

## Consolidated income statements

in USD millions, for the years ended December 31	Notes	2015	Restated 2014
<b>Revenues</b>			
Gross written premiums		48,490	52,069
Policy fees		2,508	2,712
Gross written premiums and policy fees		50,998	54,781
Less premiums ceded to reinsurers <sup>1</sup>		(8,078)	(6,101)
Net written premiums and policy fees		42,920	48,680
Net change in reserves for unearned premiums	11	(296)	(359)
Net earned premiums and policy fees		42,624	48,321
Farmers management fees and other related revenues	27	2,786	2,791
Net investment result on Group investments	6	7,462	9,211
Net investment income on Group investments		5,572	6,206
Net capital gains/(losses) and impairments on Group investments		1,891	3,004
Net investment result on unit-linked investments		6,238	10,784
Net gain/(loss) on divestments of businesses		10	(259)
Other income		1,448	1,723
<b>Total revenues</b>		<b>60,568</b>	<b>72,571</b>
<b>Benefits, losses and expenses</b>			
Insurance benefits and losses, gross of reinsurance	11	36,076	37,452
Less ceded insurance benefits and losses <sup>1</sup>	11	(5,330)	(3,088)
Insurance benefits and losses, net of reinsurance	11	30,746	34,364
Policyholder dividends and participation in profits, net of reinsurance	11	7,863	12,568
Underwriting and policy acquisition costs, net of reinsurance	11	9,061	9,835
Administrative and other operating expense	13	8,659	8,858
Interest expense on debt		431	525
Interest credited to policyholders and other interest		467	523
<b>Total benefits, losses and expenses</b>		<b>57,227</b>	<b>66,672</b>
<b>Net income before income taxes</b>		<b>3,340</b>	<b>5,898</b>
Income tax (expense)/benefit	18	(1,294)	(1,670)
attributable to policyholders	18	(110)	(106)
attributable to shareholders	18	(1,183)	(1,564)
<b>Net income after taxes</b>		<b>2,047</b>	<b>4,228</b>
attributable to non-controlling interests		205	280
attributable to shareholders		1,842	3,949
in USD			
Basic earnings per share	20	12.36	26.68
Diluted earnings per share	20	12.33	26.44
in CHF			
Basic earnings per share	20	11.89	24.39
Diluted earnings per share	20	11.86	24.17

<sup>1</sup> The Group's life operations in the UK entered into a reinsurance agreement to transfer the risk associated with a significant annuities portfolio as of April 1, 2015 and an additional tranche as of October 1, 2015. The combined initial impact of these transactions was an increase of USD 1.8 billion in premiums ceded to reinsurers and an increase of USD 1.8 billion in ceded insurance benefits and losses in the Global Life business.

## Consolidated financial statements *continued*

### Consolidated balance sheets

Assets

in USD millions, as of

	Notes	12/31/15	Restated 12/31/14	01/01/14
Investments				
Total Group investments	6	191,238	204,860	207,280
Cash and cash equivalents		8,159	7,600	7,181
Equity securities		18,873	16,099	13,183
Debt securities		137,730	153,648	156,456
Investment property		9,865	8,784	8,745
Mortgage loans		7,024	7,826	9,798
Other loans		9,569	10,834	11,789
Investments in associates and joint ventures		18	70	129
Investments for unit-linked contracts		126,728	134,416	134,267
Total investments <sup>1</sup>		317,966	339,276	341,547
Reinsurers' share of reserves for insurance contracts <sup>1</sup>	8	17,774	16,550	17,978
Deposits made under assumed reinsurance contracts		1,708	2,203	2,645
Deferred policy acquisition costs	12	17,677	17,750	18,724
Deferred origination costs	12	506	595	724
Accrued investment income <sup>2</sup>		1,727	1,912	2,321
Receivables and other assets	16	14,930	16,946	18,499
Deferred tax assets	18	1,455	1,561	2,020
Assets held for sale <sup>3</sup>		10	48	223
Property and equipment	14	1,140	1,273	1,494
Attorney-in-fact contracts	15	1,025	1,025	1,025
Goodwill	15	1,289	1,661	1,852
Other intangible assets	15	4,766	5,729	6,003
Total assets		381,972	406,529	415,053

<sup>1</sup> The Group's life operations in the UK entered into a reinsurance agreement to transfer the risk associated with a significant annuities portfolio as of April 1, 2015 and an additional tranche as of October 1, 2015. The combined initial impact of these transactions was a decrease of USD 1.7 billion in total investments and an increase of USD 1.8 billion in Reinsurers' share of reserves for insurance contracts in the Global Life business.

<sup>2</sup> Accrued investment income on unit-linked investments amounted to USD 106 million and USD 133 million as of December 31, 2015 and 2014, respectively.

<sup>3</sup> December 31, 2015 included land and buildings previously classified as investment property amounting to USD 10 million. December 31, 2014 included land and buildings formerly classified as investment property amounting to USD 48 million.

## Liabilities and equity

in USD millions, as of

	Notes	12/31/15	Restated 12/31/14	01/01/14
<b>Liabilities</b>				
Reserve for premium refunds		537	606	571
Liabilities for investment contracts	9	70,627	70,813	67,113
Deposits received under ceded reinsurance contracts		903	1,022	1,245
Deferred front-end fees		5,299	5,539	5,791
Reserves for insurance contracts	8	237,622	253,719	265,440
Obligations to repurchase securities		1,596	1,451	1,685
Accrued liabilities		2,849	3,065	3,023
Other liabilities	17	15,051	17,230	17,904
Deferred tax liabilities	18	4,498	5,020	5,110
Liabilities held for sale		–	–	49
Senior debt	19	4,471	5,379	6,044
Subordinated debt	19	5,614	5,857	6,342
<b>Total liabilities</b>		<b>349,069</b>	<b>369,700</b>	<b>380,319</b>
<b>Equity</b>				
Share capital	20	11	11	11
Additional paid-in capital	20	3,245	4,843	6,395
Net unrealized gains/(losses) on available-for-sale investments		2,556	4,068	1,730
Cash flow hedges		294	306	106
Cumulative foreign currency translation adjustment		(9,347)	(6,313)	(4,008)
Revaluation reserve		228	218	195
Retained earnings		34,192	31,602	28,075
Shareholders' equity		31,178	34,735	32,503
Non-controlling interests		1,725	2,095	2,231
<b>Total equity</b>		<b>32,904</b>	<b>36,830</b>	<b>34,734</b>
<b>Total liabilities and equity</b>		<b>381,972</b>	<b>406,529</b>	<b>415,053</b>

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

	2015	Restated 2014
<b>Cash flows from operating activities</b>		
Net income attributable to shareholders	1,842	3,949
Adjustments for:		
Net (gain)/loss on divestments of businesses	(10)	259
(Income)/expense from equity method accounted investments	(8)	(12)
Depreciation, amortization and impairments of fixed and intangible assets	1,200	1,012
Other non-cash items	325	9
Underwriting activities:	6,868	14,532
Reserves for insurance contracts, gross	4,528	4,759
Reinsurers' share of reserves for insurance contracts <sup>1</sup>	(1,981)	691
Liabilities for investment contracts	4,806	9,746
Deferred policy acquisition costs	(981)	(1,014)
Deferred origination costs	47	55
Deposits made under assumed reinsurance contracts	526	429
Deposits received under ceded reinsurance contracts	(77)	(134)
Investments:	(4,703)	(15,267)
Net capital (gains)/losses on total investments and impairments	(6,261)	(12,017)
Net change in derivatives	200	38
Net change in money market investments	1,415	1,939
Sales and maturities		
Debt securities <sup>1</sup>	85,797	108,774
Equity securities	60,722	57,048
Other	7,444	7,869
Purchases		
Debt securities	(83,237)	(104,376)
Equity securities	(62,423)	(67,124)
Other	(8,361)	(7,418)
Net changes in sale and repurchase agreements	237	(139)
Movements in receivables and payables	(69)	913
Net changes in other operational assets and liabilities	(485)	425
Deferred income tax, net	24	178
<b>Net cash provided by/(used in) operating activities</b>	<b>5,222</b>	<b>5,860</b>

<sup>1</sup> The Group's life operations in the UK entered into a reinsurance agreement to transfer the risk associated with a significant annuities portfolio as of April 1, 2015 and an additional tranche as of October 1, 2015. The combined initial impact of these transactions was an increase of USD 1.8 billion in reinsurers' share of reserves for insurance contracts and a transfer of USD 1.7 million of debt securities in the Global Life business.

in USD millions, for the years ended December 31

	2015	Restated 2014
<b>Cash flows from investing activities</b>		
Disposals of tangible and intangible assets	60	86
Additions to tangible and intangible assets	(678)	(1,381)
(Acquisitions)/disposals of equity method accounted investments, net	88	95
Acquisitions of companies, net of cash acquired	(8)	(100)
Divestments of companies, net of cash divested	4	67
Dividends from equity method accounted investments	8	1
Net cash provided by/(used in) investing activities	(526)	(1,233)
<b>Cash flows from financing activities</b>		
Dividends paid	(2,869)	(2,958)
Issuance of share capital	44	129
Net movement in treasury shares	21	25
Other acquisitions and divestments related cash flows	(34)	(403)
Issuance of debt	298	1,526
Repayment of debt	(1,023)	(1,560)
Net cash provided by/(used in) financing activities	(3,564)	(3,241)
Foreign currency translation effects on cash and cash equivalents	(714)	(773)
Change in cash and cash equivalents	417	614
Cash and cash equivalents as of January 1	8,776	8,162
<b>Cash and cash equivalents as of December 31</b>	<b>9,193</b>	<b>8,776</b>
of which:		
– Group investments	8,159	7,600
– Unit-linked	1,034	1,176
<b>Other supplementary cash flow disclosures</b>		
Other interest income received	5,150	6,261
Dividend income received	1,999	1,968
Other interest expense paid	(997)	(1,124)
Income taxes paid	(1,400)	(1,379)

**Cash and cash equivalents**

in USD millions, as of December 31

	2015	2014
<b>Cash and cash equivalents comprise the following:</b>		
Cash at bank and in hand	7,037	6,592
Cash equivalents	2,156	2,184
<b>Total<sup>1</sup></b>	<b>9,193</b>	<b>8,776</b>

<sup>1</sup> Includes cash and cash equivalents for unit-linked contracts of USD 1,034 million and USD 1,176 million as of December 31, 2015 and 2014, respectively.

As of December 31, 2015 and 2014, cash and cash equivalents held to meet local regulatory requirements were USD 710 million and USD 817 million, respectively.

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