

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP

1285 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10019-6064

TELEPHONE (212) 373-3000
FACSIMILE (212) 757-3990

LLOYD K. GARRISON (1946-1991)
RANDOLPH E. PAUL (1946-1956)
SIMON H. RIFKIND (1950-1995)
LOUIS S. WEISS (1927-1950)
JOHN F. WHARTON (1927-1977)

1815 L STREET, NW
WASHINGTON, DC 20036-5694
TELEPHONE (202) 223-7300
FACSIMILE (202) 223-7420

FUKOKU SEIMEI BUILDING
2-2 UCHISAIWAICHO 2-CHOME
CHIYODA-KU, TOKYO 100-0011, JAPAN
TELEPHONE (81-3) 3597-8101
FACSIMILE (81-3) 3597-8120

UNIT 3601, FORTUNE PLAZA OFFICE TOWER A
NO. 7 DONG SANHUAN ZHONGLU
CHAO YANG DISTRICT
BEIJING 100020
PEOPLE'S REPUBLIC OF CHINA
TELEPHONE (86-10) 5828-6300
FACSIMILE (86-10) 6530-9070/9080

WRITER'S DIRECT DIAL NUMBER

(212) 373-3309

WRITER'S DIRECT FACSIMILE

(212) 492-0309

WRITER'S DIRECT E-MAIL ADDRESS

rrusso@paulweiss.com

SEG Mail
Mail Processing
Section

AUG 12 4 00 PM '08

Washington, DC
100 August 12, 2008

MATTHEW W. ABBOTT
MARK H. ALCOTT
ALLAN J. ARFFA
ROBERT A. ATKINS
JONATHAN B. BACHMAN
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DANIEL J. BELLER
MITCHELL L. BERG
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BRUCE BIRENBOIM
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T. ROBERT ZOCHOWSKI, JR.

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Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549
Attention: Filing Desk

Swiss Reinsurance Company
File No. 82-4248



Ladies and Gentlemen:

Enclosed on behalf of Swiss Reinsurance Company (the "Company") is a copy of the Company's Second Quarter 2008 Report and the related press release. This information is being furnished pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Please feel free to call me at (212) 373-3309 if you have any questions regarding this matter.

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Please acknowledge acceptance of this letter and the enclosures by date-stamping the enclosed copy of this letter and returning it to our messenger, who has been instructed to wait.

Very truly yours,

A handwritten signature in black ink that reads "Raphael M. Russo" followed by a stylized flourish or initials.

Raphael M. Russo

cc: Andre Pfanner, Esq., Swiss Reinsurance Company
Mark S. Bergman, Esq., Paul, Weiss, Rifkind, Wharton & Garrison, LLP



Swiss Re reports net income of CHF 0.6 billion in the second quarter 2008
Strong performance in Property & Casualty and Life & Health businesses
Earnings per share of CHF 1.70
Annualised return on equity of 8.5%

Contact:

Media Relations, Zurich
Telephone +41 43 285 7171

Corporate Communications, London
Telephone +44 20 7933 3445

Corporate Communications, Asia
Telephone +852 2582 3660

Corporate Communications, New York
Telephone +1 212 317 5663

Investor Relations, Zurich
Telephone +41 43 285 4444

Swiss Reinsurance Company Ltd
Mythenquai 50/60
P.O. Box
CH-8022 Zurich

Telephone +41 43 285 2121
Fax +41 43 285 2999
www.swissre.com

Zurich, 5 August 2008 – Swiss Re reported net income of CHF 0.6 billion for the second quarter of 2008 despite the continuing challenging financial market environment. The Property & Casualty and Life & Health businesses continued to deliver strong performance. Earnings per share were CHF 1.70. Annualised return on equity was 8.5%. Swiss Re is very strongly capitalised with a significant excess over the capital required for a AA rating.

Jacques Aigrain, Swiss Re's Chief Executive Officer, said: "The continued strong performance of Property & Casualty and Life & Health demonstrates our ability to generate healthy operating earnings, even in challenging market conditions. The financial market turbulence continues, but, despite this, we are strongly capitalised and our investment portfolio remains sound."

Swiss Re reported net income of CHF 0.6 billion or CHF 1.70 per share for the second quarter of 2008. Return on equity was equivalent to an annualised rate of 8.5% for the quarter and 8.4% for the half year. The unrealised mark-to-market loss on the structured credit default swaps in run-off was CHF 362 million for the quarter. While this business is in run-off, Swiss Re continues to be exposed to market value fluctuations on the underlying securities and estimates mark-to-market losses on the structured credit default swaps in run-off of CHF 163 million for the month of July 2008.

Compared to the first quarter of 2008, shareholders' equity decreased 8% in the second quarter to CHF 25.6 billion due to valuation effects on the investment portfolio of CHF 1.7 billion, resulting from interest rate moves and dividends paid of CHF 1.3 billion. At the end of July 2008, the Group had completed 49% of its CHF 7.75 billion share buy-back programme target, ahead of schedule and reflecting Swiss Re's solid capital base. Book value per share was CHF 77.65 at the end of June, compared to CHF 83.26 at the end of March 2008.

Swiss Re's businesses continued to generate strong results. Property & Casualty once again delivered strong performance with an excellent combined ratio of 92.3%, demonstrating Swiss Re's

effective cycle management. Against a background of a softening pricing cycle, the Group's focus on underwriting quality and careful risk selection enabled Property & Casualty to deliver operating income of CHF 0.8 billion, despite sharply lower investment return allocation in the quarter.

Life & Health operating income was CHF 0.6 billion, an increase of 1% compared to the second quarter of 2007, benefiting from significantly improved mortality and morbidity experience. Relative to the first quarter of 2008, Admin Re[®] business was impacted by lower investment gains.

Financial Markets delivered operating income of CHF 1.3 billion, excluding the mark-to-market loss on the structured credit default swaps in run-off, reflecting a solid investment yield of 5.2%. Annualised return on investments (which excludes the impact of the structured credit default swaps in run-off) was 3.0% for the quarter. The decrease in the return on investments was mainly due to the impact of the Group's hedging programmes. The programmes are effective as they protect the portfolio against the risk of impairments, but lead, in the shorter term, to volatility in Swiss Re's return on investments on an accounting basis. The Group's investment portfolio quality continues to be high, with only minor impairments totalling CHF 175 million and low net exposure to listed equities.

Jacques Aigrain said: "The difficult market environment also creates new opportunities. Underpinned by its strict underwriting discipline, expansion in emerging markets and new product offerings, Swiss Re has the execution capability and capital strength to seize these opportunities."

As a case in point, on 5 August 2008, Swiss Re agreed to acquire Barclays Life Assurance Company Ltd for a cash purchase price of GBP 753 million. Swiss Re will acquire approximately 760 000 life insurance and pension policies, as well as annuity contracts, representing approximately GBP 6.8 billion in invested assets. The transaction is accretive to economic and US GAAP earnings and is expected to achieve an ROE in excess of Swiss Re's over-the-cycle target of 14%. This transaction has no effect on Swiss Re's previously announced share buy-back programme – the buy-back of CHF 7.75 billion of shares is expected to be completed as scheduled by April 2010.

Swiss Re anticipates additional demand for life and non-life run-off solutions, which will allow the Group to further grow its Admin Re[®] business in the United Kingdom and North America, and to venture into new markets as opportunities arise. Swiss Re's latest securitisation, the USD 150 million of multi-peril natural catastrophe

protection through the Vega capital programme, affirms Swiss Re's leading role in insurance-linked securities product innovation.

Swiss Re maintains its targets of earnings per share growth of 10% and return on equity of 14% over the cycle.

Media conference call

Swiss Re will hold a media conference call this morning at 10.30 am (CET). The slides for the first quarter results are available on www.swissre.com. You are kindly requested to dial in 10 minutes prior to the start using the following numbers:

From Switzerland:	+41 (0)44 800 9674
From Germany:	+49 (0)69 9897 2623
From France:	+33 (0)1 70 99 4283
From UK:	+44 (0)20 7138 0845

Analysts' conference call

Swiss Re will hold an analysts' conference call this afternoon at 2 pm (CET). You are kindly requested to dial in 10 minutes prior to the start using the following numbers:

From Switzerland:	+41 (0)44 800 9659
From Germany:	+49 (0)69 9897 2622
From France	+33 (0)1 7099 4270
From UK:	+44 (0)20 7138 0809
From US:	+1 718 354 1158

Notes to editors

Swiss Reinsurance Company Ltd

Swiss Re is a leading and highly diversified global reinsurer. The company operates through offices in more than 25 countries. Founded in Zurich, Switzerland, in 1863, Swiss Re offers financial services products that enable risk-taking essential to enterprise and progress. The company's traditional reinsurance products and related services for property and casualty, as well as the life and health business are complemented by insurance-based corporate finance solutions and supplementary services for comprehensive risk management. Swiss Re is rated "AA-" by Standard & Poor's, "Aa2" by Moody's and "A+" by A.M. Best.

Cautionary note on forward-looking statements

Certain statements and illustrations contained herein are forward-looking. These statements and illustrations provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact. Forward-looking statements are typically identified by words or phrases such as "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as "will", "should", "would" and "could". These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause Swiss Re's actual results, performance, achievements or prospects to be materially different from any future results, performance, achievements or prospects expressed or implied by such statements. Such factors include, among others:

- changes in global economic conditions and the risk of a global economic downturn;
- direct and indirect impact of continuing deterioration in the credit markets, and further adverse rating actions by credit rating agencies in respect of structured

credit products or other credit-related exposures and of monoline insurance companies;

- the occurrence of other unanticipated market developments or trends;
- the ability to maintain sufficient liquidity and access to capital markets;
- the cyclical nature of the reinsurance industry;
- uncertainties in estimating reserves;
- the effect of market conditions, including the global equity and credit markets, and the level and volatility of equity prices, interest rates, currency values and other market indices;
- changes in Swiss Re's investment results;
- uncertainties in valuing credit default swaps and other credit-related instruments;
- the frequency, severity and development of insured claim events;
- acts of terrorism and acts of war;
- mortality and morbidity experience;
- policy renewal and lapse rates;
- changes in rating agency policies or practices;
- the lowering or loss of one of the financial or claims-paying ratings of one or more of Swiss Re's subsidiaries;
- political risks in the countries in which Swiss Re operates or in which it insures risks;
- extraordinary events affecting Swiss Re's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- risks associated with implementing Swiss Re's business strategies;
- the impact of current, pending and future legislation, regulation and regulatory and legal actions;
- the impact of significant investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transactions, including, in the case of acquisitions, issues arising in connection with integrating acquired operations;
- changing levels of competition; and
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks.

These factors are not exhaustive. Swiss Re operates in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. Swiss Re undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.



Second Quarter Report 2008

Key information

Corporate highlights

- Net income of CHF 0.6 billion, down 53% with strong operating performance; earnings per share of CHF 1.70; book value per share of CHF 77.65
- Return on equity of 8.5% (annualised); shareholders' equity of CHF 25.6 billion
- Property & Casualty reported operating income of CHF 0.8 billion with a combined ratio of 92.3%
- Life & Health operating income of CHF 0.6 billion; benefit ratio of 77.5%
- Financial Markets delivered a return on investments of 3.0% (annualised)
- Structured credit default swaps in run-off generated a further unrealised mark-to-market loss of CHF 362 million in the second quarter
- Share buy-back reached CHF 3.8 billion by the end of July 2008; 49% of CHF 7.75 billion target completed

Financial highlights (unaudited)

For the three months ended 30 June

CHF millions, unless otherwise stated	2007	2008	Change in %
Property & Casualty			
Premiums earned	4 843	3 452	-29
Combined ratio, traditional business in %	90.6	92.3	
Life & Health			
Premiums earned	3 112	2 662	-14
Benefit ratio %	89.6	77.5	
Financial Markets			
Operating income	2 479	951	-62
Return on investments in %	5.2	3.0	
Group			
Premiums earned	7 955	6 114	-23
Net income	1 194	564	-53
Earnings per share in CHF	3.50	1.70	-51
Shareholders' equity (31.12.2007/30.06.2008)	31 867	25 573	-20
Return on equity in %, (annualised)	15.9	8.5	
Number of employees ¹ (31.12.2007/30.06.2008)	11 702	11 687	

¹Permanent staff

Financial strength ratings

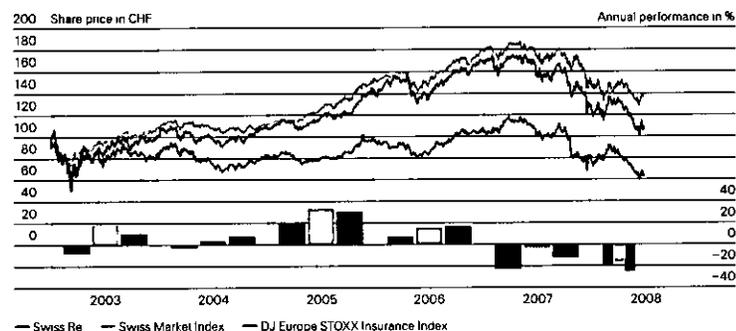
as of 31 July 2008	S&P	Moody's	A.M. Best
Rating	AA-	Aa2	A+
Outlook	stable	stable	stable

Share performance

Market information as of 31 July 2008

Share price (in CHF)	65.60
Market capitalisation (in CHF millions)	23 160

Performance	2003-31 July 2008 (p.a.)	Year to 31 July 2008
Swiss Re in %	-5.6	-18.5
Swiss Market Index in %	8.1	-15.8
DJ Europe STOXX Insurance Index in %	3.3	-25.1



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Letter to shareholders



From left:
Peter Forstmoser
Chairman of the Board of Directors
Jacques Aigrain
Chief Executive Officer

Dear shareholders,

Faced with a challenging environment, characterised by turbulent financial markets, Swiss Re continued to deliver strong operating performance in the Property & Casualty and Life & Health businesses. Annualised return on investments was 3% for the second quarter of 2008. Net income was disappointing at CHF 0.6 billion or CHF 1.70 per share, down 53% from the same quarter in 2007. Last year's second quarter result benefited from realised gains; the second quarter of 2008, however, was impacted by realised losses, and further mark-to-market losses on the structured credit default swaps in run-off of CHF 362 million; this is in line with our June 2008 communication.

Return on equity was an annualised rate of 8.5% for the quarter and 8.4% for the half year. Book value per share was CHF 77.65 at the end of June 2008, compared to CHF 83.26 at the end of March 2008.

Leveraging our strengths

Swiss Re delivered strong performance in Property & Casualty with an excellent combined ratio of 92.3%. As a comparison to our peers, the more relevant combined ratio that excludes the unwind of discount was an even better 90.3%. We remain committed to premium rate adequacy in order to preserve the quality of Swiss Re's earnings. As a result, Property & Casualty delivered sound operating income of CHF 0.8 billion in the face of declining cession rates and continuing pressure on prices. Our policy of actively managing the cycle goes beyond merely withdrawing capacity; it also focuses on reducing earnings volatility. The recent quota share arrangement with Berkshire Hathaway illustrates this and improves our capital flexibility.

Life & Health operating income was stable at CHF 0.6 billion. While the result benefited from significantly improved mortality and morbidity experience, it was impacted by a lower investment result in the period. We completed the fourth variable annuity reinsurance transaction in a series of deals with a single client, demonstrating the potential of this business to create a flow of future income. Admin Re[®] was somewhat weaker over the same quarter of the previous year, as operating improvements were offset by low investment returns.

Financial Markets delivered operating income of CHF 1.3 billion, excluding the mark-to-market loss on the structured credit default swaps in run-off. Annualised return on investments was 3.0% for the quarter, or a solid 4.4% for the half year. Compared to the second quarter of 2007, the return was lower as we incurred unrealised mark-to-market losses on derivatives used to adjust our interest rate duration. These hedges are effective from an economic standpoint, but lead, in the short term, to accounting related volatility in our earnings. This is because the market value changes in the hedges are recognised immediately in earnings while changes in the value of our investments are typically recognised in shareholders' equity. We have a low exposure to listed equities, with significant hedging protection in place. The running yield continues to be strong at 5.2%.

Swiss Re has the execution capability and capital strength to seize new opportunities the difficult market environment creates. Additional demand for life and non-life run-off solutions will allow us to grow our Admin Re[®] business and other lines of business, and to potentially venture into new markets as opportunities arise. We also expect investors to increasingly look for instruments that are uncorrelated to the financial markets downturn, a development we believe will allow us to expand our insurance-linked financial products business. Our latest natural catastrophe securitisation, Vega, affirms Swiss Re's role in insurance-linked securities product innovation as it provides transparency to investors by utilising index- and modelled loss-based triggers with fixed risk profiles.

Book value

Per common share (CHF)
as of 31 December, current year as of 30 June

61.78	73.87	86.21	92.00	77.85
2004	2005	2006	2007	2008

Largest ever Admin Re[®] transaction

On 5 August 2008, Swiss Re agreed to acquire Barclays Life Assurance Company Ltd for a cash purchase price of GBP 753 million, which represents a significant discount to embedded value. Swiss Re will acquire a closed book of approximately 760 000 life insurance and pension policies, as well as annuity contracts, representing approximately GBP 6.8 billion in invested assets and an annual premium income of approximately GBP 350 million. The transaction is accretive to economic and US GAAP earnings and is expected to achieve an ROE in excess of Swiss Re's over-the-cycle target of 14%.

Strong capital base

Swiss Re is focused on providing clients, counterparties and shareholders with a sound capital base, one consistent with a AA financial strength rating. In fact, the company operates with substantial excess capital. Compared to the capital requirement for a AA financial strength rating, excess capital stood at CHF 8.8 billion as of 31 December 2007. This strong capital base has been the backbone of our resilience over a long and successful history. It is the foundation that gives our clients confidence that we can help them achieve their business goals, and it also allows us to seize value-creating opportunities in the insurance market. The closed book transaction with Barclays Life described above is a case in point.

Current accounting rules under both IFRS and US GAAP are focused on valuing assets at market prices where feasible. Unfortunately, this creates an imbalance as insurance liabilities are not valued on a mark-to-market basis. Given this lack of symmetry, interest rate related changes in the market value of our assets are not matched by a corresponding change in the economic value of our insurance liabilities. When interest rates go up, as was the case in the second quarter of 2008 for a large part of our fixed income portfolio, the value of our assets on a mark-to-market basis is technically lower. This results in a short-term reduction in shareholders' equity and book value per share. The accounting mismatch adds to the complexity, and it was with that in mind that we communicated our Economic Value Management (EVM) results in May 2008.

Swiss Re focuses its investment philosophy on the asset-liability matching principle. This means that the duration of the assets generally matches the estimated duration of the liabilities. We have the ability to hold our fixed income securities until maturity and are not forced sellers. The remaining asset price movements in shareholders' equity tend to reverse over time as underlying securities mature. From an economic perspective, higher interest rates are relatively beneficial to our industry as they generate higher investment yields.

Impairments were marginal at CHF 175 million in the quarter, which demonstrates our cautious selection of assets in our investment portfolio and their very high average rating. Equity exposure has been systematically hedged as well as largely reduced in absolute amount. This allowed us to avoid, notwithstanding mark-to-market effects on listed and unlisted equity securities, any significant net losses in equity investments in the second quarter of 2008.

Due to valuation effects on our investments of CHF 1.7 billion and dividends paid of CHF 1.3 billion, shareholders' equity decreased 8% to CHF 25.6 billion in the second quarter of 2008. Our share buy-back programme currently stands at 49% of our CHF 7.75 billion target and is expected to be completed as scheduled by April 2010. The transaction with Barclays Life has no effect on the programme. This is further testimony to our robust capital base.

Into July

For the month of July 2008, we estimate mark-to-market losses on the structured credit default swaps in run-off of CHF 163 million. While our investment portfolio and the structured credit default swaps are still exposed to market volatility, our capital base and earnings power remain strong, providing us with ample resources to grow our business.

New senior appointments

Swiss Re's Board of Directors has appointed Stefan Lippe as Deputy CEO. In addition, Stefan will succeed Andreas Beerli as Chief Operating Officer, effective 1 September 2008. Andreas will remain a Member of the Executive Committee until he retires on 30 June 2009. Andreas has served Swiss Re for over twenty years, providing an important contribution to the company's development as a leading and highly diversified global reinsurer. He was Managing Director of our business in Italy, and Head of the Americas Division between 2000 and 2005. In his current role as Chief Operating Officer, he played a pivotal role in the successful integration of GE Insurance Solutions, Swiss Re's largest ever acquisition. His drive, energy and dedication have been an example to us all and we would like to express our gratitude and sincere appreciation of his commitment to Swiss Re and to you, our shareholders.

At Swiss Re, we understand how crucial disciplined underwriting is to the success of your company. Consequently, the Board of Directors has appointed Brian Gray, currently Head of Property & Specialty, as Chief Underwriting Officer and Member of the Executive Committee. Brian will take up his duties as of 1 September 2008. These appointments demonstrate that we have the necessary talent within the company to extend Swiss Re's leadership in risk management solutions in a changing risk transfer landscape.

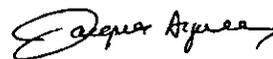
Well equipped for the future

The insurance and financial market environment is unlikely to become any less demanding in the short term. However, we believe that this environment offers fresh opportunities for well capitalised companies such as Swiss Re. We will stay focused on our clients and our operational performance. We will continue to enhance and integrate our traditional and capital market product offerings in order to close attractive deals. Despite the challenges, we are confident that Swiss Re's solid capital base, combined with our strict underwriting discipline, expansion in emerging markets and new product offerings will result in economic profit growth and increased return on equity for you, our shareholders.

Zurich, 5 August 2008



Peter Forstmoser
Chairman of the Board of Directors



Jacques Aigrain
Chief Executive Officer

Key events

18 April

144th Annual General Meeting

Shareholders approved an 18% increase in dividend to CHF 4.00 per share

7 May

Swiss Re's GlobeCat transaction named Deal of the Year

Energy Risk magazine named Swiss Re's USD 85 million GlobeCat transaction, covering windstorm events in the US as well as earthquakes in California and Central America, Deal of the Year

26 May

Swiss Re recognised as admitted reinsurer in Brazil

Swiss Reinsurance America Corporation and Swiss Reinsurance Company Ltd were recognised as admitted reinsurers with the ability to sell reinsurance in the newly de-regulated Brazil marketplace

11 June

Joint operations for electronic data exchange in accounting and settlement launched

Swiss Re and global insurance broker Guy Carpenter successfully implemented joint operations for electronic data exchange in accounting and settlement

30 June

Swiss Re obtained USD 150 million natural catastrophe protection

Swiss Re obtained USD 150 million protection against North Atlantic hurricane, European windstorm, Californian earthquake and Japanese typhoon through a natural catastrophe protection programme named Vega Capital Ltd

Group

Strong performance in Property & Casualty and Life & Health was partly offset by a lower investment result in the wake of continuing volatility in the capital markets. Net income was CHF 0.6 billion for the second quarter of 2008 with earnings per share of CHF 1.70.

Group results

Swiss Re reported net income of CHF 0.6 billion in the second quarter of 2008, representing a 53% decrease, compared to the second quarter of 2007. Earnings per share were 51% lower at CHF 1.70.

The Swiss franc increased 16% against both the US dollar and the British pound versus second quarter 2007 average rates. As Swiss Re's business is global, currency fluctuations can markedly affect the comparison of year-on-year reported income statement and balance sheet figures.

Premiums earned declined 23% to CHF 6.1 billion, mainly as a result of disciplined underwriting, the quota share agreement with Berkshire Hathaway, as well as the impact of foreign exchange movements.

The Group's investment income and net realised gains include the investment result from assets backing unit-linked and with-profit policies. These returns are credited to policyholders' accounts and therefore excluded from the following comments on the investment performance of the Group.

Net investment income was CHF 2.0 billion, a 22% decrease compared to the prior year period. Investment income from corporate and government bonds increased 5% at constant foreign exchange rates, more than offset by the negative performance of listed and private equity. Foreign exchange movements had a negative effect of 10% quarter on quarter.

Income statement			
CHF millions, for the three months ended 30 June	2007	2008	Change in %
Revenues			
Premiums earned	7 955	6 114	-23
Fee income from policyholders	278	201	-28
Net investment income	2 922	2 287	-22
Net realised investment gains/losses	1 292	-1 714	-
Other revenues	87	36	-59
Total revenues	12 534	6 924	-45
Expenses			
Claims and claim adjustment expenses	-3 139	-2 122	-32
Life and health benefits	-3 017	-2 039	-32
Interest credited to policyholders	-1 755	395	-
Acquisition costs	-1 557	-1 216	-22
Other expenses	-1 141	-778	-32
Interest expenses	-401	-393	-2
Total expenses	-11 010	-6 153	-44
Income before income tax expense	1 524	771	-49
Income tax expense	-330	-207	-37
Net income	1 194	564	-53

Net realised investment losses were CHF 0.7 billion compared to nil in the second quarter of 2007. This decrease was primarily due to a further unrealised mark-to-market loss of CHF 362 million on the structured credit default swaps in run-off, losses on derivatives used for hedging corporate bond exposure and mark-to-market losses on portfolios designated as trading.

Other revenues decreased 59% to CHF 36 million in the second quarter of 2008.

Claims and claim adjustment expenses decreased 32% to CHF 2.1 billion. The reduction was a combination of low natural catastrophe and man-made losses, strict underwriting, the quota share agreement with Berkshire Hathaway and foreign exchange effects. Prior year claims development was slightly positive, mainly due to better than expected experience in the property and specialty lines of business.

Life and health benefits decreased 32% to CHF 2.0 billion, mainly as a result of better mortality and morbidity experience compared to the same quarter in 2007, and foreign exchange movements.

Interest credited to policyholders reflects the investment performance on the underlying assets, which is passed through to contract holders. In the second quarter of 2008, an investment loss of CHF 0.4 billion was passed through to policyholders, compared to an investment gain of CHF 1.8 billion in the prior year period.

Acquisition costs decreased 22% to CHF 1.2 billion. The acquisition cost ratio was 19.9% in the second quarter of 2008, compared to 19.6% in the same period of the previous year.

Other expenses decreased 32% to CHF 0.8 billion in the second quarter of 2008, compared to the second quarter of 2007, mainly due to lower variable compensation and foreign exchange movements.

Interest expenses decreased 2% to CHF 393 million.

For the second quarter of 2008, the Group's effective tax rate was 26.8%, compared to 21.7% in the same period of the previous year, resulting in a total tax charge of CHF 207 million.

Shareholders' equity decreased 8% to CHF 25.6 billion compared to the end of the first quarter of 2008. This decline is mainly due to a decrease in unrealised gains of CHF 1.7 billion, caused by higher interest rates and credit spread widening, and dividends paid of CHF 1.3 billion in the second quarter of 2008, partially offset by positive foreign exchange impacts of CHF 0.5 billion.

Book value per share was CHF 77.65 at the end of June 2008, compared to CHF 83.26 at the end of the first quarter of 2008.

For the second quarter of 2008, annualised return on equity was 8.5%, compared to 15.9% for the same quarter of the prior year.

Income reconciliation

The income reconciliation table reconciles the income from the business segments and the operations of the Corporate Centre with the Group's consolidated net income before tax. Net realised gains or losses on certain financial instruments, certain currency exchange gains and losses, and other income and expenses – such as indirect taxes, capital taxes and interest charges – have been excluded from the assessment of each segment's performance.

Income reconciliation			
CHF millions, for the three months ended 30 June	2007	2008	Change in %
Operating income			
Property & Casualty	1 637	826	-50
Life & Health	553	557	1
Financial Markets	2 479	951	-62
Allocation	-2 461	-1 319	-46
Total operating income	2 208	1 015	-54
Corporate Centre expenses	-73	-50	-32
Items excluded from the segments:			
Net investment income	35	60	71
Net realised investment gains/losses	-254	-142	-44
Foreign exchange gains/losses	28	251	-
Financing costs	-359	-312	-13
Other income/expenses	-61	-51	-16
Net income before tax	1 524	771	-49

Property & Casualty

Property & Casualty operating income decreased 50% to CHF 0.8 billion in the second quarter of 2008, compared to CHF 1.6 billion in the same period of the previous year. Excluding the impact of net realised investment gains or losses, the result of the Property & Casualty segment decreased 24%.

The second quarter result of 2008 reflected strict underwriting across all lines of business, a lower investment result as well as favourable reserve developments, mainly in the property line of business. Net investment income decreased 17% to CHF 0.9 billion, compared to CHF 1.1 billion in the second quarter of 2007. The decrease was 7% at constant foreign exchange rates. Net realised losses were CHF 0.3 billion, compared to realised gains of CHF 0.1 billion in the same period of the previous year.

Net premiums earned decreased 29% to CHF 3.5 billion from CHF 4.8 billion in the second quarter of 2007, due to strictly controlled underwriting, the quota share agreement with Berkshire Hathaway, and foreign exchange movements. At constant foreign exchange rates, premiums decreased 22% compared to 2007.

The combined ratio for the second quarter of 2008 was 92.3%, compared to 90.6% in the second quarter of the previous year. Prior year claims development was marginally positive for the reporting period. The property business benefited from lower man-made and natural catastrophe claims, compared to the second quarter of 2007, resulting in a combined ratio of 64.9% compared to 79.6% in the same period of 2007. The casualty combined ratio was 116.5%, compared to 109.7% in the second quarter of 2007. The increase was mainly driven by poor experience in workers' compensation business. Specialty combined ratio increased to 94.0% from 77.2%, mainly due to the credit business, partially offset by the positive performance of aviation and engineering business.

Life & Health

Operating income remained stable at CHF 0.6 billion in the second quarter of 2008. Favourable morbidity in the traditional health and Admin Re[®] segments together with improved mortality in the traditional life business in North America and Europe were offset by lower investment returns. Investment returns included net realised gains in 2007 compared to net realised losses in 2008. Admin Re[®] recorded an operating loss of CHF 22 million as a result of net realised investment losses; the underlying business performed at expected levels. Excluding foreign exchange effects and the impact of net realised gains or losses, Life & Health operating income rose 67%.

Premiums and fee income decreased 16%, or 4.2% at constant foreign exchange rates, to CHF 2.9 billion. In the traditional life and health business the decrease was primarily due to lower in-force and new business volumes in Europe, as well as to lower volumes in the US. The decline in Admin Re[®] income was driven by the run-off nature of the portfolio and the sale of the new business operations of Tomorrow (the rebranded GE Life UK) to LV= (formerly known as Liverpool Victoria) in December 2007.

The benefit ratio, calculated as claims divided by premiums earned, both of which exclude unit-linked and with-profit business, decreased to 77.5% in the second quarter of 2008, compared to 89.6% in the same quarter of 2007. Across North America and Europe, the benefit ratio improved primarily due to the favourable morbidity and mortality experience.

Financial Markets

The annualised return on investments, which excludes the mark-to-market loss on the structured credit default swaps in run-off, was 3.0% in the second quarter of 2008, compared to 5.2% in the same quarter of the previous year. For the first half of 2008, the return on investments was 4.4% in comparison to 5.3% in 2007.

Net assets under management were CHF 158.0 billion at the end of June 2008, compared to CHF 158.2 billion at the end of March 2008. The positive effect in foreign exchange rates was more than offset by the change in market values.

Operating income for the quarter was CHF 1.0 billion, compared to CHF 2.5 billion in the second quarter of 2007.

Net investment income decreased 15% to CHF 1.9 billion versus the second quarter of 2007. At constant foreign exchange rates net investment income decreased 5%. The running yield increased to 5.2% from 5.0% in the respective periods.

Net realised losses amounted to CHF 0.9 billion in the second quarter of 2008, compared to gains of CHF 0.3 billion in the second quarter of 2007. This change was primarily due to the mark-to-market loss on the trading portfolios and interest rate derivatives, as well as to realised losses on the sale of corporate bonds. Interest rate derivatives are used to match the fixed income portfolio to the duration of the insurance liabilities. The hedges were effective from an economic standpoint, but contribute, in the shorter term, to volatility in the Group's return on investment.

In addition, the structured credit default swaps in run-off incurred a further mark-to-market loss of CHF 362 million in the second quarter of 2008.

The decrease in expenses of CHF 125 million, which are included in net investment income, was mainly driven by lower variable compensation.

Net unrealised gains were CHF 1.0 billion at the end of the second quarter of 2008, compared to CHF 3.4 billion at the end of the first quarter of 2008. The decrease was mainly due to credit spread widening and an increase in interest rates.

At the end of June 2008, the credit spread exposure – as measured by stress loss to widening credit spreads based on the largest spread increases during any six-month period between 1998 and 2007 – was reduced by means of credit default swaps from a gross exposure of CHF 2.9 billion to a net stress exposure of CHF 2.5 billion.

Swiss Re's exposure to publicly traded equities was reduced by means of equity derivatives from a gross exposure of CHF 0.7 billion at the end of June 2008 to CHF 0.6 billion on a net basis. The stress test exposure is measured by assuming a 30% fall in equity markets with a simultaneous increase in volatility.

Outlook

The outlook remains challenging in the short term due to the volatility of capital markets and the softening property and casualty pricing cycle. Nevertheless, this offers opportunities for soundly capitalised companies, and Swiss Re continues to work hard to deliver economic profit growth through innovative and efficient solutions for its clients. Swiss Re maintains its focus on active cycle management and careful risk selection. At the same time, it continues to manage volatility on both sides of the balance sheet through active hedging of both underwriting and investment exposures. Swiss Re remains committed to its targets of 14% ROE and 10% compound EPS growth over the cycle.

Income statement (unaudited)

CHF millions	Note	Three months ended 30 June		Six months ended 30 June	
		2007	2008	2007	2008
Revenues					
Premiums earned	7, 10	7955	6114	16046	12571
Fee income from policyholders	7, 10	278	201	491	384
Net investment income	2, 10	2922	2287	5116	4666
Net realised investment gains/losses	2, 10	1292	-1714	2360	-3855
Other revenues	10	87	36	154	105
Total revenues		12534	6924	24167	13871
Expenses					
Claims and claim adjustment expenses	7, 10	-3139	-2122	-6551	-4680
Life and health benefits	7, 10	-3017	-2039	-5910	-4312
Interest credited to policyholders	10	-1755	395	-2391	1526
Acquisition costs	7, 10	-1557	-1216	-3114	-2545
Other expenses	10	-1141	-778	-2191	-1560
Interest expenses	10	-401	-393	-737	-823
Total expenses		-11010	-6153	-20894	-12394
Income before income tax expense		1524	771	3273	1477
Income tax expense		-330	-207	-750	-289
Net income		1194	564	2523	1188
Earnings per share in CHF					
Basic	8	3.50	1.70	7.26	3.54
Diluted	8	3.22	1.65	6.70	3.43

The accompanying notes are an integral part of the Group financial statements.

Balance sheet (unaudited)

Assets

CHF millions	Note	31.12.2007	30.06.2008
Investments	2, 3, 4		
Fixed income securities:			
Available-for-sale, at fair value (including 9 045 in 2007 and 9 333 in 2008 subject to securities lending and repurchase agreements) (amortised cost: 2007: 105 995; 2008: 90 338)		107 810	89 262
Trading (including 15 000 in 2007 and 6 178 in 2008 subject to securities lending and repurchase agreements)		51 793	42 900
Equity securities:			
Available-for-sale, at fair value (including 1 528 in 2007 and 110 in 2008 subject to securities lending and repurchase agreements) (amortised cost: 2007: 9 039; 2008: 3 951)		10 759	4 471
Trading		22 103	17 238
Policy loans, mortgages and other loans		7 414	6 384
Investment real estate		2 682	2 377
Short-term investments, at amortised cost which approximates fair value		8 786	12 921
Other invested assets		18 465	14 275
Total investments		227 812	189 828
Cash and cash equivalents		11 531	10 891
Accrued investment income		2 139	1 936
Premiums and other receivables		14 341	14 344
Reinsurance recoverable on unpaid claims and policy benefits	7	14 232	12 657
Funds held by ceding companies		14 205	13 043
Deferred acquisition costs	5, 7	5 152	4 792
Acquired present value of future profits	5	6 769	5 912
Goodwill		4 897	4 485
Income taxes recoverable		1 049	962
Other assets		5 160	10 916
Total assets		307 287	289 766

The accompanying notes are an integral part of the Group financial statements.

Liabilities and shareholders' equity

CHF millions	Note	31.12.2007	30.06.2008
Liabilities			
Unpaid claims and claim adjustment expenses	7	88 528	80 005
Liabilities for life and health policy benefits	3, 7	50 026	44 461
Provisions for linked liabilities	7	41 340	34 613
Unearned premiums		7 722	9 070
Funds held under reinsurance treaties		8 377	7 055
Reinsurance balances payable		5 384	5 396
Income taxes payable		679	812
Deferred and other non-current taxes		3 817	2 521
Short-term debt	6	12 658	10 597
Accrued expenses and other liabilities		33 552	28 669
Long-term debt	6	23 337	20 994
Total liabilities		275 420	244 193
Shareholders' equity			
Common stock, CHF 0.10 par value			
2007: 370 386 755; 2008: 353 054 960 shares authorised and issued		37	35
Additional paid-in capital		11 208	9 746
Treasury shares		-1 540	-1 289
Accumulated other comprehensive income:			
Net unrealised investment gains/losses, net of deferred taxes		3 119	-137
Cumulative translation adjustments, net of deferred taxes		-2 554	-4 378
Accumulated adjustment for pension and post-retirement benefits, net of deferred taxes		-115	65
Total accumulated other comprehensive income		450	-4 450
Retained earnings		21 712	21 531
Total shareholders' equity		31 867	25 573
Total liabilities and shareholders' equity		307 287	269 766

The accompanying notes are an integral part of the Group financial statements.

Statement of shareholders' equity (unaudited)

For the twelve months of 2007 ended 31 December and the six months of 2008 ended 30 June

CHF millions	2007	2008
Common shares		
Balance as of 1 January	37	37
Cancellation of shares bought back		-2
Balance as of period end	37	35
Additional paid-in capital		
Balance as of 1 January	11 136	11 208
Issue of common shares	38	
Cancellation of shares bought back		-1 453
Share-based compensation	-18	-6
Realised gains/losses on treasury shares	52	-3
Balance as of period end	11 208	9 746
Treasury shares		
Balance as of 1 January	-272	-1 540
Purchase of treasury shares	-2 574	-1 584
Cancellation of shares bought back		1 453
Sales of treasury shares	1 306	382
Balance as of period end	-1 540	-1 289
Net unrealised gains/losses, net of tax		
Balance as of 1 January	2 230	3 119
Change during the period	889	-3 223
Cumulative effect of adoption of SFAS 159		-33
Balance as of period end	3 119	-137
Foreign currency translation		
Balance as of 1 January	-205	-2 554
Change during the period	-2 349	-1 824
Balance as of period end	-2 554	-4 378
Adjustment for pension and other post-retirement benefits		
Balance as of 1 January	-724	-115
Change during the period	609	180
Balance as of period end	-115	65
Retained earnings		
Balance as of 1 January	18 682	21 712
Net income	4 162	1 188
Dividends on common shares	-1 162	-1 331
Cumulative effect of adoption of FIN 48	30	
Cumulative effect of adoption of SFAS 158		-31
Cumulative effect of adoption of SFAS 159		-7
Balance as of period end	21 712	21 531
Total shareholders' equity	31 867	25 573

The accompanying notes are an integral part of the Group financial statements.

Statement of comprehensive income (unaudited)

CHF millions	Three months ended 30 June		Six months ended 30 June	
	2007	2008	2007	2008
Net income	1 194	564	2 523	1 188
Other comprehensive income, net of tax:				
Change in unrealised gains/losses	-1 222	-1 679	-1 355	-3 256
Change in foreign currency translation	220	374	255	-1 824
Change in adjustment for pension benefits	131	151	137	180
Comprehensive income/loss	323	-590	1 560	-3 712

The accompanying notes are an integral part of the Group financial statements.

Statement of cash flow (unaudited)

For the six months ended 30 June

CHF millions	2007	2008
Cash flows from operating activities		
Net income	2 523	1 188
Adjustments to reconcile net income to net cash provided/used by operating activities:		
Depreciation, amortisation and other non-cash items	378	401
Net realised investment gains/losses	-2 360	3 855
Change in:		
Technical provisions, net	637	-3 632
Funds held by ceding companies and other reinsurance balances	-1 396	62
Other assets and liabilities, net	1 168	-2 723
Income taxes payable/recoverable	73	215
Income from equity-accounted investees, net of dividends received	-252	-71
Trading positions, net	-2 133	3 818
Securities purchased/sold under agreement to resell/repurchase, net	196	-5 637
Net cash provided/used by operating activities	-1 166	-2 524
Cash flows from investing activities		
Fixed income securities:		
Sales and maturities	25 884	34 623
Purchases	-29 997	-26 475
Net purchase/sale/maturities of short-term investments	45	-4 106
Equity securities:		
Sales	3 931	5 908
Purchases	-2 830	-1 198
Cash paid/received for acquisitions/disposals and reinsurance transactions, net	1 274	
Net purchases/sales/maturities of other investments	-1 824	-1 292
Net cash provided/used by investing activities	-3 517	7 460
Cash flows from financing activities		
Issuance of long-term debt	2 224	460
Issuance/repayment of short-term debt	1 590	-2 519
Equity issued	33	
Purchase/sale of treasury shares	-1 739	-1 205
Dividends paid to shareholders	-1 218	-1 331
Net cash provided/used by financing activities	890	-4 595
Total net cash provided/used	-3 793	341
Effect of foreign currency translation	188	-981
Change in cash and cash equivalents	-3 605	-640
Cash and cash equivalents as of 1 January	13 606	11 531
Cash and cash equivalents as of 30 June	10 001	10 891

The accompanying notes are an integral part of the Group financial statements.

Interest paid during 2008 was CHF 1 173 million including interest paid on repurchase agreements. Income tax paid during 2008 was CHF 128 million.

In accordance with the changes in the balance sheet and the income statement, the cash flow line items for 2007 have been adjusted. Cash flows originated from Financial Services' assets and liabilities are reallocated according to the origin of the cash flow (operating/investing/financing).

Notes to the Group financial statements (unaudited)

1 Organisation and summary of significant accounting policies

Nature of operations	<p>The Swiss Re Group, which is headquartered in Zurich, Switzerland, comprises Swiss Reinsurance Company Ltd (the parent company, referred to as "Swiss Re Zurich") and its subsidiaries (collectively, the "Swiss Re Group" or the "Group"). The Group provides reinsurance and other related products and services to insurance companies, direct clients and others worldwide through reinsurance brokers and a network of offices in over 25 countries.</p>
Basis of presentation	<p>The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) and comply with Swiss law. The Group's financial statements are stated in Swiss francs (CHF), the currency of the country in which Swiss Re Zurich is incorporated. All significant inter-company transactions and balances have been eliminated on consolidation.</p> <p>These interim financial statements should be read in conjunction with the Swiss Re Group's financial statements for the year ended 31 December 2007.</p>
Use of estimates in the preparation of financial statements	<p>The preparation of financial statements requires management to make significant estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses as well as the related disclosure including contingent assets and liabilities. The Swiss Re Group's liabilities for unpaid claims and claim adjustment expenses and policy benefits for life and health include estimates for premium, claim and benefit data not received from ceding companies at the date of the financial statements. In addition, the Group uses certain financial instruments and invests in securities of certain entities for which exchange trading does not exist. The Group determines these estimates based on historical information, actuarial analyses, financial modeling, and other analytical techniques. Actual results could differ significantly from the estimates described above.</p>
Valuation of financial assets	<p>The fair value of the majority of the Group's financial instruments is based on quoted prices in active markets or observable inputs. These instruments include government and agency securities, commercial paper, most investment-grade corporate debt, most high-yield debt securities, exchange traded derivative instruments, most mortgage-backed and asset-backed securities and listed equity securities. In markets with reduced or no liquidity, spreads between bid and offer prices are normally wider compared to spreads in highly liquid markets. Such market conditions affect the valuation of certain asset classes of the Group, such as some asset-backed securities as well as certain derivative structures referencing such asset classes.</p> <p>The Group considers both the credit risk of its counterparties, and own risk of non-performance in the valuation of certain financial instruments. In determining fair value of the financial instruments, the assessment of the Group's exposure to the credit risk of our counterparties incorporates consideration of existing collateral and netting arrangements entered into with each counterparty. The measure of the counterparty credit risk is estimated for derivative instruments and other over-the-counter financial assets with incorporation of the observable credit spreads, where available, or credit spread estimates derived based on the benchmarking techniques where market data is not available. The impact of the Group's own risk of non-performance is analysed in the manner consistent with the aforementioned approach; with consideration of the Group's observable credit spreads. The value representing such risk is incorporated into the fair value of the financial instruments (primarily derivatives), in a liability position as of the measurement date. The change in this adjustment from period to period is reflected in realised gains and losses in the income statement.</p>

There can also be differences between the market values implied by collateral requested by counterparties and the prices observed in the markets. The Group has provided collateral on all financial instruments, including the structured credit default swap, in excess of the market value estimate of CHF 865 million. For these assets or derivative structures, the Group uses market prices or inputs derived from market prices. A separate internal price verification process, independent of the trading function, provides an additional control over the market prices or market input used to determine the fair values of such assets. Whilst management considers that appropriate values have been ascribed to such assets, current market conditions increase the level of uncertainty and judgment over these valuations. Subsequent valuations could differ significantly from the results of the process described above. The Group may become aware of counterparty valuations, either directly through the exchange of information, or indirectly, for example, through collateral demands. Any implied differences are considered in the independent price verification process and may result in adjustments to initially indicated valuations.

Recent accounting guidance

In September 2006, the Financial Accounting Standards Board issued SFAS No. 158 "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans" (SFAS 158). SFAS 158 requires an employer to recognise the overfunded or underfunded status of a defined benefit post-retirement plan as an asset or liability and to recognise changes in that funded status in the year in which the changes occur through comprehensive income. The Group adopted the provisions of SFAS 158 for the year ended 31 December 2006 except for the provision to measure plan assets and benefit obligations as of the date of the employers' fiscal year end statement of financial condition. The Group adopted the final provision as of 1 January 2008. Refer to Note 9 for further information.

In September 2006, the Financial Accounting Standards Board issued SFAS No. 157 "Fair Value Measurements" (SFAS 157). SFAS 157 establishes a new definition and framework for determining fair value and expands the required disclosures for assets and liabilities recorded at fair value. This statement applies to all assets and liabilities measured at fair value which are required or allowed by other standards with limited exceptions. The Group adopted SFAS 157 as of 1 January 2008. See Note 3 for further information.

In February 2007, the Financial Accounting Standards Board issued SFAS No. 159 "The Fair Value Option for Financial Assets and Financial Liabilities" (SFAS 159). SFAS 159 enables entities to elect to measure specified financial assets and liabilities at fair value on an instrument-by-instrument basis and expands the ability to use fair value measurements with financial instruments and certain other items for which fair value measurement was not previously permitted. The Group adopted SFAS 159 and applied the fair value option as of 1 January 2008. See Note 3 for further information.

On 30 April 2007, the Financial Accounting Standards Board issued FSP FIN 39-1 "Amendment of FASB Interpretation No. 39" (FIN 39-1). FIN 39-1 impacts master netting arrangements, which are part of derivative transactions, by allowing net derivative positions to be offset against the fair value of amounts (or amounts that approximate fair value) recognised as the right to reclaim cash collateral or the obligation to return cash collateral under those arrangements. The Group adopted FIN 39-1 as of 1 January 2008. Refer to Note 4 for further information.

2 Investments

Investment income

Net investment income by source for the periods ended 30 June was as follows:

CHF millions	Three months ended 30 June		Six months ended 30 June	
	2007	2008	2007	2008
Fixed income securities	1 938	1 669	3 597	3 543
Equity securities	383	303	524	489
Policy loans, mortgages and other loans	158	121	315	227
Investment real estate	58	61	111	118
Short-term investments	109	72	249	149
Other current investments	77	89	104	136
Share in earnings of equity-accounted investees	221	68	254	101
Cash and cash equivalents	77	74	163	174
Deposits with ceding companies	210	169	372	286
Gross investment income	3 231	2 626	5 689	5 223
Investment expenses	-155	-211	-263	-360
Interest charged for funds held	-154	-128	-310	-197
Net investment income	2 922	2 287	5 116	4 666

Dividends received from investments accounted for using the equity method were CHF 2 million and CHF 30 million for the six months ended 30 June for 2007 and 2008, respectively.

Net investment income includes income on unit-linked business and with-profit business, which are credited to policyholders. For the three months ended 30 June for 2007 and 2008, unit-linked income was CHF 271 million and CHF 228 million, respectively. For the six months ended 30 June for 2007 and 2008, unit-linked income was CHF 405 million and CHF 421 million, respectively. With-profit investment income for the three months ended 30 June 2007 and 2008, was CHF 102 million and CHF 60 million, respectively. For the six months ended 30 June 2007 and 2008, with-profit investment income was CHF 162 million and CHF 138 million.

Realised gains and losses

Realised gains and losses for fixed income, equity securities and other investments for the periods ended 30 June were as follows:

CHF millions	Three months ended 30 June		Six months ended 30 June	
	2007	2008	2007	2008
Fixed income securities available-for-sale:				
Gross realised gains	111	427	252	615
Gross realised losses	-159	-423	-288	-506
Equity securities available-for-sale:				
Gross realised gains	613	236	1 134	739
Gross realised losses	-48	-19	-91	-729
Other-than-temporary impairments	-30	-175	-160	-361
Net realised investment gains/losses				
on trading securities	169	-513	457	-931
Change in net unrealised investment gains				
on trading securities	850	-1 327	1 032	-3 416
Other investments:				
Gross realised/unrealised gains/losses	47	-171	279	231
Foreign exchange gains/losses	-261	251	-255	503
Net realised investment gains/losses	1 292	-1 714	2 360	-3 855

Proceeds from the sales of fixed income securities available-for-sale amounted to CHF 9 668 million and CHF 23 246 million for the three months ended 30 June, and CHF 20 009 million and CHF 32 525 million for the six months ended 30 June for 2007 and 2008, respectively. Sales of equity securities available-for-sale amounted to CHF 2 310 and CHF 1 018 million for the three months ended 30 June, and CHF 4 643 million and CHF 5 923 million for the six months ended 30 June 2007 and 2008, respectively.

Net realised investment gains/losses include income on unit-linked and with-profit business, which are credited to policyholders. For the three months ended 30 June for 2007 and 2008, unit-linked gains/losses were CHF 1 288 million and CHF -852 million, respectively. For the six months ended 30 June 2007 and 2008, unit-linked gains/losses were CHF 1 589 million and CHF -2 280 million. With-profit realised gains/losses for the three months ended 30 June 2007 and 2008, were CHF 27 million and CHF -121 million, respectively. For the six months ended 30 June 2007 and 2008, with-profit realised gains/losses were CHF 17 million and CHF -449 million.

For 2008, net realised investment gains/losses include all foreign exchange gains/losses remeasurement. For 2007, the foreign exchange gains/losses remeasurement on operational debt is included in interest expenses. The total foreign exchange impact for the three months ended 30 June 2007, including the remeasurement on operational debt, was CHF 28 million.

Investments available-for-sale

Amortised cost or cost and estimated fair values of investments in fixed income and equity securities classified as available-for-sale were as follows:

As of 31 December 2007 CHF millions	Amortised cost or cost	Gross un- realised gains	Gross un- realised losses	Estimated fair value
Debt securities issued by governments and government agencies:				
US Treasury and other US government corporations and agencies				
	22 743	678	-96	23 325
States of the United States and political subdivisions of the states				
	1 417	46	-11	1 452
United Kingdom				
	11 096	261	-65	11 292
Canada				
	3 708	1 040	-4	4 744
Germany				
	2 228	50	-22	2 256
France				
	1 196	11	-24	1 183
Other				
	7 293	281	-41	7 533
Total	49 681	2 367	-263	51 785
Corporate debt securities	25 117	650	-747	25 020
Mortgage-backed and asset-backed securities	31 197	246	-438	31 005
Fixed income securities available-for-sale	105 995	3 263	-1 448	107 810
Equity securities available-for-sale	9 039	2 205	-485	10 759

As of 30 June 2008 CHF millions	Amortised cost or cost	Gross unreal- ised gains	Gross unreal- ised losses	Estimated fair value
Debt securities issued by governments and government agencies:				
US Treasury and other US government corporations and agencies				
	18 151	426	-163	18 414
States of the United States and political subdivisions of the states				
	263	27	-1	289
United Kingdom				
	9 698	94	-218	9 574
Canada				
	3 723	597	-18	4 302
Germany				
	1 353	11	-37	1 327
France				
	1 156	11	-34	1 133
Other				
	6 707	176	-192	6 691
Total	41 051	1 342	-663	41 730
Corporate debt securities	22 768	457	-1 397	21 828
Mortgage-backed and asset-backed securities	28 519	161	-976	25 704
Fixed income securities available-for-sale	90 338	1 960	-3 036	89 262
Equity securities available-for-sale	3 951	1 246	-726	4 471

Investments trading

Fixed income securities and equity securities classified as trading as of 31 December 2007 and 30 June 2008 were as follows:

CHF millions	As of 31 December 2007	As of 30 June 2008
Debt securities issued by governments and government agencies	14 738	12 143
Corporate debt securities	18 894	17 559
Mortgage-backed and asset-backed securities	18 181	13 198
Fixed income securities trading	51 793	42 900
Equity securities trading	22 103	17 238

Mortgages, loans and real estate

As of 31 December 2007 and 30 June 2008, investments in mortgages and other loans and real estate comprised the following:

CHF millions	As of 31 December 2007		As of 30 June 2008	
	Carrying value	Fair value	Carrying value	Fair value
Policy loans, mortgages and other loans	7 414	7 414	6 384	6 384
Investment real estate	2 682	3 937	2 377	3 455

As of 31 December 2007 and 30 June 2008, the Group's investment in mortgages and other loans included CHF 216 million and CHF 214 million, respectively, of loans due from employees and CHF 415 million and CHF 427 million, respectively, due from officers. These loans generally consist of mortgages offered at variable and fixed interest rates.

As of 31 December 2007 and 30 June 2008, investments in real estate included CHF 64 million and CHF 13 million, respectively, of real estate held for sale.

Depreciation expense related to income-producing properties was CHF 30 million and CHF 22 million for the six months ended 30 June for 2007 and 2008, respectively. Accumulated depreciation on investment real estate totalled CHF 508 million and CHF 479 million as of 31 December 2007 and 30 June 2008, respectively.

Substantially all mortgages and other loans receivable are secured by buildings, land or the underlying policies. The ultimate collectibility of the receivables is evaluated regularly and an appropriate allowance for uncollectible amounts is established.

3 Fair value disclosures

As of 1 January 2008, the Swiss Re Group adopted SFAS No.157 "Fair Value Measurements" (SFAS 157). SFAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. It requires disclosures of the Group's assets and liabilities that are measured at fair value.

Fair value, as defined by SFAS 157, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

SFAS 157 requires all assets and liabilities that are measured at fair value to be categorized within the fair value hierarchy. This three-level hierarchy is based on the observability of the inputs used in the fair value measurement. The levels of the fair value hierarchy are defined as follows:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Group has the ability to access. Level 1 inputs are the most persuasive evidence of fair value and are to be used whenever possible.

Level 2 inputs are market based inputs that are directly or indirectly observable but not considered Level 1 quoted prices. Level 2 inputs consist of (i) quoted prices for similar assets or liabilities in active markets; (ii) quoted prices for identical assets or liabilities in non-active markets (e.g. markets which have few transactions and prices are not current or price quotations vary substantially); (iii) inputs other than quoted prices that are observable (e.g. interest rates, yield curves, volatilities, prepayment speeds, credit risks and default rates); and (iv) inputs derived from, or corroborated by, observable market data.

Level 3 inputs are unobservable inputs. These inputs reflect the Group's own assumptions about market pricing using the best internal and external information available.

The types of instruments valued based on quoted market prices in active markets include most US government and sovereign obligations, active listed equities and most money market securities. Such instruments are generally classified within level 1 of the fair value hierarchy. The Group does not adjust the quoted price for such instruments, even in situations where it holds a large position and a sale could reasonably impact the quoted price.

The types of instruments that trade in markets that are not considered to be active, but are valued based on quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency include most government agency securities, investment-grade corporate bonds, certain mortgage and asset-backed products, less liquid listed equities, state and municipal and provincial obligations. Such instruments are generally classified within level 2 of the fair value hierarchy.

Exchange-traded derivative instruments typically fall within level 1 or level 2 of the fair value hierarchy depending on whether they are considered to be actively traded or not.

Certain financial instruments are classified within level 3 of the fair value hierarchy because they trade infrequently and therefore have little or no price transparency. Such instruments include private equity, less liquid corporate debt securities and certain asset-backed securities. Certain over-the-counter derivatives trade in less liquid markets with limited pricing information, and the determination of fair value for these derivatives is inherently more difficult. Such instruments are classified within level 3 of the fair value hierarchy. Pursuant to the election of the fair value option, the Group classifies certain Life & Health policy reserves to level 3 of the fair value hierarchy. When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit considerations. Such adjustments are generally based on available market evidence. In the absence of such evidence, management's best estimate is used.

When the Group uses multiple inputs in a single valuation, the lowest level input that is significant determines the measurement of fair value for an asset or liability.

Assets and liabilities measured at fair value on a recurring basis

As of 30 June 2008, the fair values of assets and liabilities measured on a recurring basis by level of input were as follows:

CHF millions	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Impact of netting ¹	Total
Assets					
Fixed income securities	12077	103913	16172		132162
Equity securities	19751	1736	222		21709
Derivative financial instruments	3144	69811	13818	-82166	4607
Other assets	44	235	1829		2108
Total assets at fair value	35016	175695	32041	-82166	160586
Liabilities					
Derivative financial instruments	-3388	-70699	-15657	84739	-5005
Liabilities for life and health policy benefits			-110		-110
Accrued expenses and other liabilities	-2119	-1297	-73		-3489
Total liabilities at fair value	-5507	-71996	-15840	84739	-8604

¹ FIN 39 permits the netting of derivative receivables and derivative payables when a legally enforceable master netting agreement exists between two counter parties. A master netting agreement provides for the net settlement of all contracts, as well as cash collateral, through a single payment, in a single currency, in the event of default or on the termination of any one contract.

Assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3)

CHF millions	Fixed income securities	Equity securities	Derivative financial instruments	Other assets	Total
Assets					
Beginning balance as of 1 January 2008	8887	140	2685	1498	13210
Realised/unrealised gains/losses:					
Included in net income	-255	38	1970	-52	1701
Included in other comprehensive income	-35	-1		-43	-79
Purchases, issuances, and settlements	1665	21	9132	407	11225
Transfers in and/or out of Level 3	5659	22	42	111	5834
Impact of foreign exchange	251	2	-11	-92	150
Ending balance as of 30 June 2008	16172	222	13818	1829	32041

	Liabilities for life and health policy benefits	Derivative fi- nancial in- struments	Accrued ex- penses and other liabi- lities	Total
Liabilities				
Beginning balance as of 1 January 2008	-102	-3 942	-170	-4 214
Realised/unrealised gains/losses:				
Included in net income	3	-2 996		-2 993
Included in other comprehensive income		15		15
Purchases, issuances, and settlements		-8 715	69	-8 646
Transfers in and/or out of Level 3		14	33	47
Impact of foreign exchange	-11	-33	-5	-49
Ending balance as of 30 June 2008	-110	-15 657	-73	-15 840

Fixed income securities transferred into Level 3 during the first half of 2008 include asset-backed securities, for which limited liquidity existed at the end of the second quarter. In the published first quarter financial statements these assets were reported in the "Purchases, issuances, and settlements" line.

Gains and losses on assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3)

The gains and losses relating to the assets and liabilities measured at fair value using significant unobservable inputs (Level 3) for the six months ended 30 June 2008 were as follows:

CHF millions	Net realised investment gains / losses
Gains/losses included in net income for the period	-1 291
Whereof change in unrealised gains or losses relating to assets and liabilities still held at the reporting date	-1 033

Fair value option

SFAS 159, "The Fair Value Option for Financial Assets and Financial Liabilities", permits the choice to measure specified financial assets and liabilities at fair value on an instrument-by-instrument basis.

The Group elected the fair value option for positions in the following line items in the balance sheet:

Fixed income securities trading

During the period, the Group has elected the fair value option for specific investments acquired within a transaction. These securities are classified as debt securities under the Group's accounting policies. Upon election of the fair value option the securities are classified as trading, with changes in fair value recorded in earnings. The primary reason for electing the fair value option is to mitigate volatility in earnings as a result of using different measurement attributes.

Equity securities trading

As of 1 January, the Group has elected the fair value option for an investment previously classified as available-for-sale within other invested assets in the balance sheet. The Group economically hedges the investment with derivative instruments that offset this exposure. The changes in fair value of the derivatives are recorded in earnings. Electing the fair value option eliminates the mismatch previously caused by the economic hedging of the investment and reduces the volatility in the income statement. According to the nature of the investment, the Group revised the presentation in the current period and included it in equity securities held for trading.

Liabilities for life and health policy benefits

As of 1 January, the Group has elected the fair value option for existing SOP 03-01 guaranteed minimum death benefit (GMDB) reserves related to certain variable annuity contracts which are classified as universal life-type contracts. The Group has applied the fair value option as the equity risk associated with those contracts is managed on a fair value basis, and it is economically hedged with derivative options in the market.

Cumulative effect due to initial adoption of the fair value option

The initial adoption of the fair value option for existing transactions had a one-time effect on the corresponding balance sheet positions and retained earnings. The following table shows the adjustment on retained earnings for each balance sheet item as of 1 January 2008:

As of 1 January 2008 CHF millions	Carrying value prior to adoption	Impact upon adoption	Fair value after adoption
Assets			
Equity securities trading ¹	576		576
Liabilities			
Liabilities for life and health policy benefits	-108	-40	-148

¹ Prior to the election of the fair value option, the investment was reported in other invested assets. According to the nature of the investment, the Group revised the presentation in the current period and included it in equity securities held for trading.

The net impact on retained earnings from the fair value elections described above was an increase of CHF 33 million and a decrease of CHF 40 million, respectively.

Assets and liabilities measured at fair value pursuant to election of the fair value option

Pursuant to the election of the fair value option for the items described, the balances as of 30 June 2008 were as follows:

CHF millions	30 June 2008
Assets	
Fixed income securities trading	42 900
of which at fair value pursuant to the fair value option	1 029
Equity securities trading	17 238
of which at fair value pursuant to the fair value option	399
Liabilities	
Liabilities for life and health policy benefits	-44 461
of which at fair value pursuant to the fair value option	-110

Changes in fair values for items measured at fair value pursuant to election of the fair value option

Total losses included in earnings for the six months ended 30 June 2008, including foreign exchange impact, were CHF 140 million.

Fair value changes from fixed income securities trading (CHF -1 million) and equity securities trading (CHF -177 million) are reported in net realised investment gains/losses. Fair value changes from the guaranteed minimum death benefit reserves (CHF 38 million) are shown in life and health benefits.

4 Derivative financial instruments

The Group uses a variety of derivative financial instruments including swaps, options, forwards, credit derivatives and exchange-traded financial futures in its trading and hedging strategies, in line with the Group's overall risk management strategy. The objectives include managing exposure to price, foreign currency and/or interest rate risk on planned or anticipated investment purchases, existing assets or liabilities, as well as locking in attractive investment conditions for future available funds.

The fair values represent the gross carrying value amounts at the reporting date for each class of derivative contract held or issued by the Group. The fair values below are not an indication of credit risk, as many over-the-counter transactions are contracted and documented under ISDA master agreements or their equivalent. Management believes that such agreements provide for legally enforceable set-off in the event of default, which substantially reduces credit exposure.

The maximum potential loss assuming non-performance by all counterparties, and based on the market replacement cost as of 31 December 2007 and 30 June 2008, approximated CHF 6 713 million and CHF 4 788 million, respectively. These values are net of amounts offset pursuant to rights of set-off and qualifying master netting arrangements with various counterparties. The fair value of derivatives outstanding as of 31 December 2007 and 30 June 2008 was as follows:

CHF millions	As of 31 December 2007			As of 30 June 2008		
	Positive fair value	Negative fair value	Carrying value assets/liabilities	Positive fair value	Negative fair value	Carrying value assets/liabilities
Interest rate contracts						
Forwards and futures	88	-396	-308	122	-226	-104
Swaps	5 330	-5 483	-153	5 594	-6 459	-865
Other	101	-101		83	-95	-12
Total	5 519	-5 980	-461	5 799	-6 780	-981
Equity and index contracts						
Forwards and futures	670	-672	-2	2 420	-2 556	-136
Options	2 763	-1 997	766	2 615	-1 805	810
Swaps	290	-131	159	132	-48	84
Other	57	-11	46	58	-51	7
Total	3 780	-2 811	969	5 225	-4 460	765
Foreign currency						
Options	407	-359	48	334	-252	82
Swaps	2 034	-2 821	-787	1 970	-3 205	-1 235
Other				18	-13	5
Total	2 441	-3 180	-739	2 322	-3 470	-1 148
Other derivatives						
Credit derivatives	4 011	-4 071	-60	7 219	-6 217	1 002
Catastrophe derivatives	1	-11	-10	5	-9	-4
Weather derivatives	3	-12	-9	73	-45	28
Other	40	-97	-57	111	-171	-60
Total	4 055	-4 191	-136	7 408	-6 442	966
Total derivative financial instruments						
	15 795	-16 162	-367	20 754	-21 152	-398

The Group offsets derivative assets and liabilities, including certain derivative related collateral contracts in the balance sheet, for which a right of offset under master netting agreements exists.

According to FIN 39-1, the fair value amounts recognised for the right to reclaim cash collateral or the obligation to return cash collateral that have been offset are CHF 5 296 million and CHF 6 821 million as of 31 December 2007 and 30 June 2008, respectively. The fair value amounts that have not been offset are CHF 302 million and CHF 356 million as of 31 December 2007 and 30 June 2008, respectively.

As of 31 December 2007 and 30 June 2008, other invested assets included derivative financial instruments with a fair value of CHF 6 168 million and CHF 4 607 million, respectively.

As of 31 December 2007 and 30 June 2008, other accrued expenses and other liabilities included derivative financial instruments with a fair value of CHF 6 535 million and CHF 5 005 million, respectively.

These derivative financial instruments include cash flow hedges with a fair value of CHF 21 million and nil as of 31 December 2007 and 30 June 2008, respectively.

**Hedges of net investment
in foreign operations**

The Group designates non-derivative monetary financial instruments as hedging the foreign currency exposure of its net investment in certain foreign operations.

For the year ended 31 December 2007 and the half year ended 30 June 2008, the Group recorded net unrealised foreign currency remeasurement losses in shareholders' equity of CHF 668 million and CHF 1 138 million, respectively. This offsets translation gains and losses on the hedged net investment.

5 Deferred acquisition costs (DAC) and acquired present value of future profits (PVFP)

CHF millions	Twelve months ended 31 December 2007		Six months ended 30 June 2008	
	DAC	PVFP	DAC	PVFP
Balance as of 1 January	5 270	7 550	5 152	6 769
Deferred	4 123		1 494	
Effect of acquisitions/disposals and retrocessions		265		
Amortisation	-3 984	-977	-1 380	-439
Interest accrued on unamortised PVFP		382		160
Effect of foreign currency translation	-257	-458	-474	-665
Effect of change in unrealised gains/losses		7		87
Balance as of period end	5 152	6 769	4 792	5 912

The amortisation of DAC in the first half of 2008 represents CHF 1 264 million and CHF 116 million for the Property & Casualty and Life & Health business segments, respectively.

Retroceded DAC and PVFP may arise on retrocession of reinsurance portfolios, including reinsurance undertaken as part of a securitisation. The associated potential retrocession recoveries are determined by the nature of the retrocession agreements and by the terms of the securitisation.

6 Debt

The Group enters into long- and short-term debt arrangements to obtain funds for general corporate use and specific transaction financing. The Group defines short-term debt as debt having a maturity at the balance sheet date of less than one year and long-term debt as having a maturity of greater than one year. Interest expense is classified accordingly. The Group's debt as of 31 December 2007 and 30 June 2008 was as follows:

CHF millions	2007	2008
Senior financial debt	1 254	2 300 ¹
Senior operational debt	10 478	8 297
Subordinated financial debt	926	
Short-term debt – financial and operational debt	12 658	10 597
Senior financial debt	1 367	292
Senior operational debt	8 074	7 981
Subordinated financial debt	6 330	5 941
Subordinated operational debt	7 566	6 780
Long-term debt – financial and operational debt	23 337	20 994
Total debt	35 995	31 591

¹ This includes the mandatory convertible bond issued in December 2005, due in December 2008, of CHF 998 million

The Group uses debt for general corporate purposes and to fund discrete pools of operational leverage and financial intermediation assets. Operational leverage and financial intermediation are subject to strong asset and liability matching, resulting in little to no risk that the assets will be insufficient to service and settle the liabilities. Debt used for operational leverage and financial intermediation is treated as operational debt and excluded by the rating agencies from financial leverage calculations. As of 31 December 2007 and 30 June 2008, operational leverage and financial intermediation liabilities amounted to CHF 52.4 billion (thereof CHF 9.8 billion non-recourse) and CHF 39.5 billion (thereof CHF 7.4 billion non-recourse), respectively.

Interest expense on long-term debt

Interest expense on long-term debt for the periods ended 30 June 2007 and 2008, respectively, was as follows:

CHF millions	Three months ended 30 June		Six months ended 30 June	
	2007	2008	2007	2008
Senior financial debt	42	3	75	24
Senior operational debt	77	89	158	173
Subordinated financial debt	88	80	159	165
Subordinated operational debt	42	79	42	165
Total	249	251	434	527

Long-term debt issued in 2008

In May 2008, the Group issued a structured EMTN of USD 280 million, due in 2010, bearing interest of three-month USD Libor, and a EUR 25 million EMTN with a three-year maturity and a coupon of 4.73 %.

7 Reinsurance information

For the three months ended 30 June

Premiums written, premiums earned and fees assessed against policyholders

CHF millions	2007		2008			
	Non-Life	Life & Health	Total	Non-Life	Life & Health	Total
Premiums written						
Direct	1 129	515	1 644	465	388	853
Assumed	3 100	3 008	6 108	2 823	2 513	5 336
Ceded	-152	-423	-575	-841	-243	-1 084
Total premiums written	4 077	3 100	7 177	2 447	2 658	5 105

Premiums earned						
Direct	1 064	518	1 582	478	388	866
Assumed	3 759	3 014	6 773	3 655	2 509	6 164
Ceded	20	-420	-400	-681	-235	-916
Total premiums earned	4 843	3 112	7 955	3 452	2 662	6 114

Fee income from policyholders						
Direct		213	213		170	170
Assumed		98	98		63	63
Ceded		-33	-33		-32	-32
Total fee income from policyholders		278	278		201	201

Claims and claim adjustment expenses

Claims						
Claims paid, gross	-4 755	-2 772	-7 527	-3 611	-2 556	-6 167
Claims paid, retro	451	413	864	234	319	553
Claims paid, net	-4 304	-2 359	-6 663	-3 377	-2 237	-5 614
Change in unpaid claims and claim adjustment expenses:						
life and health benefits, gross	1 285	-669	616	1 053	233	1 286
Change in unpaid claims and claim adjustment expenses:						
life and health benefits, retro	-120	11	-109	202	-35	167
Change in unpaid claims and claim adjustment expenses:						
life and health benefits, net	1 165	-658	507	1 255	198	1 453
Claims and claim adjustment expenses: life and health benefits	-3 139	-3 017	-6 156	-2 122	-2 039	-4 161

Acquisition costs

Acquisition costs						
Acquisition costs, gross	-790	-754	-1 544	-855	-597	-1 452
Acquisition costs, retro	-122	109	-13	158	78	236
Acquisition costs, net	-912	-645	-1 557	-697	-519	-1 216

For the six months ended 30 June

Premiums written, premiums earned and fees assessed against policyholders

CHF millions	2007			2008		
	Non-Life	Life & Health	Total	Non-Life	Life & Health	Total
Premiums written						
Direct	1 493	1 106	2 599	910	760	1 670
Assumed	11 180	5 996	17 176	9 642	5 260	14 902
Ceded	-875	-811	-1 686	-2 234	-602	-2 836
Total premiums written	11 798	6 291	18 089	8 318	5 418	13 736

Premiums earned						
Direct	1 465	1 109	2 574	1 036	761	1 797
Assumed	8 889	5 997	14 886	7 329	5 248	12 577
Ceded	-609	-805	-1 414	-1 223	-580	-1 803
Total premiums earned	9 745	6 301	16 046	7 142	5 429	12 571

Fee income from policyholders

Direct		422	422		310	310
Assumed		140	140		133	133
Ceded		-71	-71		-59	-59
Total fee income from policyholders		491	491		384	384

Claims and claim adjustment expenses

Claims						
Claims paid, gross	-9 505	-5 489	-14 994	-7 527	-5 341	-12 868
Claims paid, retro	1 856	755	2 611	625	584	1 209
Claims paid, net	-7 649	-4 734	-12 383	-6 902	-4 757	-11 659
Change in unpaid claims and claim adjustment expenses: life and health benefits, gross	2 385	-1 215	1 170	2 160	464	2 624
Change in unpaid claims and claim adjustment expenses: life and health benefits, retro	-1 287	39	-1 248	62	-19	43
Change in unpaid claims and claim adjustment expenses: life and health benefits, net	1 098	-1 176	-78	2 222	445	2 667
Claims and claim adjustment expenses; life and health benefits	-6 551	-5 910	-12 461	-4 680	-4 312	-8 992

Acquisition costs

Acquisition costs						
Acquisition costs, gross	-1 818	-1 440	-3 258	-1 668	-1 293	-2 961
Acquisition costs, retro	-60	204	144	276	140	416
Acquisition costs, net	-1 878	-1 236	-3 114	-1 392	-1 153	-2 545

Reinsurance assets and liabilities

CHF millions	As of 31 December 2007			As of 30 June 2008		
	Non-Life	Life & Health	Total	Non-Life	Life & Health	Total
Assets						
Reinsurance recoverable	5 041	9 191	14 232	4 675	7 982	12 657
Deferred acquisition costs	1 417	3 735	5 152	1 323	3 469	4 792
Liabilities						
Unpaid claims and claim adjustment expenses	73 171	15 357	88 528	66 126	13 879	80 005
Life and health policy benefits		50 026	50 026		44 461	44 461
Policyholder account balances		41 340	41 340		34 613	34 613

8 Earnings per share

CHF millions (except share data)	Three months ended 30 June		Six months ended 30 June	
	2007	2008	2007	2008
Basic earnings per share				
Income available to common shares	1 194	564	2 523	1 188
Weighted average common shares outstanding	341 521 280	331 614 108	347 629 137	335 382 500
Net income per share in CHF	3.50	1.70	7.26	3.54
Effect of dilutive securities				
Change in income available to common shares due to convertible bonds	40	29	81	58
Change in average number of shares due to convertible bonds and employee options	41 115 881	27 826 541	41 011 979	27 750 078
Diluted earnings per share				
Net income assuming debt conversion and exercise of options	1 234	593	2 604	1 246
Weighted average common shares outstanding	382 637 141	359 440 649	388 641 116	363 132 578
Net income per share in CHF	3.22	1.65	6.70	3.43

At the Group's 144th Ordinary General Meeting held on 18 April 2008, the shareholders approved the cancellation of 17.3 million shares with a total value of CHF 1.45 billion. These shares were repurchased under the share buy-back programme agreed at the 2007 Ordinary General Meeting. These shares were cancelled on 30 June 2008.

9 Benefit plans

Defined benefit pension plans and post-retirement benefits

The Group sponsors various funded defined benefit pension plans. Employer contributions to the plans are charged to income on a basis which recognises the costs of pensions over the expected service lives of employees covered by the plans. The Group's funding policy for these plans is to contribute annually at a rate that is intended to maintain a level percentage of compensation for the employees covered. A full valuation is prepared at least every three years.

In June 2008, the Group communicated its intention to change the structure of its Swiss other post-retirement benefits plan. The change is effective as of 1 July 2009 and results in a decrease of the accumulated benefit obligation of CHF 130 million in the current period.

Effective as of 1 January 2007, Swiss Re Group has changed the structure of its Swiss pension plan to a defined contribution scheme. The plan will continue to be accounted for as a defined benefit plan under US GAAP.

The Group also provides certain healthcare and life insurance benefits for retired employees and their dependants. Employees become eligible for these benefits when they become eligible for pension benefits.

Components of net periodic benefit cost

The components of pension and post-retirement cost for the six months ended 30 June 2007 and 2008, respectively, were as follows:

CHF millions	Swiss plans pension benefits		Foreign plans pension benefits		Other benefits	
	2007	2008	2007	2008	2007	2008
Service cost						
(net of participant contributions)	46	49	35	27	17	12
Interest cost	45	46	61	59	11	9
Expected return on assets	-71	-76	-50	-59		
Amortisation of:						
Net gain/loss	11		16	3		-5
Prior service cost	3	4			-4	-3
Effect of settlement, curtailment and termination		2				
Net periodic benefit cost	34	25	62	30	24	13

Employer's contributions for 2008

As of 30 June 2008, the Group contributed CHF 187 million to its defined benefit pension plans and CHF 7 million to other post-retirement plans, compared to CHF 142 million and CHF 7 million, respectively, in the same period of 2007.

The expected 2008 contributions to the defined benefit pension plans and to the post-retirement benefit plans, revised as of 30 June 2008 for latest information, amount to CHF 301 million (31 December 2007: CHF 213 million) and CHF 13 million (31 December 2007: CHF 14 million), respectively.

Impact of new accounting guidance

The Group changed the measurement date for its employee benefit plans from 30 September to 31 December for its 2008 financial statements in accordance with new generally accepted accounting guidance effective as of 1 January 2008. The corresponding adjustment to the opening balance of retained earnings and accumulated other comprehensive income was CHF 31 million and nil, respectively.

10 Information on business segments

The Group provides reinsurance, insurance and financial services throughout the world through three business segments. The business segments are determined by the organisational structure and by the way in which management reviews the operating result of the Group.

In 2007, the Group changed the organisational structure resulting in a more complete integration of the Financial Services business within the Swiss Re Group. Following the new structure, the Group presents three operating business segments – Property & Casualty, Life & Health and Financial Markets. Items not allocated to these three business segments are included in the “Group items” column.

The Property & Casualty segment consists of the following sub-segments: Property traditional, Casualty traditional, Specialty traditional and non-traditional business. The Specialty traditional sub-segment includes certain parts of the former Credit Solutions business, Credit Reinsurance, Financial Guaranty business, Bank Trade Finance, and Credit securitisations. Certain parts of the former Capital Management and Advisory business are now included in the Property & Casualty business segment, including revenues and expenses related to Property & Casualty insurance-linked securities.

The Life & Health segment continues to consist of the following sub-segments: Life traditional, Health traditional and Admin Re[®]. Certain parts of the former Capital Management and Advisory business are now included in the Life & Health business segment, including variable annuity business.

The Financial Markets business segment consists of the following sub-segments: Credit & Rates, Equities & Alternative Investments and Other. The Financial Markets business segment includes proprietary returns on the Group’s invested fixed income securities, equity securities and alternative investments. Third-party asset management is included in Credit & Rates. The sub-segment Other includes mark-to-market gains/losses on structured credit products.

Group items include certain costs of Corporate Centre functions not allocated to the business segments, certain foreign exchange items, interest expenses on operating and financial debt (except for directly allocated interest expenses to the segments) and other items not considered for the performance of the operating segments.

With the new segment structure, the allocation of investment results has been revised. Certain investment results, including investment income and realised gains on unit-linked business, with-profit business and reinsurance derivatives, are excluded from the performance of the Financial Markets business segment and directly allocated to the Property & Casualty and Life & Health business segments.

Proprietary return reported in Financial Markets is allocated to the Property & Casualty or Life & Health business segments. The allocation is now based on technical reserves and other information, including duration of the underlying liabilities.

The investment result of the Other sub-segment in Financial Markets is not allocated to the Property & Casualty or Life & Health segments.

The “Allocation” column eliminates the Financial Markets investment result as well as other revenues and/or expenses directly allocated to either the Property & Casualty or the Life & Health business segments.

The accounting policies of the business segments are in line with those described in the summary of significant accounting policies (see Note 1).

a) Business segment results

For the three months ended 30 June

2007 CHF millions	Property & Casualty	Life & Health	Financial Markets	Group items	Allocation	Total
Revenues						
Premiums earned	4 843	3 112				7 955
Fee income from policyholders		278				278
Net investment income	1 131	1 498	2 184	35	-1 926	2 922
Net realised investment gains/losses	112	1 401	269	-226	-264	1 292
Other revenues	26	2	26	33		87
Total revenues	6 112	6 291	2 479	-158	-2 190	12 534
Expenses						
Claims and claim adjustment expenses: life and health benefits	-3 139	-3 017				-6 156
Interest credited to policyholders		-1 755				-1 755
Acquisition costs	-912	-645				-1 557
Other expenses	-424	-32		-167	-229	-1 141
Interest expenses				-359	-42	-401
Total expenses	-4 475	-5 738	0	-526	-271	-11 010
Operating income/loss	1 637	553	2 479	-684	-2 461	1 524

2008 CHF millions	Property & Casualty	Life & Health	Financial Markets	Group items	Allocation	Total
Revenues						
Premiums earned	3 452	2 662				6 114
Fee income from policyholders		201				201
Net investment income	934	1 220	1 851	60	-1 778	2 287
Net realised investment gains/losses	-330	-1 147	-913	109	567	-1 714
Other revenues	16	2	13	5		36
Total revenues	4 072	2 938	951	174	-1 211	6 924
Expenses						
Claims and claim adjustment expenses: life and health benefits	-2 122	-2 039				-4 161
Interest credited to policyholders		395				395
Acquisition costs	-697	-519				-1 216
Other expenses	-427	-218		-106	-27	-778
Interest expenses				-312	-81	-393
Total expenses	-3 246	-2 381	0	-418	-108	-6 153
Operating income/loss	826	557	951	-244	-1 319	771

Proprietary return reported in Financial Markets is allocated to the Property & Casualty or Life & Health business segments. The allocation is based on technical reserves and other information, including duration of the underlying liabilities, and was allocated in the second quarter of 2007 and 2008 as follows:

CHF millions, for the three months ended 30 June 2007	Property & Casualty	Life & Health	Financial Markets	Allocated financing expenses	Allocation
Net investment income	1 017	951	1 968	-42	-1 926
Net realised investment gains/losses	158	106	264	0	-264

CHF millions, for the three months ended 30 June 2008	Property & Casualty	Life & Health	Financial Markets	Allocated financing expenses	Allocation
Net investment income	887	972	1 859	-81	-1 778
Net realised investment gains/losses	-285	-282	-567	0	567

Business segment results

For the six months ended 30 June

2007 CHF millions	Property & Casualty	Life & Health	Financial Markets	Group items	Allocation	Total
Revenues						
Premiums earned	9 745	6 301				16 046
Fee income from policyholders		491				491
Net investment income	1 912	2 573	3 686	149	-3 204	5 116
Net realised investment gains/losses	539	2 151	1 055	-333	-1 052	2 360
Other revenues	48	2	53	51		154
Total revenues	12 244	11 518	4 794	-133	-4 256	24 167
Expenses						
Claims and claim adjustment expenses; life and health benefits	-6 551	-5 910				-12 461
Interest credited to policyholders		-2 391				-2 391
Acquisition costs	-1 878	-1 236				-3 114
Other expenses	-801	-616		-279	-495	-2 191
Interest expenses				-695	-42	-737
Total expenses	-9 230	-10 153	0	-974	-537	-20 894
Operating income/loss	3 014	1 365	4 794	-1 107	-4 793	3 273

2008 CHF millions	Property & Casualty	Life & Health	Financial Markets	Group items	Allocation	Total
Revenues						
Premiums earned	7 142	5 429				12 571
Fee income from policyholders		384				384
Net investment income	1 986	2 450	3 783	116	-3 669	4 666
Net realised investment gains/losses	-194	-2 846	-1 482	399	268	-3 855
Other revenues	41	2	39	23		105
Total revenues	8 975	5 419	2 340	538	-3 401	13 871
Expenses						
Claims and claim adjustment expenses; life and health benefits	-4 680	-4 312				-8 992
Interest credited to policyholders		1 526				1 526
Acquisition costs	-1 392	-1 153				-2 545
Other expenses	-776	-474		-243	-67	-1 560
Interest expenses				-700	-123	-823
Total expenses	-6 848	-4 413	0	-943	-190	-12 394
Operating income/loss	2 127	1 006	2 340	-405	-3 591	1 477

Proprietary return reported in Financial Markets is allocated to the Property & Casualty or Life & Health business segments. The allocation is based on technical reserves and other information, including duration of the underlying liabilities, and was allocated in the first six months of 2007 and 2008 as follows:

CHF millions, for the six months ended 30 June 2007	Property & Casualty	Life & Health	Financial Markets	Allocated financing expenses	Allocation
Net investment income	1 678	1 568	3 246	-42	-3 204
Net realised investment gains/losses	565	487	1 052	0	-1 052

CHF millions, for the six months ended 30 June 2008	Property & Casualty	Life & Health	Financial Markets	Allocated financing expenses	Allocation
Net investment income	1 898	1 894	3 792	-123	-3 669
Net realised investment gains/losses	-129	-139	-268	0	268

b) Property & Casualty business segment – by line of business

For the three months ended 30 June

2007 CHF millions	Property traditional	Casualty traditional	Specialty traditional	Total traditional	Non-traditional	Total
Revenues						
Premiums earned	1 703	1 841	1 210	4 754	89	4 843
Net investment income	116	835	93	1 044	87	1 131
Net realised investment gains/losses	-35	84	16	65	47	112
Other revenues	-4		30	26		26
Total revenues	1 780	2 760	1 349	5 889	223	6 112
Expenses						
Claims and claim adjustment expenses						
	-913	-1 505	-612	-3 030	-109	-3 139
Acquisition costs	-325	-326	-230	-881	-31	-912
Other expenses	-117	-189	-92	-398	-26	-424
Total expenses	-1 355	-2 020	-934	-4 309	-166	-4 475
Operating income/loss	425	740	415	1 580	57	1 637
Claims ratio in %	53.6	81.7	50.6	63.7		
Expense ratio in %	26.0	28.0	26.6	26.9		
Combined ratio in %	79.6	109.7	77.2	90.6		

2008 CHF millions	Property traditional	Casualty traditional	Specialty traditional	Total traditional	Non-traditional	Total
Revenues						
Premiums earned	1 173	1 263	935	3 371	81	3 452
Net investment income	104	592	160	856	78	934
Net realised investment gains/losses	-52	-192	-49	-293	-37	-330
Other revenues			-8	-8	24	16
Total revenues	1 225	1 663	1 038	3 926	146	4 072
Expenses						
Claims and claim adjustment expenses						
	-449	-1 026	-577	-2 052	-70	-2 122
Acquisition costs	-181	-259	-226	-666	-31	-697
Other expenses	-131	-186	-76	-393	-34	-427
Total expenses	-761	-1 471	-879	-3 111	-135	-3 246
Operating income/loss	464	192	159	815	11	826
Claims ratio in %	38.3	81.3	61.7	60.9		
Expense ratio in %	26.6	35.2	32.3	31.4		
Combined ratio in %	64.9	116.5	94.0	92.3		

Property & Casualty business segment – by line of business

For the six months ended 30 June

2007 CHF millions	Property traditional	Casualty traditional	Specialty traditional	Total traditional	Non-traditional	Total
Revenues						
Premiums earned	3 383	3 783	2 404	9 570	175	9 745
Net investment income	157	1 409	166	1 732	180	1 912
Net realised investment gains/losses	26	395	56	477	62	539
Other revenues	-7		63	56	-8	48
Total revenues	3 559	5 587	2 689	11 835	409	12 244
Expenses						
Claims and claim adjustment						
expenses	-1 858	-3 191	-1 196	-6 245	-306	-6 551
Acquisition costs	-597	-682	-547	-1 826	-52	-1 878
Other expenses	-258	-338	-159	-755	-46	-801
Total expenses	-2 713	-4 211	-1 902	-8 826	-404	-9 230
Operating income/loss	846	1 376	787	3 009	5	3 014
Claims ratio in %	54.9	84.3	49.7	65.2		
Expense ratio in %	25.3	27.0	29.4	27.0		
Combined ratio in %	80.2	111.3	79.1	92.2		

2008 CHF millions	Property traditional	Casualty traditional	Specialty traditional	Total traditional	Non-traditional	Total
Revenues						
Premiums earned	2 416	2 686	1 882	6 984	158	7 142
Net investment income	220	1 310	333	1 863	123	1 986
Net realised investment gains/losses	-32	-92	-19	-143	-51	-194
Other revenues			17	17	24	41
Total revenues	2 604	3 904	2 213	8 721	254	8 975
Expenses						
Claims and claim adjustment						
expenses	-1 450	-2 058	-1 054	-4 562	-118	-4 680
Acquisition costs	-355	-530	-466	-1 351	-41	-1 392
Other expenses	-246	-346	-107	-699	-77	-776
Total expenses	-2 051	-2 934	-1 627	-6 612	-236	-6 848
Operating income/loss	553	970	586	2 109	18	2 127
Claims ratio in %	60.0	76.7	56.0	65.3		
Expense ratio in %	24.9	32.6	30.5	29.4		
Combined ratio in %	84.9	109.3	86.5	94.7		

c) Life & Health business segment – by line of business

For the three months ended 30 June

2007 CHF millions	Life traditional	Health traditional	Admin Re [®]	Total
Revenues				
Premiums earned	2 099	704	309	3 112
Fee income from policyholders	14		264	278
Net investment income	461	190	847	1 498
Net realised investment gains/losses	243	-18	1 178	1 401
Other revenues	2			2
Total revenues	2 819	876	2 596	6 291
Expenses				
Claims and claim adjustment expenses; life and health benefits	-1 726	-633	-658	-3 017
Interest credited to policyholders	-191		-1 564	-1 755
Acquisition costs	-438	-104	-103	-645
Other expenses	-158	-48	-115	-321
Total expenses	-2 513	-785	-2 440	-5 738
Operating income/loss	306	91	156	553
Operating result, excluding non-participating net realised investment gains/losses	234	109	124	467
Net investment income – unit-linked	30		241	271
Net investment income – with-profit business			102	102
Net investment income – non-participating	431	190	504	1 125
Net realised investment gains/losses – unit-linked	171		1 117	1 288
Net realised investment gains/losses – with-profit business			27	27
Net realised investment gains/losses – non-participating	72	-18	32	86
Operating revenues¹	2 546	894	1 077	4 517
Management expense ratio in %	6.2	5.4	10.7	7.1
Benefit ratio² in %				89.6

¹ Operating revenues exclude net investment income and net realised investment gains/losses from unit-linked and with-profit business as these are passed through to contract holders and therefore do not have an impact on the operating result. Operating revenues also excludes net realised investment gains/losses from non-participating business.

² The benefit ratio is calculated as claims divided by premiums, excluding unit-linked and with-profit business.

Life & Health business segment – by line of business

For the three months ended 30 June

2008 CHF millions	Life traditional	Health traditional	Admin Re ¹	Total
Revenues				
Premiums earned	1 827	579	256	2 662
Fee income from policyholders	14		187	201
Net investment income	352	191	677	1 220
Net realised investment gains/losses	-298	-24	-825	-1 147
Other revenues	2			2
Total revenues	1 897	746	295	2 938
Expenses				
Claims and claim adjustment expenses: life and health benefits	-1 401	-330	-308	-2 039
Interest credited to policyholders	212		183	395
Acquisition costs	-314	-69	-136	-519
Other expenses	-112	-50	-56	-218
Total expenses	-1 615	-449	-317	-2 381
Operating income/loss	282	297	-22	557
Operating result, excluding non-participating net realised investment gains/losses	322	321	88	731
Net investment income – unit-linked	48		180	228
Net investment income – with-profit business			60	60
Net investment income – non-participating	304	191	437	932
Net realised investment gains/losses – unit-linked	-258		-594	-852
Net realised investment gains/losses – with-profit business			-121	-121
Net realised investment gains/losses – non-participating	-40	-24	-110	-174
Operating revenues ¹	2 147	770	880	3 797
Management expense ratio in %	5.2	6.5	6.4	5.7
Benefit ratio ² in %				77.5

¹ Operating revenues exclude net investment income and net realised investment gains/losses from unit-linked and with-profit business as these are passed through to contract holders and therefore do not have an impact on the operating result. Operating revenues also excludes net realised investment gains/losses from non-participating business.

² The benefit ratio is calculated as claims divided by premiums, excluding unit-linked and with-profit business.

Life & Health business segment – by line of business

For the six months ended 30 June

2007 CHF millions	Life traditional	Health traditional	Admin Re [®]	Total
Revenues				
Premiums earned	4 074	1 462	765	6 301
Fee income from policyholders	21		470	491
Net investment income	828	320	1 425	2 573
Net realised investment gains/losses	459	42	1 650	2 151
Other revenues	2			2
Total revenues	5 384	1 824	4 310	11 518
Expenses				
Claims and claim adjustment expenses; life and health benefits	-3 179	-1 273	-1 458	-5 910
Interest credited to policyholders	-245		-2 146	-2 391
Acquisition costs	-817	-240	-179	-1 236
Other expenses	-319	-87	-210	-616
Total expenses	-4 560	-1 600	-3 993	-10 153
Operating income/loss	824	224	317	1 365
Operating result, excluding non-participating net realised investment gains/losses	540	182	98	820
Net investment income – unit-linked	58		347	405
Net investment income – with-profit business			182	182
Net investment income – non-participating	770	320	916	2 006
Net realised investment gains/losses – unit-linked	175		1 414	1 589
Net realised investment gains/losses – with-profit business			17	17
Net realised investment gains/losses – non-participating	284	42	219	545
Operating revenues¹	4 867	1 782	2 151	8 800
Management expense ratio in %	6.6	4.9	9.8	7.0
Benefit ratio ² in %				92.0

¹ Operating revenues exclude net investment income and net realised investment gains/losses from unit-linked and with-profit business as these are passed through to contract holders and therefore do not have an impact on the operating result. Operating revenues also excludes net realised investment gains/losses from non-participating business.

² The benefit ratio is calculated as claims divided by premiums, excluding unit-linked and with-profit business.

Life & Health business segment – by line of business

For the six months ended 30 June

2008 CHF millions	Life traditional	Health traditional	Admin Re [®]	Total
Revenues				
Premiums earned	3715	1234	480	5429
Fee income from policyholders	32		352	384
Net investment income	642	349	1459	2450
Net realised investment gains/losses	-316	-21	-2509	-2846
Other revenues	2			2
Total revenues	4075	1562	-218	5419
Expenses				
Claims and claim adjustment expenses; life and health benefits	-2887	-877	-548	-4312
Interest credited to policyholders	166		1360	1526
Acquisition costs	-728	-194	-231	-1153
Other expenses	-229	-88	-157	-474
Total expenses	-3678	-1159	424	-4413
Operating Income/loss	397	403	206	1006
Operating result, excluding non-participating net realised investment gains/losses	455	424	244	1123
Net investment income – unit-linked	75		346	421
Net investment income – with-profit business			138	138
Net investment income – non-participating	567	349	975	1891
Net realised investment gains/losses – unit-linked	-258		-2022	-2280
Net realised investment gains/losses – with-profit business			-449	-449
Net realised investment gains/losses – non-participating	-58	-21	-38	-117
Operating revenues¹	4316	1583	1807	7706
Management expense ratio in %	5.3	5.6	8.7	6.2
Benefit ratio² in %				84.5

¹ Operating revenues exclude net investment income and net realised investment gains/losses from unit-linked and with-profit business as these are passed through to contract holders and therefore do not have an impact on the operating result. Operating revenues also excludes net realised investment gains/losses from non-participating business.

² The benefit ratio is calculated as claims divided by premiums, excluding unit-linked and with-profit business.

d) Financial Markets

For the three months ended 30 June

2007 CHF millions	Credit & Rates	Equity & Alternative Investments	Other	Total
Revenues				
Premiums earned				
Net investment income	1 909	281	-6	2 184
Net realised investment gains/losses	-186	445	10	289
Other revenues	26			26
Total revenues	1 749	726	4	2 479
Expenses				
Claims and claim adjustment expenses				
Acquisition costs				
Other expenses				
Total expenses	0	0	0	0
Operating income/loss	1 749	726	4	2 479

2008 CHF millions	Credit & Rates	Equity & Alternative Investments	Other	Total
Revenues				
Premiums earned				
Net investment income	1 792	61	-2	1 851
Net realised investment gains/losses	-875	301	-339	-913
Other revenues	12	1		13
Total revenues	929	363	-341	951
Expenses				
Claims and claim adjustment expenses				
Acquisition costs				
Other expenses				
Total expenses	0	0	0	0
Operating income/loss	929	363	-341	951

Financial Markets

For the six months ended 30 June

2007 CHF millions	Credit & Rates	Equity & Alternative Investments	Other	Total
Revenues				
Premiums earned				
Net investment income	3 483	214	-11	3 686
Net realised investment gains/losses	48	988	19	1 055
Other revenues	53			53
Total revenues	3 584	1 202	8	4 794

Expenses				
Claims and claim adjustment expenses				
Acquisition costs				
Other expenses				
Total expenses	0	0	0	0

Operating income/loss	3 584	1 202	8	4 794
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2008 CHF millions	Credit & Rates	Equity & Alternative Investments	Other	Total
Revenues				
Premiums earned				
Net investment income	3 690	94	-1	3 783
Net realised investment gains/losses	-982	706	-1 206	-1 482
Other revenues	38	1		39
Total revenues	2 746	801	-1 207	2 340

Expenses				
Claims and claim adjustment expenses				
Acquisition costs				
Other expenses				
Total expenses	0	0	0	0

Operating income/loss	2 746	801	-1 207	2 340
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11 Variable interest entities

The Group holds a variable interest in various entities due to a modified coinsurance agreement, certain insurance-linked and credit-linked securitisations, private equity limited partnerships, hedge funds, debt financing and other entities, which meet the definition of a variable interest entity (VIE).

The insurance-linked and credit-linked securitisations transfer pre-existing insurance or credit risk to the capital markets through the issuance of insurance-linked or credit-linked securities. In insurance-linked securitisations, the securitisation vehicle initially assumes the insurance risk through insurance contracts. In credit-linked securitisations, the securitisation vehicle initially assumes the credit risk through credit default swaps.

The securitisation vehicle generally retains the issuance proceeds as collateral. The Group's variable interests arise through ownership of insurance-linked and credit-linked securities, or through protection provided for the value of the collateral held. The Group's maximum exposure to loss equals the higher of the carrying amount of the collateral protected or the carrying amount of the insurance-linked or credit-linked securities held. The collateral held usually consists of investment grade securities.

Investment vehicles also include private equity limited partnerships and hedge funds. The Group's variable interests arise through an ownership interest in the vehicle or a guarantee of the value of the assets held by the vehicle. The maximum exposure to loss equals the carrying amount of the ownership interest or the maximum amount payable under the guarantee.

Debt financing vehicles issue loan notes to provide the Group with funding. The maximum potential loss is limited to the lower of the total assets excluding the funding provided to the Group and the carrying amount of the Group's ownership interest.

The following table shows the total assets of VIEs of which the Group is the primary beneficiary, but does not hold a majority voting interest:

CHF millions	As of 31 December 2007	As of 30 June 2008
Modified coinsurance agreement	4 022	3 818
Investment vehicles	8 007	6 963
Other	1	
Total	12 030	10 781

As of 30 June 2008, the consolidation of the VIEs resulted in a minority interest in the balance sheet of CHF 401 million (2007: CHF 435 million). The minority interest is included in accrued expenses and other liabilities. The net minority interest in income was CHF 44 million and CHF 9 million net of tax for the six months ended 30 June 2007 and 2008, respectively. The income statement impacts are generally included in the relevant segment with the underlying movement in income or expenses.

The following table shows the total assets of, and maximum exposure to loss in, VIEs in which the Group holds a significant variable interest:

CHF millions	As of 31 December 2007		As of 30 June 2008	
	Total Assets	Maximum exposure to loss	Total Assets	Maximum exposure to loss
Insurance-linked/credit-linked securitisations	10 874	10 874	7 999	7 999
Investment vehicles	17 684	2 089	6 535	1 881
Debt financing	7 753	526	5 954	470
Other	1 690	1 137	1 775	1 303
Total	38 001	14 626	22 263	11 653

12 Contingent liabilities

On 27 February 2008 a putative securities class action complaint was filed in the US District Court for the Southern District of New York against Swiss Re Zurich and various of its executive officers alleging false and misleading statements in connection with the mark-to-market loss, announced on 19 November 2007. On 28 July 2008, the court appointed Plumbers' Union Local No. 12 Pension Fund as the lead plaintiff for the class action. Swiss Re Zurich intends to vigorously defend against the class action.

Note on market risk

In November 2007, Swiss Re reported a fourth quarter CHF 1.2 billion mark-to-market loss arising from its exposure to two related structured credit default swaps written by its former Credit Solutions business. For 2007, the mark-to-market loss was CHF 1.3 billion before tax, and, for the first two quarters of 2008, Swiss Re reports a further loss of CHF 1.2 billion. With respect to these credit default swaps, Swiss Re remains exposed to continued fluctuations in the market value of the underlying securities and could be required to report further mark-to-market losses. Were the credit markets to continue to deteriorate, Swiss Re could face further losses in other areas of its portfolio, including other structured instruments it holds.

The deterioration in the credit markets has had, and can be expected to have (at least in the near term), an adverse impact on the ability of market participants, including Swiss Re and its counterparties, to value credit default swaps and other credit-related instruments. For financial reporting purposes, Swiss Re values its exposures on a mark-to-market basis, which focuses on market valuations, even where no market may exist, as opposed to potential ultimate cash losses. In the absence of a liquid market, various methodologies may be available to value securities positions. Valuation is a complex process involving quantitative modelling and management judgment, which is also impacted by external factors, including default rates, rating agency action, financial strength of counterparties and prices of observable comparable market transactions. Valuation processes can produce different outcomes and such differences can be significant. This creates additional uncertainty and differences of opinion among counterparties to swaps and other similar instruments as to obligations in respect of collateral and other terms of such instruments. These, in turn, could result in disputes among counterparties as to the respective obligations of the counterparties, the outcomes of which are difficult to predict and could be material.

Swiss Re becomes aware of counterparty valuations either directly, through the exchange of information, or indirectly, for example, through demands for Swiss Re to post collateral. These valuations may differ significantly from Swiss Re's estimates. Counterparty valuation estimates for collateral purposes are considered in the independent price verification process and may result in adjustments to initially indicated valuations.

Cautionary note on forward-looking statements

Certain statements and illustrations contained herein are forward-looking. These statements and illustrations provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact. Forward-looking statements typically are identified by words or phrases such as "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as "will", "should", "would" and "could". These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause Swiss Re's actual results, performance, achievements or prospects to be materially different from any future results, performance, achievements or prospects expressed or implied by such statements. Such factors include, among others:

- changes in global economic conditions and the risk of a global economic downturn;
- direct and indirect impact of continuing deterioration in the credit markets, and further adverse rating actions by credit rating agencies in respect of structured credit products or other credit-related exposures and of monoline insurance companies;
- the occurrence of other unanticipated market developments or trends;
- the ability to maintain sufficient liquidity and access to capital markets;
- the cyclical nature of the reinsurance industry;
- uncertainties in estimating reserves;
- the effect of market conditions, including the global equity and credit markets, and the level and volatility of equity prices, interest rates, currency values and other market indices;
- changes in Swiss Re's investment results;
- uncertainties in valuing credit default swaps and other credit-related instruments;
- the frequency, severity and development of insured claim events;
- acts of terrorism and acts of war;
- mortality and morbidity experience;
- policy renewal and lapse rates;
- changes in rating agency policies or practices;
- the lowering or loss of one of the financial or claims-paying ratings of one or more of Swiss Re's subsidiaries;
- political risks in the countries in which Swiss Re operates or in which it insures risks;
- extraordinary events affecting Swiss Re's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- risks associated with implementing Swiss Re's business strategies;
- the impact of current, pending and future legislation, regulation and regulatory and legal actions;
- the impact of significant investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transactions, including, in the case of acquisitions, issues arising in connection with integrating acquired operations;
- changing levels of competition; and
- operational factors, including the efficacy of risk management and other internal procedures in managing the foregoing risks.

These factors are not exhaustive. Swiss Re operates in a continually changing environment and new risks emerge continually. Readers are cautioned not to place undue reliance on forward-looking statements. Swiss Re undertakes no obligation to publicly revise or update any forward-looking statements, whether as a result of new information, future events or otherwise.

Information

Corporate calendar

25 September 2008

Investors' Day

4 November 2008

Third quarter results

19 February 2009

2008 annual results

17 April 2009

145th Annual General Meeting

7 May 2009

First quarter results

Contact information

Investor Relations

Susan Holliday

Telephone +41 43 285 4444

Fax +41 43 285 5555

investor_relations@swissre.com

Media Relations

Simone Lauper

Telephone +41 43 285 7171

Fax +41 43 285 2023

media_relations@swissre.com

Share Register

Karl Haas

Telephone +41 43 285 3294

Fax +41 43 285 3480

share_register@swissre.com

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Second Quarter 2008 Report



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