Letter to shareholders

This result reflects the strength and resilience of our underlying earnings power.

Dear shareholders

We are pleased to report a profit of USD 83 million in the second quarter of 2012. Given the impact from the sale of the Admin Re® US business, this result reflects the strength and resilience of our underlying earnings power. We achieved a strong result from our Property & Casualty Reinsurance business and a very good Group return on investment of 4.5%. On the strength of July's successful round of renewals, we will continue to focus on implementing our strategy and capturing growth opportunities through the rest of the year.

Shareholders' equity stable at USD 31.0 billion
Premiums earned and fee income increased by 13.7% to USD 6.1 billion (compared to USD 5.4 billion in the second quarter of 2011), and the Group's combined ratio was 85.7%. Shareholders' equity remained largely stable at USD 31.0 billion compared to USD 31.2 billion at the end of the first quarter of 2012. Dividend payments of USD 1.1 billion were mostly offset by unrealised gains. Group return on equity was 1.1%; excluding the Admin Re® US sale, it would have been 14.5% in the second quarter. Earnings per share for the quarter were USD –0.12; excluding the Admin Re® US sale, they would have been USD 3.22. Book value per common share fell to USD 87.03 or CHF 82.38, compared to USD 87.59 or CHF 79.17 at the end of the first quarter of 2012.

Walter B. Kielholz
Chairman of the Board of Directors

Michel M. Liès
Group CEO

Strength in Reinsurance
Net income in Property & Casualty Reinsurance was USD 717 million. This result was helped by low losses from natural catastrophes in the quarter, reserve releases and net investment gains. Premiums earned were USD 2.8 billion, a healthy increase of 18.2% from USD 2.4 billion in the same period of 2011. The combined ratio was 81.0%. Adjusting for natural catastrophes and reserve releases, the underlying combined ratio for the second quarter of 2012 was 94.6%, in line with expectations.

Life & Health Reinsurance delivered net income of USD 248 million. Although the result benefited from realised gains on investments, the cost of claims was significantly higher. The result also reflects lower investment income, a continuation of the negative performance of business written in the Americas prior to 2004, and slightly higher expenses due to strategic initiatives, especially in the health area. Consequently, the operating result was lower than expected. Premium and fee income slightly increased to USD 2.2 billion. The benefit ratio increased to 73.8% compared to 72.4% in the same period of 2011.

Corporate Solutions growth plans on track
Corporate Solutions posted a quarterly profit of USD 26 million. Premiums earned rose by 22% to USD 536 million, in line with the Business Unit's growth plans. Claims from natural catastrophes and man-made disasters in the quarter were higher than expected, though these were partly offset by investment income. The combined ratio for Corporate Solutions was 110.4%, up from 99.5% in the second quarter of 2011.

Admin Re® result impacted by loss from sale of US business
Admin Re® reported a loss of USD 916 million due to the loss of USD 1.0 billion from the sale of the Admin Re® US business (REALIC) to Jackson National Life. The sale is expected to be completed in the second half of 2012, at which point it should deliver a USD 0.9 billion dividend to Swiss Re Ltd, unlocking capital for re-deployment across the Swiss Re Group. Admin Re® shareholders' equity was USD 6.6 billion, down from USD 7.4 billion at the end of the first quarter of 2012, the loss on the sale being partly offset by rising unrealised gains due to lower interest rates in the second quarter.

83
Group net income
USD millions

–0.12
Earnings per share
in CHF

1.1%
Annualised return on equity
(Group)

Successful July renewals in Americas and Australia/New Zealand
July represented a successful renewal period focused on the Americas, Australia and New Zealand, when 20% of the Group's reinsurance annual treaty premiums are generated. The Group saw economic rate increases of 3% in this renewal season over last year's already strong levels with overall portfolio volume growth of 7%. Rates continued to rise especially in Cat XL business in the US, and in key markets of Latin America, Australia and New Zealand. We have also been able to take advantage of increasing prices in casualty lines in some markets. We expect this trend to continue.

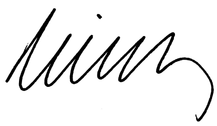
We revised upwards our estimates of premium volume increases for the January and April renewals. Year to date, we estimate that our premium volumes have increased by USD 2.9 billion or 24%.

Continued focus on growth in developed and high-growth markets
Low interest rates and current economic conditions are creating challenges for many businesses, including Swiss Re's clients. At the same time, underlying growth in high-growth markets remains robust. With our new structure, brand value, strong capitalisation and innovation power, our company is very well positioned to benefit from opportunities in developed and high-growth markets, both in the private and in the public sectors.

We are looking to grow our share of business from high-growth markets from the current 15% to 20–25% by 2015. We will make the necessary investments to achieve this shift. Profitable growth in these markets is a 'must', as they will play an important role in achieving our five-year financial targets, the Group's top priority. However, we will not neglect our client base in developed markets. We aim to capture profitable growth opportunities wherever they arise.

These good results have only been possible through the loyal support of our shareholders and the tireless efforts of Swiss Re's more than 10 000 employees. To both shareholders and employees we offer our sincerest thanks, and our commitment to achieving continued and mutual progress through the rest of 2012 and beyond.

Zurich, 9 August 2012



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