



Walter B. Kielholz
Chairman of the Board of Directors



Stefan Lippe
Chief Executive Officer

Major milestone achieved:
We have reached an agreement
for the repayment of the convertible
perpetual capital instrument
issued to Berkshire Hathaway.

Dear shareholders

Today, we can report to you that we have achieved a major milestone: We have reached an agreement for the repayment of the convertible perpetual capital instrument (CPCI) issued to Berkshire Hathaway, and, most importantly, with no additional charge for bringing forward the repayment date.

Strong third quarter 2010

At the same time, our Group result of USD 618 million in the third quarter of 2010 is further proof of the strong performance of our business even in the prevailing low interest rate environment. Earnings per share were CHF 1.93 (USD 1.80). Shareholders' equity increased by USD 2.4 billion to USD 29.9 billion in the third quarter of 2010. Annualised return on equity for the third quarter of 2010 was 9.5%.

Property & Casualty delivered an excellent operating income of USD 1.1 billion. The combined ratio improved to 76.4% in the third quarter of 2010 despite an earthquake in New Zealand that impacted operating income by USD 160 million. The combined ratio for the first nine months was 95.6%. The 2010 third-quarter result benefited from below-average natural catastrophe activity, the company's continued disciplined underwriting and cycle management approach and positive prior-year development.

Life & Health reported operating income of USD 119 million. The benefit ratio increased to 93.3%, primarily due to the absence of a gain recognised in the prior-year result together with the impact of certain commutations.

Asset Management again delivered strong operating income of USD 1.2 billion. The annualised return on investments of 2.8% was driven mainly by the lower impact from hedges and impairments but partially offset by the impact of foreign exchange movements. The annualised total return on investments was 10.6%.

Legacy generated a net operating loss of USD 30 million in the third quarter of 2010.

Very strong capital position after repayment

With effect from 3 November 2010, the convertible perpetual capital instrument has been terminated. The final cash settlement will be made in January 2011. After the repayment, Swiss Re will still hold significant excess capital above "AA" level, allowing us to focus entirely on serving our customers in the upcoming renewals and working towards our goal of being the leading player in the wholesale (re)insurance industry.

Leverage our strategic focus

As announced previously this year, we decided to further strengthen the company's core capabilities and market presence with a focus on Reinsurance, Corporate Solutions and Admin Re®. To emphasise the importance of these client facing operations to our strategy,

they will be represented by dedicated Executive Committee members. Swiss Re's Board of Directors announced the following personnel changes:

Christian Mumenthaler, currently Head of the Life & Health Division, will succeed Michel Liès as Chief Marketing Officer Reinsurance, and become member of the Executive Committee as of 1 January 2011.

Michel Liès will assume the position of Chairman Global Partnerships, reporting directly to the CEO. He will focus on strengthening Swiss Re's relationships in the public sector, government and NGO areas, and accelerating the company's growth strategy in emerging markets. Michel Liès will formally step down from the Executive Committee as of 31 December 2010.

Agostino Galvagni, formerly Chief Operating Officer and member of the Executive Committee, was appointed CEO Corporate Solutions as of 1 October 2010, and remains member of the Executive Committee.

Thomas Wellauer joined Swiss Re as Chief Operating Officer and became member of the Executive Committee as of 1 October 2010. Having served in a number of senior executive positions, and most recently as Head of Corporate Affairs and Member of the Executive Committee at Novartis, he brings a wealth of leadership experience to his new role.

In addition to his current role as Chief Investment Officer and member of the Executive Committee, David Blumer assumed responsibility for Admin Re® as of 1 October 2010.

Raj Singh, Chief Risk Officer, has decided to leave Swiss Re for personal reasons, effective 28 February 2011. On behalf of the Board of Directors, we thank Raj Singh for his invaluable contribution to advancing the company's risk management capabilities over the past three years.

David Cole joined Swiss Re on 1 November 2010 to succeed Raj Singh as Chief Risk Officer, and member of the Executive Committee. He most recently served as Chief Financial Officer and Chief Risk Officer at ABN AMRO Bank and will draw on his extensive financial sector experience in his new role.

This alignment demonstrates that our relationship with our clients is at the heart of what we do.

Outlook

Our strong capital position makes us an outstanding partner for clients in the upcoming renewal seasons. At the same time, regaining the "AA" rating remains one of our priorities. On 12 October 2010, Standard & Poor's confirmed our financial strength and revised the outlook for Swiss Re's rating upwards, from "stable" to "positive". This is a strong signal, reflecting Standard & Poor's view that Swiss Re's financial strength has recovered considerably, thanks primarily to the speed and effectiveness of the company's de-risking measures and the resilience of our franchise.

In view of the challenge that the low interest rate environment presents, we will continue to focus on writing profitable business while opening up new sources of income through our capacity for innovation. Our (re)insurance portfolio is well positioned for this environment. We remain committed to active cycle management and portfolio steering and will deploy capital to those lines of business where we expect to achieve an appropriate return.

Zurich, 4 November 2010



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