss Re remains committed to achieving its 2011–2015 financial targets, after delivering a return on equity of 20.5%, up from 15.6% in the second quarter and -10.7% in the first quarter of this year. Our 2011–2015 financial targets announced in February 2011 are our most important priority and we are fully focused on achieving them.

With the persistently low interest rate environment, Swiss Re believes a modest but broad market turn in the property and casualty market is underway. Throughout 2011, the company continued to deploy excess capital in a responsible manner to those lines of business where expected returns are strong. In the upcoming January renewals and beyond, we will maintain this disciplined approach so as not to compromise profitability.

On 28 October, the rating agency Standard & Poor's upgraded its rating on Swiss Re to AA– from A+, confirming the company's very strong capital and market position. The ratings upgrade applies across all three of our business units – Reinsurance, Corporate Solutions and Admin Re® – and supports our excellent client franchise. We remain focused on capturing profitable growth opportunities – putting to work our capital strength and our ability to deliver innovative solutions.

Zurich, 3 November 2011

Walter B. Kielholz
Chairman of the
Board of Directors

Stefan Lippe
Chief Executive Officer