

## Consolidated income statements

in USD millions, for the years ended December 31	Notes	2014	2013
<b>Revenues</b>			
Gross written premiums		52,069	51,965
Policy fees		2,712	2,884
Gross written premiums and policy fees		54,781	54,849
Less premiums ceded to reinsurers		(6,101)	(6,546)
Net written premiums and policy fees		48,680	48,303
Net change in reserves for unearned premiums	11	(359)	(1,025)
Net earned premiums and policy fees		48,321	47,277
Farmers management fees and other related revenues	26	2,791	2,810
Net investment result on Group investments	6	9,209	7,398
Net investment income on Group investments		6,206	6,240
Net capital gains/(losses) and impairments on Group investments		3,002	1,157
Net investment result on unit-linked investments		10,784	12,805
Net gain/(loss) on divestments of businesses		(259)	(1)
Other income		1,723	1,757
<b>Total revenues</b>		<b>72,569</b>	<b>72,045</b>
<b>Benefits, losses and expenses</b>			
Insurance benefits and losses, gross of reinsurance	11	37,452	35,256
Less ceded insurance benefits and losses	11	(3,088)	(3,058)
Insurance benefits and losses, net of reinsurance	11	34,364	32,198
Policyholder dividends and participation in profits, net of reinsurance	11	12,568	13,946
Underwriting and policy acquisition costs, net of reinsurance	11	9,835	10,041
Administrative and other operating expense	13	8,910	8,804
Interest expense on debt		525	586
Interest credited to policyholders and other interest		523	510
<b>Total benefits, losses and expenses</b>		<b>66,725</b>	<b>66,086</b>
<b>Net income before income taxes</b>		<b>5,844</b>	<b>5,960</b>
Income tax expense	18	(1,670)	(1,701)
attributable to policyholders	18	(106)	(285)
attributable to shareholders	18	(1,564)	(1,415)
<b>Net income after taxes</b>		<b>4,174</b>	<b>4,259</b>
attributable to non-controlling interests		280	231
attributable to shareholders		3,895	4,028
in USD			
Basic earnings per share	20	26.31	27.33
Diluted earnings per share	20	26.08	27.22
in CHF			
Basic earnings per share	20	24.05	25.33
Diluted earnings per share	20	23.84	25.23

The notes to the Consolidated financial statements are an integral part of these Consolidated financial statements.

## Consolidated financial statements *continued*

### Consolidated balance sheets

Assets	in USD millions, as of December 31	Notes	2014	2013
	<b>Investments</b>			
	Total Group investments	6	204,860	207,280
	Cash and cash equivalents		7,600	7,181
	Equity securities		16,099	13,183
	Debt securities		153,648	156,456
	Investment property		8,784	8,745
	Mortgage loans		7,826	9,798
	Other loans		10,834	11,789
	Investments in associates and joint ventures		70	129
	Investments for unit-linked contracts		134,416	134,267
	<b>Total investments</b>		<b>339,276</b>	<b>341,547</b>
	Reinsurers' share of reserves for insurance contracts	8	16,550	17,978
	Deposits made under assumed reinsurance contracts		2,203	2,645
	Deferred policy acquisition costs	12	17,750	18,724
	Deferred origination costs	12	595	724
	Accrued investment income <sup>1</sup>		1,912	2,321
	Receivables and other assets	16	16,946	18,499
	Deferred tax assets	18	1,561	2,020
	Assets held for sale <sup>2</sup>		48	223
	Property and equipment	14	1,273	1,494
	Goodwill	15	1,661	1,852
	Other intangible assets	15	6,754	7,028
	<b>Total assets</b>		<b>406,529</b>	<b>415,053</b>

<sup>1</sup> Accrued investment income on unit-linked investments amounted to USD 133 million and USD 230 million as of December 31, 2014 and December 31, 2013, respectively.

<sup>2</sup> December 31, 2014 included land and buildings formerly classified as investment property amounting to USD 48 million. December 31, 2013 included assets relating to a subsidiary of Centre Group Holdings Limited amounting to USD 100 million (see note 5) and land and buildings formerly classified as investment property amounting to USD 123 million.

Liabilities  
and equity

in USD millions, as of December 31	Notes	2014	2013
<b>Liabilities</b>			
Reserve for premium refunds		606	571
Liabilities for investment contracts	9	70,813	67,113
Deposits received under ceded reinsurance contracts		1,022	1,245
Deferred front-end fees		5,539	5,791
Reserves for insurance contracts	8	253,719	265,440
Obligations to repurchase securities		1,451	1,685
Accrued liabilities		3,065	3,023
Other liabilities	17	17,230	17,904
Deferred tax liabilities	18	5,020	5,110
Liabilities held for sale <sup>1</sup>		–	49
Senior debt	19	5,379	6,044
Subordinated debt	19	5,857	6,342
<b>Total liabilities</b>		<b>369,700</b>	<b>380,319</b>
<b>Equity</b>			
Share capital	20	11	11
Additional paid-in capital	20	4,843	6,395
Net unrealized gains/(losses) on available-for-sale investments		4,068	1,730
Cash flow hedges		306	106
Cumulative foreign currency translation adjustment		(6,259)	(4,008)
Revaluation reserve		218	195
Retained earnings		31,548	28,075
<b>Shareholders' equity</b>		<b>34,735</b>	<b>32,503</b>
Non-controlling interests		2,095	2,231
<b>Total equity</b>		<b>36,830</b>	<b>34,734</b>
<b>Total liabilities and equity</b>		<b>406,529</b>	<b>415,053</b>

<sup>1</sup> December 31, 2013 included liabilities relating to a subsidiary of Centre Group Holdings Limited amounting to USD 49 million (see note 5).

The notes to the Consolidated financial statements are an integral part of these Consolidated financial statements.

## Consolidated financial statements *continued*

### Consolidated statements of cash flows

in USD millions, for the years ended December 31	2014	2013
<b>Cash flows from operating activities</b>		
Net income attributable to shareholders	3,895	4,028
Adjustments for:		
Net (gain)/loss on divestments of businesses	259	1
(Income)/expense from equity method accounted investments	(12)	(11)
Depreciation, amortization and impairments of fixed and intangible assets	1,012	1,198
Other non-cash items	62	805
Underwriting activities:	14,532	8,144
<i>Reserves for insurance contracts, gross</i>	4,759	(727)
<i>Reinsurers' share of reserves for insurance contracts</i>	691	1,787
<i>Liabilities for investment contracts</i>	9,746	7,984
<i>Deferred policy acquisition costs</i>	(1,014)	(578)
<i>Deferred origination costs</i>	55	62
<i>Deposits made under assumed reinsurance contracts</i>	429	(58)
<i>Deposits received under ceded reinsurance contracts</i>	(134)	(327)
Investments:	(15,265)	(11,006)
<i>Net capital (gains)/losses on total investments and impairments</i>	(12,015)	(12,245)
<i>Net change in derivatives</i>	38	(75)
<i>Net change in money market investments</i>	1,939	936
<i>Sales and maturities</i>		
<i>Debt securities</i>	108,774	109,173
<i>Equity securities</i>	57,048	49,223
<i>Other</i>	7,869	10,684
<i>Purchases</i>		
<i>Debt securities</i>	(104,376)	(113,258)
<i>Equity securities</i>	(67,124)	(50,186)
<i>Other</i>	(7,418)	(5,258)
Net changes in sale and repurchase agreements	(139)	117
Movements in receivables and payables	913	(1,260)
Net changes in other operational assets and liabilities	425	(252)
Deferred income tax, net	178	228
<b>Net cash provided by/(used in) operating activities</b>	<b>5,860</b>	<b>1,992</b>

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in USD millions, for the years ended December 31	2014	2013
<b>Cash flows from investing activities</b>		
Disposals of tangible and intangible assets	86	66
Additions to tangible and intangible assets	(1,381)	(831)
(Acquisitions)/disposals of equity method accounted investments, net	95	(24)
Acquisitions of companies, net of cash acquired	(100)	–
Divestments of companies, net of cash divested	67	–
Dividends from equity method accounted investments	1	1
<b>Net cash provided by/(used in) investing activities</b>	<b>(1,233)</b>	<b>(788)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(2,958)	(2,889)
Issuance of share capital	129	44
Net movement in treasury shares	25	15
Other acquisitions and divestments related cash flows	(403)	–
Issuance of debt	1,526	1,545
Repayment of debt	(1,560)	(1,948)
<b>Net cash provided by/(used in) financing activities</b>	<b>(3,241)</b>	<b>(3,233)</b>
Foreign currency translation effects on cash and cash equivalents	(773)	(17)
<b>Change in cash and cash equivalents</b>	<b>614</b>	<b>(2,046)</b>
Cash and cash equivalents as of January 1	8,162	10,208
<b>Cash and cash equivalents as of December 31</b>	<b>8,776</b>	<b>8,162</b>
of which:		
– Group investments	7,600	7,181
– Unit-linked	1,176	982
<b>Other supplementary cash flow disclosures</b>		
Other interest income received	6,261	6,437
Dividend income received	1,968	1,724
Other interest expense paid	(1,124)	(1,180)
Income taxes paid	(1,379)	(1,186)

#### Cash and cash equivalents

in USD millions, as of December 31	2014	2013
<b>Cash and cash equivalents comprise the following:</b>		
Cash at bank and in hand	6,592	5,746
Cash equivalents	2,184	2,416
<b>Total</b>	<b>8,776</b>	<b>8,162</b>

As of December 31, 2014 and 2013, cash and cash equivalents held to meet local regulatory requirements were USD 817 million and USD 1,284 million, respectively.

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