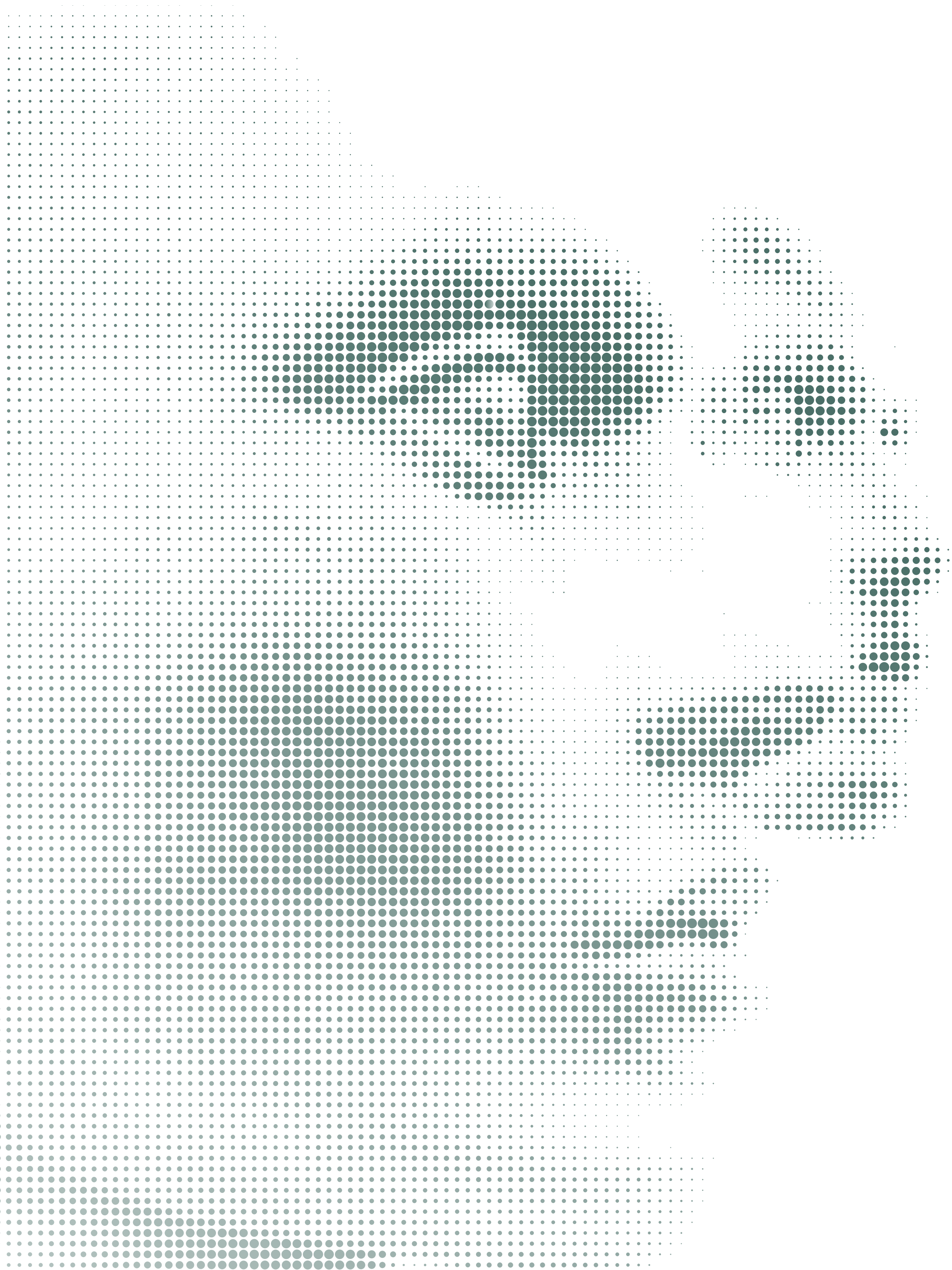
Swiss Re

Swiss Re Group

Second Quarter 2014 Report



Key information

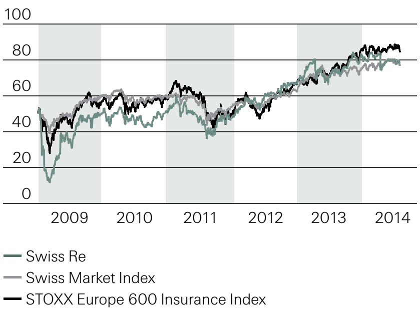
Financial highlights

For the three months ended 30 June

USD millions, unless otherwise stated	2013	2014	Change in %
Group			
Net income attributable to common shareholders	786	**802**	2
Premiums earned and fee income	6795	**7560**	11
Earnings per share in CHF	2.14	**2.08**	–3
Shareholders' equity (31.12.2013/30.06.2014)	32952	**33628**	2
Return on equity[1] in % (annualised)	10.0	**9.7**	
Return on investments in % (annualised)	3.8	**4.1**	
Number of employees[2] (31.12.2013/30.06.2014)	11574	**11634**	
Property & Casualty Reinsurance[3]			
Net income attributable to common shareholders	455	**553**	22
Premiums earned	3170	**3560**	12
Combined ratio in %	101.1	**93.5**	
Return on equity[1] in %	17.3	**17.3**	
Life & Health Reinsurance[3]			
Net income attributable to common shareholders	154	**48**	–69
Premiums earned and fee income	2499	**2895**	16
Operating margin in %	5.3	**7.1**	
Return on equity[1] in %	10.3	**3.0**	
Corporate Solutions			
Net income attributable to common shareholders	55	**66**	20
Premiums earned	686	**841**	23
Combined ratio in %	96.9	**93.2**	
Return on equity[1] in %	7.7	**10.1**	
Admin Re®			
Net income attributable to common shareholders	109	**117**	7
Premiums earned and fee income	440	**264**	–40
Return on equity[1] in %	7.2	**7.6**	

[1] Return on equity is calculated by dividing annualised net income attributable to common shareholders by average common shareholders' equity.
[2] Regular staff
[3] In the second quarter of 2014, the Reinsurance Business Unit revised the allocation of certain intra-group cost recharges between Property & Casualty and Life & Health. For more information please refer to Note 2.

Share price (CHF)



Financial strength ratings

As of 31 July 2014	Standard & Poor's	Moody's	A.M.Best
Rating	AA-	Aa3	A+
Outlook	Stable	Stable	Stable
Last update	18 December 2013	10 December 2013	31 January 2014

Share information

As of 31 July 2014

Share price in CHF	77.45
Market capitalisation in CHF millions	26503

Share performance

in %	1 January 2009–31 July 2014 (p.a.)	Year to 31 July 2014
Swiss Re	8.0	–5.6
Swiss Market Index	7.8	2.5
STOXX Europe 600 Insurance Index	9.8	–0.4

Content

02 Letter to shareholders
04 Key events
06 Group results
08 Reinsurance
08 Property & Casualty Reinsurance
09 Life & Health Reinsurance
10 Corporate Solutions
11 Admin Re®
12 Outlook

14 Financial statements
14 Income statement
15 Statement of comprehensive income
18 Balance sheet
20 Statement of equity
21 Statement of cash flow

23 Notes to the Group financial statements
23 Note 1 Organisation and summary of significant accounting policies
25 Note 2 Information on business segments
38 Note 3 Insurance information
46 Note 4 Premiums written
47 Note 5 Deferred acquisition costs (DAC) and acquired present value of future profits (PVFP)
48 Note 6 Investments
55 Note 7 Fair value disclosures
67 Note 8 Derivative financial instruments
71 Note 9 Debt and contingent capital instruments
72 Note 10 Earnings per share
73 Note 11 Variable interest entities
77 Note 12 Benefit plans

78 General information
78 Note on risk factors
84 Cautionary note on forward-looking statements
86 Corporate calendar and contact information

Swiss Re Ltd
Swiss Re Ltd is the holding company of the Swiss Re Group. Its shares are listed in accordance with the main standard on the SIX Swiss Exchange and trade under the symbol SREN.

Letter to shareholders

Executing on our strategy for shareholder value

802

Group net income (USD millions)
Second quarter 2014

Dear shareholders

We are very pleased to report Swiss Re's continued strong performance for the first half of 2014. Our net income for the second quarter was USD 802 million, slightly higher than in the same period last year, and contributing to the USD 2.0 billion profit for the first half year.

Quarterly results in our long-term and long-tail core business, where sometimes insurance contracts remain on the books for decades, need to be put into perspective. We don't look at quarterly results in isolation. But the fact is: quarter after quarter, we have now been delivering profitable results, often in excess of expectations. We must not give way to complacency, but we can also derive with confidence from this continuous outperformance that Swiss Re has the right strategy in place, and that it is flexible enough to adapt to changing circumstances. We have got the right approach to leverage Swiss Re's extraordinary expertise and capital strength, no matter where we are in the cycle. We have demonstrated that we can capture business opportunities and make the investments necessary to promote growth and pay attractive dividends.

Through the numbers you can also see that our client relationships are rock solid and that we have a great client franchise – witness the growth in premiums and fee income over the figures we reported last year. We're generating new business, especially in Asia and Europe. We've made Admin Re® a strong earner of cash for the Group, while broadening the strategic options of the Business Unit. Our recent announcement to take on a significant block of pension and annuity policies from HSBC UK Life demonstrates our successful focus on the UK market in the closed life book business.

There are also some things we need to fix, such as the underperforming parts of the Life & Health Reinsurance business. But management is working hard to improve the underlying earning power of this segment, and the good news is: we are making progress here.

Expertise for changing markets
There is no doubt that the market environment has some challenges: low interest rates continue to squeeze profitability. There is also growing competition from alternative capital sources, such as hedge funds and pension funds. However the fact also is that these are not fundamentally new or different challenges, and we have the strategy to meet them.

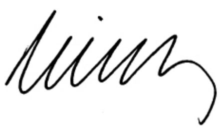
Walter B. Kielholz
Chairman of the Board of Directors

Michel M. Liès
Group CEO

The real excitement lies in the fundamental changes going on. Millions of people in high growth markets are benefiting from insurance for the first time. By 2020 we expect these countries to generate 24% of the world's direct insurance premiums, up from about 18% currently. We are working hard to be there, as evidenced by Corporate Solutions' agreement to acquire Sun Alliance (China) in July. New technologies and methodologies could also open doors to entirely new ways of doing business.

A long-term perspective
We hope you share our excitement for the future and are as pleased as we are by the achievements over the last six months. They bring us yet another step closer to meeting our 2011–2015 financial targets. The targets are our top priority and we remain well on track to meet them. By the time we announce the 2014 year-end results we will introduce targets covering 2016 and beyond. As with the current targets, the focus will firmly remain on profitability, capital management and economic growth – the touchstones of sustainable success over the long term. We thank our employees for keeping us true to that standard, and we thank you for your loyalty to and confidence in Swiss Re.

Zurich, 6 August 2014



Walter B. Kielholz
Chairman of the Board of Directors

Michel M. Liès
Group CEO

Key events

7 May 2014

Swiss Re delivers strong first-quarter Group net income of USD 1.2 billion; 14.9% Group return on equity

Swiss Re reports a strong Group net income of USD 1.2 billion for the first quarter of 2014. All Business Units contributed to the result, led by another impressive contribution from the Property & Casualty Reinsurance segment. April renewals saw a volume increase of 14%, with prices still at attractive levels. Swiss Re remains on track to reach its 2011–2015 financial targets.

5 June 2014

Swiss Re publishes its 2013 Corporate Responsibility Report and updates its Sustainability Risk Framework

Risk management is at the core of what Swiss Re does and as a result the company updated one of the tools it has in place to address sustainability, political, regulatory and emerging risks. Reflecting recent risk developments in some sensitive key areas, Swiss Re made important adjustments to four policies of its company-wide Sustainability Risk Framework. This framework is an industry-leading risk management instrument to identify sustainability risks in Swiss Re's core re/insurance business. It is explained in detail in the company's 2013 Corporate Responsibility Report.

11 June 2014

Swiss Re's Admin Re® enters into a transaction with HSBC and demonstrates commitment to the Admin Re® strategy

Swiss Re has entered into an agreement to acquire through its Admin Re® business unit over 400,000 individual and group pension and related annuity policies as well as GBP 4.2 billion in unit-linked assets from HSBC Life (UK) Ltd. The transaction demonstrates Swiss Re's commitment to delivering tailored solutions to clients and strengthening Admin Re®'s market presence.

3 July 2014

Swiss Re Investors' Day 2014: Focus stays on successful strategy execution, delivering the financial targets and capital management

With the current strategy delivering consistently strong results over the last three years, Swiss Re remains fully committed to its 2011–2015 financial targets. At its annual Investors' Day in London, Swiss Re today provides a detailed update on the strategic initiatives which are the building blocks to its success. By focusing on underwriting excellence, combined with research & development and capital strength, Swiss Re seeks to continue to outperform in core areas while expanding where opportunities exist, for example in high growth markets.

3 July 2014

Corporate Solutions agrees to acquire Sun Alliance Insurance (China) Limited

Swiss Re Corporate Solutions has agreed to acquire 100% of Chinese insurer Sun Alliance Insurance (China) Limited for GBP 71 million (approx. USD 120 million). Sun Alliance Insurance (China) Limited is currently a subsidiary of RSA Insurance Group plc. The acquisition, when completed, will enable Swiss Re Corporate Solutions to offer corporate insurance directly from mainland China. The acquisition is subject to approval from the China Insurance Regulatory Commission (CIRC).

This page intentionally left blank

Group results

Swiss Re reported net income of USD 802 million in the second quarter of 2014, compared to USD 786 million in the same period of 2013. Earnings per share were CHF 2.08 or USD 2.34, compared to CHF 2.14 (USD 2.28) in 2013.

The Group results for the second quarter of 2014 reflect better claims experience and higher investment returns than in the same period of 2013.

Net income for Reinsurance was USD 601 million, in line with the prior-year period. Property & Casualty accounted for USD 553 million, an increase over the prior-year period due to better claims experience and higher investment returns. Life & Health accounted for USD 48 million, compared to USD 154 million in the second quarter of 2013. The decrease was partly driven by non-economic realised investment losses in the current period from an interest rate hedge and foreign exchange impacts.

Corporate Solutions delivered net income of USD 66 million compared to USD 55 million in the prior-year period. The 2014 result reflected continued profitable business growth across all lines of business and benign natural catastrophe losses compared to the same period in 2013, partially offset by a larger number of medium sized man-made losses.

Admin Re® reported net income of USD 117 million compared to USD 109 million in the prior-year period. The result was driven by realised gains, profits recognised from a reinsurance agreement covering UK business acquired in June and lower finance costs following the establishment of a credit facility in April 2014.

Return on investments was 4.1% in the second quarter of 2014, compared to 3.8% for the same period of 2013, with the increase largely attributable to additional net investment income arising from the asset re-balancing that was completed during 2013.

Shareholders' equity decreased to USD 33.6 billion as of 30 June 2014 from USD 35.0 billion at the end of March 2014 reflecting a payment to shareholders of USD 3.1 billion for the 2013 regular and special dividends. This payment was partly offset by unrealised gains on investments, driven by decreasing interest rates, as well as net income for the quarter. Annualised return on equity was 9.7% for the second quarter of 2014 compared to 13.7% for the full year 2013 and 10.0% (annualised) for the second quarter of 2013.

Book value per common share decreased to USD 95.06 or CHF 84.30 at the end of June 2014, compared to USD 99.13 or CHF 87.56 at the end of March 2014. Book value per common share is based on common shareholders' equity and excludes non-controlling interests and the impact of contingent capital instruments.

For information on segment shareholders' equity, please see pages 30 to 31.

Second quarter 2014 operating performance
Premiums earned for Property & Casualty Reinsurance were USD 3.6 billion, or 12% higher than the same period of 2013, mainly driven by lower external retrocession volumes and an increase in business volumes in Asia and Americas from large quota shares treaties written at the end of 2013.

Premiums earned and fee income for Life & Health Reinsurance increased by 16%, driven by health business in Asia and EMEA.

Corporate Solutions premiums earned increased 23% to USD 841 million, reflecting successful growth across all lines of business and the expiry of a major quota share agreement.

The Group's non-participating investment income was USD 1.1 billion, compared to USD 1.0 billion in the same period of the prior year. The increase primarily related to additional income from corporate bonds and, to a lesser extent, alternative investments, with the former being related to the asset re-balancing. The Group running yield was 3.5% in the reporting period, compared to 3.2% in the same period of 2013.

The Group reported non-participating net realised gains of USD 159 million, compared to USD 251 million in the same period of the prior year. The realised gains in the current period were the result of gains from sales of equities as well as government and corporate bonds. These gains were partially offset by non-economic losses on an interest rate hedge the Group maintains as part of its Life & Health Reinsurance portfolio.

The Property & Casualty Reinsurance combined ratio was 93.5% compared to 101.1% in the same period of 2013. The result for 2014 was mainly driven by lower impacts from natural catastrophe and man-made losses, partly offset by less favourable prior accident year development quarter over quarter.

The Corporate Solutions combined ratio for the second quarter of 2014 was 93.2%, compared to 96.9% in the same period of 2013, mainly due to benign natural catastrophe losses compared to the same period in 2013, partially offset by a larger number of medium sized man-made losses.

Life & Health Reinsurance benefits increased 21% to USD 2.4 billion compared to the same period of 2013, reflecting higher business volumes. The operating margin was 7.1% in the second quarter of 2014 compared to 5.3% for the same period of 2013. The 2013 results include reserve strengthening in Australia while 2014 benefited from higher investment income.

Return credited to policyholders reflect the investment performance on the underlying assets, mainly backing unit-linked and with-profit policies, which are passed through to policyholders. In the second quarter of 2014, an investment gain of USD 611 million was passed through to policyholders compared to a loss of USD 182 million in the same period of 2013.

Acquisition costs for the Group increased to USD 1.5 billion in the second quarter of 2014 mainly reflecting higher business volumes.

Administrative expenses were USD 749 million in the second quarter of 2014, 4% higher than in 2013 due to foreign exchange impacts. Other expenses were USD 71 million. The administrative expense ratio fell to 9.9% as business growth more than compensated for slightly higher expense levels.

Interest expenses were USD 191 million, in line with the same period of 2013.

The Group reported a tax expense of USD 131 million on a pre-tax income of USD 951 million in the second quarter of 2014, compared to a benefit of USD 134 million on a pre-tax income of USD 667 million for the same period of 2013. This translates into an effective tax rate in the current reporting period of 13.8% compared to a benefit of 20.1% in the same period of the prior year. The current period benefited from one-off reserve releases but at a significantly lower level than experienced in the second quarter of 2013.

Income statement

USD millions, for the three months ended 30 June	2013	2014	Change in %
Revenues			
Premiums earned	6683	**7432**	11
Fee income from policyholders	112	**128**	14
Net investment income – non-participating	1007	**1112**	10
Net realised investment gains/losses – non-participating	251	**159**	–37
Net investment result – unit-linked and with-profit	–348	**548**	
Other revenues	6	**4**	–33
Total revenues	7711	**9383**	22
Expenses			
Claims and claim adjustment expenses	–2661	**–2662**	0
Life and health benefits	–2396	**–2693**	12
Return credited to policyholders	182	**–611**	
Acquisition costs	–1197	**–1455**	22
Administrative expenses	–722	**–749**	4
Other expenses	–63	**–71**	13
Interest expenses	–187	**–191**	2
Total expenses	–7044	**–8432**	20
Income before income tax expense	667	**951**	43
Income tax expense/benefit	134	**–131**	
Net income before attribution of non-controlling interests	801	**820**	2
Income attributable to non-controlling interests	–1	**0**	
Net income after attribution of non-controlling interests	800	**820**	3
Interest on contingent capital instruments	–14	**–18**	29
Net income attributable to common shareholders	786	**802**	2

Reinsurance

The Reinsurance Business Unit, which comprises the segments Property & Casualty Reinsurance and Life & Health Reinsurance, reported a net income of USD 601 million in the second quarter of 2014. Summaries of each segment's performance are below.

Property & Casualty Reinsurance

Net income for the second quarter of 2014 was USD 553 million, 22% higher compared to the same period of 2013. This result reflects a stronger underwriting result benefiting from benign natural catastrophe experience in the current period and higher investment returns from realised gains, partly offset by lower net reserve releases from prior accident years. In addition, the second quarter of 2013 benefited from a one-off tax effect.

Net premiums earned
Net premiums earned increased 12.3% to USD 3.6 billion in the second quarter of 2014, compared to USD 3.2 billion in the same period of 2013, mainly driven by lower external retrocession volumes and growth in Asia and Americas coming from large quota share treaties written at the end of 2013.

Combined ratio
Property & Casualty Reinsurance reported a combined ratio of 93.5% for the second quarter of 2014, compared to 101.1% in the prior-year period. The improvement was due to much higher impacts from natural catastrophe in the prior-year period, partly offset by less favourable prior accident year development in the current quarter.

The impact from natural catastrophes in the second quarter of 2014 was 1.7 percentage points below the expected level of 6.1 points. The favourable development of prior accident years improved the combined ratio by 2.2 percentage points compared to 3.5 percentage points in the second quarter of 2013.

Administrative expense ratio
The administrative expense ratio decreased to 9.6% in the second quarter of 2014 compared to 10.4% in the same period of 2013, mainly driven by premium growth year on year.

Lines of business
The property combined ratio was 90.9% in the second quarter of 2014, benefiting from lower than expected natural catastrophe experience. In the second quarter of 2013 the figure was 110.3% owing mainly to floods in Europe and Canada.

The casualty combined ratio was 104.7% in the second quarter of 2014, compared to 101.3% in the second quarter of 2013. The increase was mainly due to lower net reserve releases as well as a change in business mix towards more proportional business.

The specialty combined ratio improved to 70.1% for the second quarter of 2014 compared to 76.5% in the prior-year period. The improvement was mainly due to positive claims experience across all lines.

Investment result
The return on investments was 4.3% in the second quarter of 2014 compared to 2.9% in the same period of 2013, reflecting an increase in the investment result of USD 159 million. The prior year result was negatively impacted by foreign exchange losses of USD 126 million.

Net investment income increased by USD 42 million to USD 285 million in the second quarter of 2014, mainly due to additional gains from alternative investments. The associated increase was partially offset by reduced net investment income stemming from the short duration position that is in place for the Group, which is largely concentrated in the P&C Reinsurance segment.

Net realised gains were USD 206 million compared to USD 89 million in the second quarter of 2013, mainly as a result of additional realised gains from the sale of equities in the current period as well as the negative impact of foreign exchange losses in the prior period.

Insurance-related investment results are not included in the figures above.

Return on equity
Common shareholders' equity decreased by USD 2.4 billion from USD 14.0 billion at the end of the first quarter to USD 11.6 billion at the end of the second quarter of 2014, mainly driven by changes in net income and the impact of the dividend payment to the Group. The return on equity for the second quarter of 2014 was 17.3%, compared to 29.5% for the first quarter of 2014.

Outlook
Property natural catastrophe rates remain under pressure as experienced in the first half of 2014, largely due to the lack of natural catastrophe events and excess capital from both traditional and alternative sources.

Despite pressure on casualty rates and increased client retentions, we expect to continue generating profitable business with new clients.

Our superior risk selection remains a key driver in a softening market. Our expertise, knowledge and services position us well in mature and high growth markets to support our clients with large transactions and tailor-made solutions.

Life & Health Reinsurance

Net income was USD 48 million for the second quarter of 2014, compared to USD 154 million for the second quarter of 2013. The decrease in net income was primarily from realised investment losses from an interest rate hedge and foreign exchange re-measurement. The 2013 result benefited from realised gains and from one-off tax benefits.

Net premiums earned and fee income
Premiums earned and fee income increased to USD 2.9 billion for 2014, driven mainly by health business in Asia and EMEA, compared to USD 2.5 billion in 2013.

Operating margin ratio
The operating margin improved to 7.1% for the second quarter of 2014 compared to 5.3% in the same period of the prior year. The 2013 results included reserve strengthening in Australia while 2014 benefited from higher investment income.

Administrative expense ratio
The administrative expense ratio fell to 7.0% compared to 7.4% in 2013. Higher premiums and fee income more than offset higher expenses.

Lines of business
Operating income for the life business increased to USD 129 million for the second quarter of 2014, compared to a loss of USD 22 million in the same period of 2013. The life results benefited from higher investment results and more favourable mortality experience, while in 2013 the segment was impacted by a negative performance in the Variable Annuities business.

Operating income for the health business was USD 106 million for the second quarter of 2014. This compared to USD 171 million for the same period in 2013, which was impacted by reserve strengthening in Australia group disability business but also benefited from favourable morbidity experience which did not repeat in 2014. In addition in 2014 there were unfavourable cedant updates.

Investment result
The return on investments for the second quarter of 2014 was 3.7% compared to 4.7% in the same period of 2013. The result in the current period was driven by net investment income from government and corporate bonds as well as gains from alternative investments.

Net investment income increased by USD 50 million to USD 331 million in the second quarter of 2014, mainly due to the effect of asset re-balancing into higher yielding assets in 2013. The running yield increased to 4.0% compared to 3.5% for the same period in 2013.

Net realised gains were USD 8 million compared to net realised gains of USD 133 million in the second quarter of 2013.

Insurance-related investment results are not included in the figures above.

Shareholders' equity
Return on equity was 3.0% for the second quarter of 2014 compared to 10.3% for the same period in 2013.

Shareholders' equity increased to USD 7.4 billion as of 30 June 2014 from USD 6.8 billion as of 31 March 2014, mainly due to a USD 0.4 billion increase in unrealised gains from a continued decline in interest rates and net income for the quarter.

Outlook
Growth in the traditional life L&H Reinsurance business is expected to be muted with cession rates decreasing as primary insurers retain more risk, in particular in mature markets. The low interest rate environment continues to have an unfavourable impact on the growth of long-term life business for our cedants.

We will continue to explore opportunities that will allow us to write new business at attractive rates through large transactions. Swiss Re is broadening its solutions and services in high growth markets where growth remains dynamic. We are pursuing business supported by major demographic and socioeconomic trends, such as health insurance. We are also enhancing our capabilities in product design and manufacturing to help close the protection gap. New business growth will continue to meet our return on equity hurdle rates.

The L&H business management team is focused on proactively managing the in-force business in order to improve profitability. We completed the majority of our planned asset reallocation programme in 2013 resulting in increased net investment income in the first half of 2014. On capital management we have largely completed our debt restructuring and will continue to look for optimisation opportunities.

Corporate Solutions

Net income was USD 66 million in the second quarter of 2014, compared to USD 55 million in the same period of 2013. The 2014 result was driven by continued earned premium growth, benign natural catastrophe experience and favourable prior-year development, offset by a larger number of medium and small sized man-made losses and a realised loss on insurance in derivative form.

Net premiums earned
Net premiums earned increased 22.6% to USD 841 million in the second quarter of 2014 compared to USD 686 million in the same period of 2013, driven by continued successful organic growth across all lines of business and the expiry of the major quota share agreement at the end of 2012. Gross premiums written, net of internal fronting for the Reinsurance Business Unit, increased 14.8% in the second quarter of 2014 compared to the same period of 2013.

Combined ratio
The combined ratio improved by 3.7 percentage points to 93.2% in the second quarter of 2014 from 96.9% in the same period of 2013. The expense ratio decreased to 34.0% in the second quarter of 2014 from 35.6% in the second quarter of 2013, as premium growth more than offset additional expenses related to the investment in long-term growth.

Lines of business
The property combined ratio for the second quarter of 2014 was 84.5% compared to 105.1% in the same period of 2013, reflecting continued profitable business growth and lower than expected natural catastrophe losses in 2014. Both periods benefited from favourable prior-year development. The second quarter of 2013 result included higher natural catastrophe losses due to floods in Central Europe and Canada.

The casualty combined ratio deteriorated by 9.2 percentage points to 116.4% in the second quarter of 2014, mainly due to unfavourable prior-year reserve development.

The credit combined ratio decreased to 63.4% in the second quarter of 2014, compared to 70.6% in the same quarter of 2013. The result was driven by continued strong business performance and favourable reserve development in both periods.

In other specialty, the combined ratio deteriorated by 13.3 percentage points to 91.9% in the second quarter of 2014 from 78.6% in the same period of 2013. The deterioration was driven by a larger number of medium and small sized man-made losses in 2014. Prior-year development was favourable in both periods, though to a lesser extent in 2014.

Investment result
The return on investments was 2.4% in the second quarter of 2014, compared to 2.1% in the same period of 2013, reflecting an increase in the investment result of USD 12 million.

Net investment income increased to USD 28 million in the second quarter of 2014, mainly due to additional income from corporate bonds related to the asset re-balancing that was completed in 2013.

Net realised gains were USD 18 million compared to USD 7 million in the second quarter of 2013, mainly due to unfavourable movements in foreign exchange rates in prior-year period.

Insurance-related investment results are not included in the figures above.

Corporate Solutions sells contracts that offer protection against weather perils and other risks related to insurance, but which are accounted for as derivatives. This insurance business in derivative form realised a loss of USD 12 million in the second quarter of 2014 compared to a gain of USD 25 million in the same period of 2013, due to the continued impact of the unseasonably cold winter in the US and the warm winter in Europe.

Return on equity
Annualised return on equity was 10.1% in the second quarter of 2014, compared to 7.7% in the same period of 2013. Shareholders' equity increased to USD 2.7 billion as of 30 June 2014 from USD 2.6 billion as of 31 March 2014 driven by the second quarter result.

Outlook
Pricing trends for commercial insurance are generally softening. Differences exist between geographies and types of business. Corporate Solutions believes it is well positioned to navigate an increasingly challenging market thanks to its value proposition, strong balance sheet and selective underwriting approach.

Admin Re®

Admin Re® reported net income of USD 117 million in the second quarter of 2014. This compared to USD 109 million in the same period of 2013. The 2014 result was driven by realised gains, profits recognised from a reinsurance agreement covering business acquired in June 2014 and lower finance costs owing to a credit facility established in April 2014.

Operating revenues
Premiums, fee income and other revenues were USD 264 million in the second quarter of 2014 compared to USD 440 million in the prior-year period. The decrease was mainly due to the acceleration of premiums in 2013 from a block of business in the US, which was entirely offset by an increase in claims reserves.

Admin Re® also recognised a profit from the June 2014 agreement to acquire individual and group pension and related annuity policies from a client in the UK. As part of the transaction, Admin Re® concluded a reinsurance agreement to cover the economic risks and rewards of the business from 1 January 2014 until completion of the legal transfer, which is expected in the second half of 2015.

Gross cash generation
Gross cash generation reflects the statutory surplus from life companies less working capital requirements. Admin Re® generated gross cash of USD 271 million in the second quarter of 2014 compared with USD 107 million in the prior-year period. The substantial increase in gross cash generation follows a release of USD 225 million in surplus reserves held against the risk of credit default.

Investment result
Return on investment was 4.7% for the second quarter of 2014 compared to 5.6% in the same period of 2013. Net investment income increased by USD 17 million to USD 237 million in the second quarter of 2014, mainly due to the asset re-balancing in 2013. Net realised gains decreased by USD 60 million to USD 37 million in the second quarter of 2014 primarily due to lower realised gains from the sale of government bonds.

Insurance-related investment results are not included in the figures above.

Expenses
Administrative expenses were USD 87 million in the second quarter of 2014, an increase of USD 1 million compared to the second quarter of 2013.

Return on equity
The annualised return on equity was 7.6% in the second quarter of the year, 0.4 percentage points higher than in the prior-year period, driven by higher net income.

Shareholders' equity
Shareholders' equity decreased by USD 14 million to USD 6 134 million compared to 31 March 2014. The movement was due to dividend payments to the Group of USD 407 million in June 2014, offset by an increase in unrealised gains driven by lower interest rates in both the UK and US in the period and foreign exchange movements.

Outlook
Admin Re® aims to pursue selective growth opportunities in the UK, taking advantage of its unique and scalable platform. All transactions must meet Group investment criteria and hurdle rates. Admin Re® also expects greater financial flexibility and a lower weighted average cost of capital owing to the establishment during the second quarter of a credit facility of GBP 550 million. Overall, Admin Re® aims to improve efficiency, achieve capital and tax synergies, and to actively manage its asset portfolios and blocks of business. Through these actions Admin Re® aims to generate approximately USD 900 million in cash from 2014 through 2016, and to pay dividends to the Group of the same amount.

Outlook

Our top priority is to deliver on our 2011–2015 financial targets, where we are well on track.

Our group strategy remains unchanged. It produced very strong results over the last three years, and we expect that it will continue to be successful for us in the future. By focusing on underwriting excellence, combined with research & development and capital strength, we seek to continue to outperform in core areas while expanding where opportunities exist, for example in high growth markets.

The coverage period for the 2011–2015 financial targets will come to an end in December next year. In February 2015, Swiss Re plans to announce a new set of financial targets, valid from 2016 onwards.

This page intentionally left blank

Income statement (unaudited)

USD millions	Note	Three months ended 30 June 2013	2014	Six months ended 30 June 2013	2014
Revenues					
Premiums earned	3	6683	**7432**	13300	**14860**
Fee income from policyholders	3	112	**128**	277	**251**
Net investment income/loss – non-participating business	6	1007	**1112**	1948	**2119**
Net realised investment gains/losses – non-participating business (total impairments for the three months ended 30 June were 6 in 2013 and 8 in 2014, of which 6 and 8, respectively, were recognised in earnings)[1]	6	251	**159**	459	**444**
Net investment result – unit-linked and with-profit business	6	–348	**548**	1785	**647**
Other revenues		6	**4**	11	**6**
Total revenues		7711	**9383**	17780	**18327**
Expenses					
Claims and claim adjustment expenses	3	–2661	**–2662**	–4469	**–5118**
Life and health benefits	3	–2396	**–2693**	–4523	**–5161**
Return credited to policyholders		182	**–611**	–1957	**–763**
Acquisition costs	3	–1197	**–1455**	–2254	**–2814**
Other expenses		–785	**–820**	–1602	**–1606**
Interest expenses		–187	**–191**	–375	**–379**
Total expenses		–7044	**–8432**	–15180	**–15841**
Income before income tax expense		667	**951**	2600	**2486**
Income tax expense/benefit		134	**–131**	–401	**–422**
Net income before attribution of non-controlling interests		801	**820**	2199	**2064**
Income/loss attributable to non-controlling interests		–1	**0**	–1	**–1**
Net income after attribution of non-controlling interests		800	**820**	2198	**2063**
Interest on contingent capital instruments		–14	**–18**	–32	**–35**
Net income attributable to common shareholders		786	**802**	2166	**2028**
Earnings per share in USD					
Basic	10	2.28	**2.34**	6.29	**5.92**
Diluted	10	2.11	**2.16**	5.77	**5.44**
Earnings per share in CHF[2]					
Basic	10	2.14	**2.08**	5.89	**5.27**
Diluted	10	1.97	**1.92**	5.41	**4.84**

[1] Total impairments for the six months ended 30 June were USD 18 million in 2013 and USD 13 million in 2014, of which USD 18 million and USD 13 million, respectively, were recognised in earnings.
[2] The translation from USD to CHF is shown for informational purposes only and has been calculated using the Group's average exchange rates.

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

Statement of comprehensive income (unaudited)

USD millions	Three months ended 30 June 2013	2014	Six months ended 30 June 2013	2014
Net income before attribution of non-controlling interests	801	**820**	2 199	**2 064**
Other comprehensive income, net of tax:				
Change in unrealised gains/losses	–2 295	**898**	–2 747	**1 727**
Change in other-than-temporary impairment	12	**2**	18	**4**
Change in foreign currency translation	–169	**183**	–490	**180**
Change in adjustment for pension benefits	–6	**4**	40	**4**
Total comprehensive income before attribution of non-controlling interests	–1 657	**1 907**	–980	**3 979**
Interest on contingent capital instruments	–14	**–18**	–32	**–35**
Comprehensive income attributable to non-controlling interests	–1		–1	**–1**
Total comprehensive income attributable to common shareholders	–1 672	**1 889**	–1 013	**3 943**

Reclassification out of accumulated other comprehensive income

For the three months ended 30 June

2013 USD millions	Unrealised gains/losses[1]	Other-than-temporary impairment[1]	Foreign currency translation[1,2]	Adjustment from pension benefits[3]	Accumulated other comprehensive income
Balance as of 1 April	3 955	–22	–3 930	–907	–904
Change during the period	–2 830	19	–161	–25	–2 997
Amounts reclassified out of accumulated other comprehensive income	–338			16	–322
Tax	873	–7	–8	3	861
Balance as of period end	1 660	–10	–4 099	–913	–3 362

2014 USD millions	Unrealised gains/losses[1]	Other-than-temporary impairment[1]	Foreign currency translation[1,2]	Adjustment from pension benefits[3]	**Accumulated other comprehensive income**
Balance as of 1 April	2 451	–4	–3 900	–534	**–1 987**
Change during the period	1 530	3	223	–5	**1 751**
Amounts reclassified out of accumulated other comprehensive income	–326			11	**–315**
Tax	–306	–1	–40	–2	**–349**
Balance as of period end	**3 349**	**–2**	**–3 717**	**–530**	**–900**

[1] Reclassification adjustment included in net income is presented in the "Net realised investment gains/losses – non-participating business" line.
[2] Reclassification adjustment is limited to translation gains and losses realised upon sale or upon complete or substantially complete liquidation of an investment in a foreign entity.
[3] Reclassification adjustment included in net income is presented in the "Other expenses" line.

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

For the six months ended 30 June

2013 USD millions	Unrealised gains/losses[1]	Other-than-temporary impairment[1]	Foreign currency translation[1,2]	Adjustment from pension benefits[3]	Accumulated other comprehensive income
Balance as of 1 January	4407	–28	–3609	–953	–183
Change during the period	–3197	28	–415	21	–3563
Amounts reclassified out of accumulated other comprehensive income	–616			30	–586
Tax	1066	–10	–75	–11	970
Balance as of period end	1660	–10	–4099	–913	–3362

2014 USD millions	Unrealised gains/losses[1]	Other-than-temporary impairment[1]	Foreign currency translation[1,2]	Adjustment from pension benefits[3]	**Accumulated other comprehensive income**
Balance as of 1 January	1622	–6	–3897	–534	**–2815**
Change during the period	3089	6	196	–9	**3282**
Amounts reclassified out of accumulated other comprehensive income	–709			21	**–688**
Tax	–653	–2	–16	–8	**–679**
Balance as of period end	**3349**	**–2**	**–3717**	**–530**	**–900**

1 Reclassification adjustment included in net income is presented in the "Net realised investment gains/losses – non-participating business" line.
2 Reclassification adjustment is limited to translation gains and losses realised upon sale or upon complete or substantially complete liquidation of an investment in a foreign entity.
3 Reclassification adjustment included in net income is presented in the "Other expenses" line.

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

This page intentionally left blank

Balance sheet (unaudited)

Assets

USD millions	Note	31.12.2013	30.06.2014
Investments	6, 7, 8		
Fixed income securities:			
Available-for-sale, at fair value (including 11 720 in 2013 and 15 481 in 2014 subject to securities lending and repurchase agreements) (amortised cost: 2013: 76 349; 2014: 76 169)		77 761	**80 161**
Trading (including 1 in 2013 and 0 in 2014 subject to securities lending and repurchase agreements)		1 535	**2 355**
Equity securities:			
Available-for-sale, at fair value (including 65 in 2013 and 0 in 2014 subject to securities lending and repurchase agreements) (cost: 2013: 6 110; 2014: 3 974)		7 076	**4 716**
Trading		615	**56**
Policy loans, mortgages and other loans		2 895	**3 167**
Investment real estate		825	**906**
Short-term investments at fair value (including 4 425 in 2013 and 4 186 in 2014 subject to securities lending and repurchase agreements)		20 989	**20 373**
Other invested assets		11 164	**11 913**
Investments for unit-linked and with-profit business (including fixed income securities trading: 4 585 in 2013 and 4 481 in 2014, equity securities trading: 21 180 in 2013 and 21 898 in 2014)		27 215	**27 878**
Total investments		150 075	**151 525**
Cash and cash equivalents (including 4 in 2013 and 647 in 2014 subject to securities lending)		8 072	**9 690**
Accrued investment income		1 018	**1 015**
Premiums and other receivables		12 276	**14 526**
Reinsurance recoverable on unpaid claims and policy benefits		8 327	**7 737**
Funds held by ceding companies		12 400	**12 055**
Deferred acquisition costs	5	4 756	**5 197**
Acquired present value of future profits	5	3 537	**3 646**
Goodwill		4 109	**4 122**
Income taxes recoverable		490	**171**
Deferred tax assets		5 763	**5 595**
Other assets		2 697	**3 759**
Total assets		213 520	**219 038**

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

Liabilities and equity

USD millions	Note	31.12.2013	30.06.2014
Liabilities			
Unpaid claims and claim adjustment expenses		61 484	**61 012**
Liabilities for life and health policy benefits	7	36 033	**36 334**
Policyholder account balances		31 177	**31 761**
Unearned premiums		10 334	**13 048**
Funds held under reinsurance treaties		3 551	**3 530**
Reinsurance balances payable		2 370	**2 593**
Income taxes payable		660	**495**
Deferred and other non-current tax liabilities		8 242	**8 709**
Short-term debt	9	3 818	**3 008**
Accrued expenses and other liabilities		8 152	**10 146**
Long-term debt	9	14 722	**14 747**
Total liabilities		180 543	**185 383**
Equity			
Contingent capital instruments		1 102	**1 102**
Common shares, CHF 0.10 par value			
2013: 370 706 931; 2014: 370 706 931 shares authorised and issued[1]		35	**35**
Additional paid-in capital		4 963	**1 785**
Treasury shares, net of tax		–1 099	**–1 188**
Accumulated other comprehensive income:			
Net unrealised investment gains/losses, net of tax		1 622	**3 349**
Other-than-temporary impairment, net of tax		–6	**–2**
Cumulative translation adjustments, net of tax		–3 897	**–3 717**
Accumulated adjustment for pension and post-retirement benefits, net of tax		–534	**–530**
Total accumulated other comprehensive income		–2 815	**–900**
Retained earnings		30 766	**32 794**
Shareholders' equity		32 952	**33 628**
Non-controlling interests		25	**27**
Total equity		32 977	**33 655**
Total liabilities and equity		213 520	**219 038**

[1] Please refer to Note 10 "Earnings per share" for details on the number of shares authorised and issued.

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

Statement of equity (unaudited)

For the year ended 31 December and the six months ended 30 June

USD millions	2013	2014
Contingent capital instruments		
Balance as of 1 January	1 102	**1 102**
Issued		
Balance as of period end	1 102	**1 102**
Common shares		
Balance as of 1 January	35	**35**
Issue of common shares		
Balance as of period end	35	**35**
Additional paid-in capital		
Balance as of 1 January	7 721	**4 963**
Share-based compensation	14	**–59**
Realised gains/losses on treasury shares	–12	**10**
Dividends on common shares[1]	–2 760	**–3 129**
Balance as of period end	4 963	**1 785**
Treasury shares, net of tax		
Balance as of 1 January	–995	**–1 099**
Purchase of treasury shares	–290	**–226**
Issuance of treasury shares, including share-based compensation to employees	186	**137**
Balance as of period end	–1 099	**–1 188**
Net unrealised gains/losses, net of tax		
Balance as of 1 January	4 407	**1 622**
Changes during the period	–2 785	**1 727**
Balance as of period end	1 622	**3 349**
Other-than-temporary impairment, net of tax		
Balance as of 1 January	–28	**–6**
Changes during the period	22	**4**
Balance as of period end	–6	**–2**
Foreign currency translation, net of tax		
Balance as of 1 January	–3 609	**–3 897**
Changes during the period	–288	**180**
Balance as of period end	–3 897	**–3 717**
Adjustment for pension and other post-retirement benefits, net of tax		
Balance as of 1 January	–953	**–534**
Changes during the period	419	**4**
Balance as of period end	–534	**–530**
Retained earnings		
Balance as of 1 January	26 322	**30 766**
Net income after attribution of non-controlling interests	4 511	**2 063**
Interest on contingent capital instruments, net of tax	–67	**–35**
Balance as of period end	30 766	**32 794**
Shareholders' equity	32 952	**33 628**
Non-controlling interests		
Balance as of 1 January	24	**25**
Changes during the period	–1	**1**
Income attributable to non-controlling interests	2	**1**
Balance as of period end	25	**27**
Total equity	32 977	**33 655**

[1] Dividends to shareholders were paid in the form of a withholding tax-exempt repayment of legal reserves from capital contributions.

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

Statement of cash flow (unaudited)

For the six months ended 30 June

USD millions	2013	2014
Cash flows from operating activities		
Net income attributable to common shareholders	2 166	**2 028**
Add net income attributable to non-controlling interests	1	**1**
Adjustments to reconcile net income to net cash provided/used by operating activities:		
Depreciation, amortisation and other non-cash items[1]	256	**185**
Net realised investment gains/losses	–1 823	**–592**
Change in:		
Technical provisions and other reinsurance assets and liabilities, net[1]	–763	**–949**
Funds held by ceding companies and under reinsurance treaties[1]	965	**319**
Reinsurance recoverable on unpaid claims and policy benefits	444	**646**
Other assets and liabilities, net[1]	36	**–267**
Income taxes payable/recoverable	22	**118**
Income from equity-accounted investees, net of dividends received	–4	**–19**
Trading positions, net	56	**577**
Securities purchased/sold under agreement to resell/repurchase, net	–330	**–188**
Net cash provided/used by operating activities	1 026	**1 859**
Cash flows from investing activities		
Fixed income securities:		
Sales	51 097	**31 457**
Maturities	1 717	**2 116**
Purchases	–47 869	**–33 350**
Net purchase/sale/maturities of short-term investments	–290	**1 095**
Equity securities:		
Sales	871	**4 896**
Purchases	–2 922	**–1 893**
Net purchases/sales/maturities of other investments	234	**–375**
Net cash provided/used by investing activities	2 838	**3 946**
Cash flows from financing activities		
Issuance/repayment of long-term debt	664	**503**
Issuance/repayment of short-term debt	–814	**–1 542**
Purchase/sale of treasury shares	–222	**–203**
Dividends paid to shareholders	–2 760	**–3 129**
Net cash provided/used by financing activities	–3 132	**–4 371**
Total net cash provided/used	732	**1 434**
Effect of foreign currency translation	–409	**184**
Change in cash and cash equivalents	323	**1 618**
Cash and cash equivalents as of 1 January	10 837	**8 072**
Cash and cash equivalents as of 30 June	11 160	**9 690**

[1] The Group revised the definition of certain items within the operating cash flow with no impact on "Net cash provided/used by operating activities". The amortisation of deferred acquisition costs and present value of future profits are reclassified from "Depreciation, amortisation and other non-cash items" and certain other reinsurance assets and liabilities are reclassified from "Funds held by ceding companies and under reinsurance treaties" and "Other assets and liabilities, net" to "Technical provisions and other reinsurance assets and liabilities, net". Comparatives have been adjusted accordingly.

Interest paid was USD 438 million and USD 360 million for the six months ended 30 June 2013 and 2014, respectively.

Tax paid was USD 344 million and USD 289 million for the six months ended 30 June 2013 and 2014, respectively.

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

This page intentionally left blank

Notes to the Group financial statements (unaudited)

1 Organisation and summary of significant accounting policies

Nature of operations
The Swiss Re Group, which is headquartered in Zurich, Switzerland, comprises Swiss Re Ltd (the parent company) and its subsidiaries (collectively, the "Swiss Re Group" or the "Group"). The Swiss Re Group is a wholesale provider of reinsurance, insurance and other insurance-based forms of risk transfer. Dealing direct and working through brokers, its global client base consists of insurance companies, mid-to-large-sized corporations and public sector clients.

Basis of presentation
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. All significant intra-group transactions and balances have been eliminated on consolidation. The year-end balance sheet data presented was derived from audited financial statements. These interim financial statements do not include all disclosures that US GAAP requires on an annual basis and therefore they should be read in conjunction with the Swiss Re Group's audited financial statements for the year ended 31 December 2013.

Use of estimates in the preparation of financial statements
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 modelling and other analytical techniques. Actual results could differ significantly from the estimates described above.

Valuation of financial assets
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- 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.

The Group considers both the credit risk of its counterparties and own risk of non-performance in the valuation of derivative instruments and other over-the-counter financial assets. In determining the fair value of these financial instruments, the assessment of the Group's exposure to the credit risk of its counterparties incorporates consideration of existing collateral and netting arrangements entered into with each counterparty. The measure of the counterparty credit risk is estimated 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.

For assets or derivative structures at fair value, 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. Although management considers that appropriate values have been ascribed to such assets, there is always a 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. As of 30 June 2014, the Group had not provided any collateral on financial instruments in excess of its own market value estimates.

Subsequent events
Subsequent events for the current reporting period have been evaluated up to 5 August 2014. This is the date on which the financial statements are available to be issued.

Recent accounting guidance
In February 2013, the FASB issued ASU 2013-04, "Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date", an update to Topic 405, "Liabilities". ASU 2013-04 requires an entity to measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation within the scope of this guidance is fixed at the reporting date as the sum of the amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors and any additional amount the reporting entity expects to pay on behalf of its co-obligors. The Group adopted ASU 2013-04 on 1 January 2014. The adoption did not have an effect on the Group's financial statements.

In March 2013, the FASB issued ASU 2013-05, "Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity", an update to Topic 830, "Foreign Currency Matters". ASU 2013-05 precludes the release of the cumulative translation adjustment into net income for derecognition events that occur within a foreign entity, unless such events represent a complete or substantially complete liquidation of the foreign entity. Derecognition events related to investments in a foreign entity result in the release of the entire cumulative translation adjustment related to the derecognised foreign entity, even when a non-controlling financial interest is retained. The Group adopted ASU 2013-05 on 1 January 2014. The adoption did not have an effect on the Group's financial statements.

In June 2013, the FASB issued ASU 2013-08, "Amendments to the Scope, Measurement, and Disclosure Requirements", an update to Topic 946 , "Financial Services – Investment Companies". ASU 2013-08 changes the approach to the investment company assessment in Topic 946, clarifies the characteristics of an investment company, and provides comprehensive guidance for assessing whether an entity is an investment company. The Group adopted ASU 2013-08 on 1 January 2014. The adoption did not have an effect on the Group's financial statements.

In July 2013, the FASB issued ASU 2013-11, "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists", an update to Topic 740, "Income Taxes". ASU 2013-11 requires an entity to present an unrecognised tax benefit as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, subject to some exceptions. The Group adopted ASU 2013-11 on 1 January 2014 on a prospective basis. The financial statement presentation of unrecognised tax benefits was adjusted accordingly.

2 Information on business segments

The Group provides reinsurance and insurance throughout the world through its business segments. The business segments are determined by the organisational structure and by the way in which management reviews the operating performance of the Group.

The Group presents four core operating business segments: Property & Casualty Reinsurance, Life & Health Reinsurance, Corporate Solutions and Admin Re®. The presentation of each segment's balance sheet is closely aligned to the segment legal entity structure. The assignment of assets and liabilities for entities that span more than one segment is determined by considering local statutory requirements, legal and other constraints, the economic view of duration and currency requirements of the reinsurance business written, and the capacity of the segments to absorb risks. Interest expense is based on the segment's capital funding position. The tax impact of a segment is derived from the legal entity tax obligations and the segmentation of the pre-tax result. While most of the tax items can be directly attributed to individual segments, the tax which impacts two or more segments is allocated to the segments on a reasonable basis. For purposes of the combined Reinsurance segment's published effective tax rate, Property & Casualty Reinsurance and Life & Health Reinsurance are viewed as one segment and share the same effective tax rate which is computed on a year-to-date basis.

Accounting policies applied by the business segments are in line with those described in the summary of significant accounting policies (please refer to Note 1 to the Group's annual consolidated financial statements).

The Group operating segments are outlined below.

Property & Casualty Reinsurance and Life & Health Reinsurance
Reinsurance consists of two segments, Property & Casualty and Life & Health. The Reinsurance Business Unit operates globally, both through brokers and directly with clients, and provides a large range of solutions for risk and capital management. Clients include insurance companies and mutual as well as public sector and governmental entities. In addition to traditional reinsurance solutions, Reinsurance offers insurance-linked securities and other insurance-related capital market products in both Property & Casualty and Life & Health.

Property & Casualty includes the business lines property, casualty including motor, and specialty. Life & Health includes the life and health sub-segments.

In the second quarter of 2014, the Reinsurance Business Unit revised the allocation of certain intra-group cost recharges between Property & Casualty and Life & Health. The comparative periods have been adjusted accordingly. The revision had no impact on net income and shareholders' equity of the Group.

Corporate Solutions
Corporate Solutions offers innovative insurance capacity to mid-sized and large multinational corporations across the globe. Offerings range from standard risk transfer covers and multi-line programmes, to customised solutions tailored to the needs of clients. Corporate Solutions serves customers from over 40 offices worldwide.

Admin Re®
Through Admin Re®, Swiss Re acquires closed blocks of in-force life and health insurance business, either through reinsurance or corporate acquisition, and typically assumes responsibility for administering the underlying policies. The administration of the business may be managed directly or, where appropriate, in partnership with a third party. Since 1998, Swiss Re has acquired more than 50 blocks of business spanning a range of product types. It currently operates in the UK, US and the Netherlands.

Group items
Items not allocated to the business segments are included in the "Group items" column, which encompasses Swiss Re Ltd, the Groups' parent company, the former Legacy business in run-off, Principal Investments and certain Treasury units. Swiss Re Ltd charges trademark licence fees to the business segments which are reported as other revenues. Certain administrative expenses of the corporate centre functions that are not recharged to the operating segments are reported as Group items.

Consolidation
Segment information is presented net of external and internal retrocession and other intra-group arrangements. The Group total is obtained after elimination of intra-group transactions in the "Consolidation" column. This includes significant intra-group reinsurance arrangements, recharge of trademark licence fees, and intersegmental funding.

a) Business segments – income statement
For the three months ended 30 June

2013 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Consolidation	Total
Revenues							
Premiums earned	3 170	2 483	686	344			6 683
Fee income from policyholders		16		96			112
Net investment income – non-participating	281	367	25	302	36	–4	1 007
Net realised investment gains – non-participating	90	60	30	92	–21		251
Net investment result – unit-linked and with-profit		–7		–341			–348
Other revenues	16				68	–78	6
Total revenues	3 557	2 919	741	493	83	–82	7 711
Expenses							
Claims and claim adjustment expenses	–2 241		–421		1		–2 661
Life and health benefits		–1 967		–429			–2 396
Return credited to policyholders		4		178			182
Acquisition costs	–636	–461	–91	–9			–1 197
Other expenses	–329	–213	–153	–86	–73	69	–785
Interest expenses	–38	–145		–12	–5	13	–187
Total expenses	–3 244	–2 782	–665	–358	–77	82	–7 044
Income before income tax expense	313	137	76	135	6	0	667
Income tax expense/benefit	147	27	–21	–26	7		134
Net income before attribution of non-controlling interests	460	164	55	109	13	0	801
Income/loss attributable to non-controlling interests	–1						–1
Net income after attribution of non-controlling interests	459	164	55	109	13	0	800
Interest on contingent capital instruments	–4	–10					–14
Net income attributable to common shareholders	455	154	55	109	13	0	786
Claims ratio in %	70.7		61.3				69.1
Expense ratio in %	30.4		35.6				31.3
Combined ratio in %	101.1		96.9				100.4
Management expense ratio in %		7.4					
Operating margin in %		5.3					

Business segments – income statement
For the three months ended 30 June

2014 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Consolidation	Total
Revenues							
Premiums earned	3 560	2 882	841	149			7 432
Fee income from policyholders		13		115			128
Net investment income – non-participating	313	415	23	337	19	5	1 112
Net realised investment gains – non-participating	161	–41	12	30	–3		159
Net investment result – unit-linked and with-profit		58		490			548
Other revenues	11	1	1		91	–100	4
Total revenues	**4 045**	**3 328**	**877**	**1 121**	**107**	**–95**	**9 383**
Expenses							
Claims and claim adjustment expenses	–2 148		–498		–16		–2 662
Life and health benefits		–2 371		–322			–2 693
Return credited to policyholders		–64		–547			–611
Acquisition costs	–841	–470	–112	–32			–1 455
Other expenses	–340	–231	–174	–87	–78	90	–820
Interest expenses	–64	–120		–4	–8	5	–191
Total expenses	**–3 393**	**–3 256**	**–784**	**–992**	**–102**	**95**	**–8 432**
Income before income tax expense	**652**	**72**	**93**	**129**	**5**	**0**	**951**
Income tax expense/benefit	–94	–11	–27	–12	13		–131
Net income before attribution of non-controlling interests	**558**	**61**	**66**	**117**	**18**	**0**	**820**
Income/loss attributable to non-controlling interests							0
Net income after attribution of non-controlling interests	**558**	**61**	**66**	**117**	**18**	**0**	**820**
Interest on contingent capital instruments	–5	–13					–18
Net income attributable to common shareholders	**553**	**48**	**66**	**117**	**18**	**0**	**802**
Claims ratio in %	60.3		59.2				60.2
Expense ratio in %	33.2		34.0				33.3
Combined ratio in %	93.5		93.2				93.5
Management expense ratio in %		7.0					
Operating margin in %		7.1					

Business segments – income statement
For the six months ended 30 June

2013 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Consolidation	Total
Revenues							
Premiums earned	6 704	4 782	1 299	515			13 300
Fee income from policyholders		30		247			277
Net investment income – non-participating	554	697	54	589	67	–13	1 948
Net realised investment gains – non-participating	157	166	77	97	–38		459
Net investment result – unit-linked and with-profit		92		1 693			1 785
Other revenues	31		1		130	–151	11
Total revenues	7 446	5 767	1 431	3 141	159	–164	17 780
Expenses							
Claims and claim adjustment expenses	–3 722		–747				–4 469
Life and health benefits		–3 701		–822			–4 523
Return credited to policyholders		–107		–1 850			–1 957
Acquisition costs	–1 298	–776	–162	–18			–2 254
Other expenses	–663	–417	–293	–205	–156	132	–1 602
Interest expenses	–78	–296		–23	–10	32	–375
Total expenses	–5 761	–5 297	–1 202	–2 918	–166	164	–15 180
Income/loss before income tax expense	1 685	470	229	223	–7	0	2 600
Income tax expense	–220	–62	–73	–36	–10		–401
Net income/loss before attribution of non-controlling interests	1 465	408	156	187	–17	0	2 199
Income/loss attributable to non-controlling interests	–1						–1
Net income/loss after attribution of non-controlling interests	1 464	408	156	187	–17	0	2 198
Interest on contingent capital instruments	–9	–23					–32
Net income/loss attributable to common shareholders	1 455	385	156	187	–17	0	2 166
Claims ratio in %	55.5		57.5				55.8
Expense ratio in %	29.3		35.0				30.2
Combined ratio in %	84.8		92.5				86.0
Management expense ratio in %		7.6					
Operating margin in %		9.6					

Business segments – income statement
For the six months ended 30 June

2014 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Consolidation	Total
Revenues							
Premiums earned	7 373	5 541	1 671	275			14 860
Fee income from policyholders		26		225			251
Net investment income – non-participating	538	829	44	649	58	1	2 119
Net realised investment gains – non-participating	394	–111	75	81	5		444
Net investment result – unit-linked and with-profit		4		643			647
Other revenues	23	1	1		169	–188	6
Total revenues	**8 328**	**6 290**	**1 791**	**1 873**	**232**	**–187**	**18 327**
Expenses							
Claims and claim adjustment expenses	–4 071		–1 029		–18		–5 118
Life and health benefits		–4 501		–660			–5 161
Return credited to policyholders		–18		–745			–763
Acquisition costs	–1 605	–919	–213	–77			–2 814
Other expenses	–673	–445	–332	–174	–150	168	–1 606
Interest expenses	–126	–243		–16	–13	19	–379
Total expenses	**–6 475**	**–6 126**	**–1 574**	**–1 672**	**–181**	**187**	**–15 841**
Income before income tax expense	**1 853**	**164**	**217**	**201**	**51**	**0**	**2 486**
Income tax expense/benefit	–299	–27	–71	–36	11		–422
Net income before attribution of non-controlling interests	**1 554**	**137**	**146**	**165**	**62**	**0**	**2 064**
Income/loss attributable to non-controlling interests	–1						–1
Net income after attribution of non-controlling interests	**1 553**	**137**	**146**	**165**	**62**	**0**	**2 063**
Interest on contingent capital instruments	–10	–25					–35
Net income attributable to common shareholders	**1 543**	**112**	**146**	**165**	**62**	**0**	**2 028**
Claims ratio in %	55.2		61.6				56.4
Expense ratio in %	30.9		32.6				31.2
Combined ratio in %	86.1		94.2				87.6
Management expense ratio in %		7.0					
Operating margin in %		8.6					

Business segments – balance sheet
As of 31 December

2013 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Consolidation	Total
Assets							
Fixed income securities	24 986	29 588	4 644	20 014	64		79 296
Equity securities	4 017	1 333	981		1 360		7 691
Other investments	10 080	3 179	169	1 800	5 561	–5 905	14 884
Short-term investments	13 297	4 113	1 595	1 474	510		20 989
Investments for unit-linked and with-profit business		988		26 227			27 215
Cash and cash equivalents	5 288	166	562	1 748	308		8 072
Deferred acquisition costs	1 591	2 845	319	1			4 756
Acquired present value of future profits		1 451		2 086			3 537
Reinsurance recoverable	4 752	1 756	8 228	323		–6 732	8 327
Other reinsurance assets	11 457	9 286	2 422	3 475	3	–1 967	24 676
Goodwill	2 057	2 035	17				4 109
Other	8 869	3 759	988	919	207	–4 774	9 968
Total assets	86 394	60 499	19 925	58 067	8 013	–19 378	213 520
Liabilities							
Unpaid claims and claim adjustment expenses	45 578	9 869	11 549	1 205	15	–6 732	61 484
Liabilities for life and health policy benefits		17 392	232	18 415		–6	36 033
Policyholder account balances		1 595		29 582			31 177
Other reinsurance liabilities	11 591	2 116	4 355	620	6	–2 433	16 255
Short-term debt	798	3 730		646	1 285	–2 641	3 818
Long-term debt	4 700	10 627				–605	14 722
Other	10 518	8 876	1 010	1 795	1 775	–6 920	17 054
Total liabilities	73 185	54 205	17 146	52 263	3 081	–19 337	180 543
Shareholders' equity	13 192	6 294	2 771	5 804	4 932	–41	32 952
Non-controlling interests	17		8				25
Total equity	13 209	6 294	2 779	5 804	4 932	–41	32 977
Total liabilities and equity	86 394	60 499	19 925	58 067	8 013	–19 378	213 520

Business segments – balance sheet
As of 30 June

2014 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Consolidation	Total
Assets							
Fixed income securities	25827	31257	4439	20941	52		82516
Equity securities	2393	829	819		731		4772
Other investments	11019	1770	63	1962	6637	–5465	15986
Short-term investments	12234	4790	2070	1093	186		20373
Investments for unit-linked and with-profit business		978		26900			27878
Cash and cash equivalents	5566	1566	863	1428	267		9690
Deferred acquisition costs	1964	2918	313	2			5197
Acquired present value of future profits		1415		2231			3646
Reinsurance recoverable	4248	1779	8084	309		–6683	7737
Other reinsurance assets	13048	9247	2422	3651	2	–1789	26581
Goodwill	2050	2055	17				4122
Other	10272	4382	968	1124	589	–6795	10540
Total assets	**88621**	**62986**	**20058**	**59641**	**8464**	**–20732**	**219038**
Liabilities							
Unpaid claims and claim adjustment expenses	44230	10400	11839	1202	28	–6687	61012
Liabilities for life and health policy benefits		17557	239	18538			36334
Policyholder account balances		1580		30181			31761
Other reinsurance liabilities	14039	2342	4292	691	5	–2198	19171
Short-term debt	776	4505			598	–2871	3008
Long-term debt	4776	9923		663		–615	14747
Other	12860	9270	1011	2232	2294	–8317	19350
Total liabilities	**76681**	**55577**	**17381**	**53507**	**2925**	**–20688**	**185383**
Shareholders' equity	**11923**	**7409**	**2667**	**6134**	**5539**	**–44**	**33628**
Non-controlling interests	17		10				27
Total equity	**11940**	**7409**	**2677**	**6134**	**5539**	**–44**	**33655**
Total liabilities and equity	**88621**	**62986**	**20058**	**59641**	**8464**	**–20732**	**219038**

b) Property & Casualty Reinsurance business segment – by line of business
For the three months ended 30 June

2013 USD millions	Property	Casualty	Specialty	Total
Premiums earned	1 395	1 247	528	3 170
Expenses				
Claims and claim adjustment expenses	–1 153	–856	–232	–2 241
Acquisition costs	–219	–301	–116	–636
Other expenses	–167	–106	–56	–329
Total expenses before interest expenses	–1 539	–1 263	–404	–3 206
Underwriting result	–144	–16	124	–36
Net investment income				281
Net realised investment gains/losses				90
Other revenues				16
Interest expenses				–38
Income before income tax expenses				313
Claims ratio in %	82.7	68.7	43.9	70.7
Expense ratio in %	27.6	32.6	32.6	30.4
Combined ratio in %	110.3	101.3	76.5	101.1

2014 USD millions	Property	Casualty	Specialty	Total
Premiums earned	**1 393**	**1 572**	**595**	**3 560**
Expenses				
Claims and claim adjustment expenses	–824	–1 083	–241	–2 148
Acquisition costs	–249	–445	–147	–841
Other expenses	–193	–118	–29	–340
Total expenses before interest expenses	**–1 266**	**–1 646**	**–417**	**–3 329**
Underwriting result	**127**	**–74**	**178**	**231**
Net investment income				313
Net realised investment gains/losses				161
Other revenues				11
Interest expenses				–64
Income before income tax expenses				**652**
Claims ratio in %	59.2	68.9	40.5	60.3
Expense ratio in %	31.7	35.8	29.6	33.2
Combined ratio in %	90.9	104.7	70.1	93.5

Property & Casualty Reinsurance business segment – by line of business
For the six months ended 30 June

2013 USD millions	Property	Casualty	Specialty	Total
Premiums earned	3 053	2 571	1 080	6 704
Expenses				
Claims and claim adjustment expenses	–1 770	–1 539	–413	–3 722
Acquisition costs	–368	–696	–234	–1 298
Other expenses	–341	–223	–99	–663
Total expenses before interest expenses	–2 479	–2 458	–746	–5 683
Underwriting result	574	113	334	1 021
Net investment income				554
Net realised investment gains/losses				157
Other revenues				31
Interest expenses				–78
Income before income tax expenses				1 685
Claims ratio in %	58.0	59.9	38.2	55.5
Expense ratio in %	23.2	35.7	30.9	29.3
Combined ratio in %	81.2	95.6	69.1	84.8

2014 USD millions	Property	Casualty	Specialty	Total
Premiums earned	**3 131**	**3 083**	**1 159**	**7 373**
Expenses				
Claims and claim adjustment expenses	–1 399	–2 261	–411	–4 071
Acquisition costs	–497	–851	–257	–1 605
Other expenses	–352	–232	–89	–673
Total expenses before interest expenses	**–2 248**	**–3 344**	**–757**	**–6 349**
Underwriting result	**883**	**–261**	**402**	**1 024**
Net investment income				538
Net realised investment gains/losses				394
Other revenues				23
Interest expenses				–126
Income before income tax expenses				**1 853**
Claims ratio in %	44.7	73.4	35.4	55.2
Expense ratio in %	27.1	35.1	29.9	30.9
Combined ratio in %	71.8	108.5	65.3	86.1

c) Life & Health Reinsurance business segment – by line of business
For the three months ended 30 June

2013 USD millions	Life	Health	Total
Revenues			
Premiums earned	1 681	802	2 483
Fee income from policyholders	16		16
Net investment income – non-participating	232	135	367
Net investment income – unit-linked and with-profit	4		4
Net realised investment gains/losses – unit-linked and with-profit	–11		–11
Net realised investment gains/losses – insurance-related derivatives	–74	1	–73
Other revenues			0
Total revenues before non-participating realised gains/losses	1 848	938	2 786
Expenses			
Life and health benefits	–1 358	–609	–1 967
Return credited to policyholders	4		4
Acquisition costs	–354	–107	–461
Other expenses	–162	–51	–213
Total expenses before interest expenses	–1 870	–767	–2 637
Operating income	–22	171	149
Net realised investment gains/losses – non-participating and excluding insurance-related derivatives			133
Interest expenses			–145
Income before income tax expenses			137
Management expense ratio in %	8.4	5.4	7.4
Operating margin[1] in %	–1.2	18.2	5.3

[1] Operating margin is calculated as operating income divided by total operating revenues. Total operating revenues are total revenues excluding unit-linked and with-profit revenues.

Life & Health Reinsurance business segment – by line of business
For the three months ended 30 June

2014 USD millions	Life	Health	Total
Revenues			
Premiums earned	1 804	1 078	2 882
Fee income from policyholders	13		13
Net investment income – non-participating	256	159	415
Net investment income – unit-linked and with-profit	5		5
Net realised investment gains/losses – unit-linked and with-profit	53		53
Net realised investment gains/losses – insurance-related derivatives	5	–3	2
Other revenues	1		1
Total revenues before non-participating realised gains/losses	**2 137**	**1 234**	**3 371**
Expenses			
Life and health benefits	–1 489	–882	–2 371
Return credited to policyholders	–64		–64
Acquisition costs	–297	–173	–470
Other expenses	–158	–73	–231
Total expenses before interest expenses	**–2 008**	**–1 128**	**–3 136**
Operating income	**129**	**106**	**235**
Net realised investment gains/losses – non-participating and excluding insurance-related derivatives			–43
Interest expenses			–120
Income before income tax expenses			**72**
Management expense ratio in %	7.6	5.9	7.0
Operating margin[1] in %	6.2	8.6	7.1

[1] Operating margin is calculated as operating income divided by total operating revenues. Total operating revenues are total revenues excluding unit-linked and with-profit revenues.

Life & Health Reinsurance business segment – by line of business
For the six months ended 30 June

2013 USD millions	Life	Health	Total
Revenues			
Premiums earned	3221	1561	4782
Fee income from policyholders	30		30
Net investment income – non-participating	443	254	697
Net investment income – unit-linked and with-profit	6		6
Net realised investment gains/losses – unit-linked and with-profit	86		86
Net realised investment gains/losses – insurance-related derivatives	–81	3	–78
Other revenues			0
Total revenues before non-participating realised gains/losses	3705	1818	5523
Expenses			
Life and health benefits	–2483	–1218	–3701
Return credited to policyholders	–107		–107
Acquisition costs	–565	–211	–776
Other expenses	–310	–107	–417
Total expenses before interest expenses	–3465	–1536	–5001
Operating income	240	282	522
Net realised investment gains/losses – non-participating and excluding insurance-related derivatives			244
Interest expenses			–296
Income before income tax expenses			470
Management expense ratio in %	8.4	5.9	7.6
Operating margin[1] in %	6.6	15.5	9.6

[1] Operating margin is calculated as operating income divided by total operating revenues. Total operating revenues are total revenues excluding unit-linked and with-profit revenues.

Life & Health Reinsurance business segment – by line of business
For the six months ended 30 June

2014 USD millions	Life	Health	Total
Revenues			
Premiums earned	3 537	2 004	5 541
Fee income from policyholders	26		26
Net investment income – non-participating	504	325	829
Net investment income – unit-linked and with-profit	7		7
Net realised investment gains/losses – unit-linked and with-profit	–3		–3
Net realised investment gains/losses – insurance-related derivatives	35	–3	32
Other revenues	1		1
Total revenues before non-participating realised gains/losses	**4 107**	**2 326**	**6 433**
Expenses			
Life and health benefits	–2 910	–1 591	–4 501
Return credited to policyholders	–18		–18
Acquisition costs	–597	–322	–919
Other expenses	–315	–130	–445
Total expenses before interest expenses	**–3 840**	**–2 043**	**–5 883**
Operating income	**267**	**283**	**550**
Net realised investment gains/losses – non-participating and excluding insurance-related derivatives			–143
Interest expenses			–243
Income before income tax expenses			**164**
Management expense ratio in %	7.7	5.6	7.0
Operating margin[1] in %	6.5	12.2	8.6

[1] Operating margin is calculated as operating income divided by total operating revenues. Total operating revenues are total revenues excluding unit-linked and with-profit revenues.

3 Insurance information

For the three months ended 30 June

Premiums earned and fees assessed against policyholders

2013 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Total
Premiums earned, thereof:						
Direct		167	627	377		1 171
Reinsurance	3 642	2 577	106	46		6 371
Intra-group transactions (assumed and ceded)	–65	66	65	–66		0
Premiums earned before retrocession to external parties	3 577	2 810	798	357		7 542
Reinsurance ceded to external parties	–407	–327	–112	–13		–859
Net premiums earned	3 170	2 483	686	344	0	6 683
Fee income from policyholders, thereof:						
Direct				77		77
Reinsurance		16		19		35
Intra-group transactions (assumed and ceded)						0
Gross fee income before retrocession to external parties		16		96		112
Fee income ceded to external parties						0
Net fee income	0	16	0	96	0	112

2014 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Total
Premiums earned, thereof:						
Direct		190	664	193		1 047
Reinsurance	3 682	2 935	146	42		6 805
Intra-group transactions (assumed and ceded)	–64	74	64	–74		0
Premiums earned before retrocession to external parties	3 618	3 199	874	161		7 852
Reinsurance ceded to external parties	–58	–317	–33	–12		–420
Net premiums earned	**3 560**	**2 882**	**841**	**149**	**0**	**7 432**
Fee income from policyholders, thereof:						
Direct				93		93
Reinsurance		13		22		35
Intra-group transactions (assumed and ceded)						0
Gross fee income before retrocession to external parties		13		115		128
Fee income ceded to external parties						0
Net fee income	**0**	**13**	**0**	**115**	**0**	**128**

For the six months ended 30 June

Premiums earned and fees assessed against policyholders

2013 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Total
Premiums earned, thereof:						
Direct		302	1 194	564		2 060
Reinsurance	7 804	5 106	222	92		13 224
Intra-group transactions (assumed and ceded)	–109	121	109	–121		0
Premiums earned before retrocession to external parties	7 695	5 529	1 525	535		15 284
Reinsurance ceded to external parties	–991	–747	–226	–20		–1 984
Net premiums earned	6 704	4 782	1 299	515	0	13 300
Fee income from policyholders, thereof:						
Direct				203		203
Reinsurance		30		44		74
Intra-group transactions (assumed and ceded)						0
Gross fee income before retrocession to external parties		30		247		277
Fee income ceded to external parties						0
Net fee income	0	30	0	247	0	277

2014 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Total
Premiums earned, thereof:						
Direct		385	1 341	353		2 079
Reinsurance	7 699	5 638	274	84		13 695
Intra-group transactions (assumed and ceded)	–133	139	133	–139		0
Premiums earned before retrocession to external parties	7 566	6 162	1 748	298		15 774
Reinsurance ceded to external parties	–193	–621	–77	–23		–914
Net premiums earned	**7 373**	**5 541**	**1 671**	**275**	**0**	**14 860**
Fee income from policyholders, thereof:						
Direct				180		180
Reinsurance		26		45		71
Intra-group transactions (assumed and ceded)						0
Gross fee income before retrocession to external parties		26		225		251
Fee income ceded to external parties						0
Net fee income	**0**	**26**	**0**	**225**	**0**	**251**

For the three months ended 30 June

Claims and claim adjustment expenses

2013 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Total
Claims paid, thereof:						
Gross claims paid to external parties	−2 776	−2 199	−623	−594		−6 192
Intra-group transactions (assumed and ceded)	−250	−82	250	82		0
Claims before receivables from retrocession to external parties	−3 026	−2 281	−373	−512		−6 192
Receivables from retrocession to external parties	483	292	109	24		908
Net claims paid	−2 543	−1 989	−264	−488	0	−5 284
Change in unpaid claims and claim adjustment expenses; life and health benefits, thereof:						
Gross – with external parties	423	14	−134	88	1	392
Intra-group transactions (assumed and ceded)	135	23	−135	−23		0
Unpaid claims and claim adjustment expenses; life and health benefits before impact of retrocession to external parties	558	37	−269	65	1	392
Reinsurance ceded to external parties	−256	−15	112	−6		−165
Net unpaid claims and claim adjustment expenses; life and health benefits	302	22	−157	59	1	227
Claims and claim adjustment expenses; life and health benefits	−2 241	−1 967	−421	−429	1	−5 057

Acquisition costs

2013 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Total
Acquisition costs, thereof:						
Gross acquisition costs with external parties	−793	−483	−106	−10		−1 392
Intra-group transactions (assumed and ceded)	7		−7			0
Acquisition costs before impact of retrocession to external parties	−786	−483	−113	−10		−1 392
Retrocession to external parties	150	22	22	1		195
Net acquisition costs	−636	−461	−91	−9	0	−1 197

For the three months ended 30 June

Claims and claim adjustment expenses

2014 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Total
Claims paid, thereof:						
Gross claims paid to external parties	–3 068	–2 377	–388	–547		–6 380
Intra-group transactions (assumed and ceded)	38	–62	–38	62		0
Claims before receivables from retrocession to external parties	–3 030	–2 439	–426	–485		–6 380
Receivables from retrocession to external parties	331	281	94	16		722
Net claims paid	**–2 699**	**–2 158**	**–332**	**–469**	**0**	**–5 658**
Change in unpaid claims and claim adjustment expenses; life and health benefits, thereof:						
Gross – with external parties	885	–241	–197	154	–16	585
Intra-group transactions (assumed and ceded)	–74	2	74	–2		0
Unpaid claims and claim adjustment expenses; life and health benefits before impact of retrocession to external parties	811	–239	–123	152	–16	585
Reinsurance ceded to external parties	–260	26	–43	–5		–282
Net unpaid claims and claim adjustment expenses; life and health benefits	**551**	**–213**	**–166**	**147**	**–16**	**303**
Claims and claim adjustment expenses; life and health benefits	**–2 148**	**–2 371**	**–498**	**–322**	**–16**	**–5 355**

Acquisition costs

2014 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Total
Acquisition costs, thereof:						
Gross acquisition costs with external parties	–865	–521	–112	–34		–1 532
Intra-group transactions (assumed and ceded)	6	–1	–6	1		0
Acquisition costs before impact of retrocession to external parties	–859	–522	–118	–33		–1 532
Retrocession to external parties	18	52	6	1		77
Net acquisition costs	**–841**	**–470**	**–112**	**–32**	**0**	**–1 455**

For the six months ended 30 June

Claims and claim adjustment expenses

2013 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Total
Claims paid, thereof:						
Gross claims paid to external parties	–5 228	–4 244	–1 098	–1 111		–11 681
Intra-group transactions (assumed and ceded)	–388	–217	391	214		0
Claims before receivables from retrocession to external parties	–5 616	–4 461	–707	–897		–11 681
Receivables from retrocession to external parties	941	700	206	38		1 885
Net claims paid	–4 675	–3 761	–501	–859	0	–9 796
Change in unpaid claims and claim adjustment expenses; life and health benefits, thereof:						
Gross – with external parties	1 136	–8	–54	156		1 230
Intra-group transactions (assumed and ceded)	306	111	–309	–108		0
Unpaid claims and claim adjustment expenses; life and health benefits before impact of retrocession to external parties	1 442	103	–363	48		1 230
Reinsurance ceded to external parties	–489	–43	117	–11		–426
Net unpaid claims and claim adjustment expenses; life and health benefits	953	60	–246	37	0	804
Claims and claim adjustment expenses; life and health benefits	–3 722	–3 701	–747	–822	0	–8 992

Acquisition costs

2013 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Total
Acquisition costs, thereof:						
Gross acquisition costs with external parties	–1 673	–1 002	–196	–20		–2 891
Intra-group transactions (assumed and ceded)	15	–1	–15	1		0
Acquisition costs before impact of retrocession to external parties	–1 658	–1 003	–211	–19		–2 891
Retrocession to external parties	360	227	49	1		637
Net acquisition costs	–1 298	–776	–162	–18	0	–2 254

For the six months ended 30 June

Claims and claim adjustment expenses

2014 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Total
Claims paid, thereof:						
Gross claims paid to external parties	–5 431	–4 593	–937	–1 070	–6	–12 037
Intra-group transactions (assumed and ceded)	–163	–123	163	123		0
Claims before receivables from retrocession to external parties	–5 594	–4 716	–774	–947	–6	–12 037
Receivables from retrocession to external parties	604	583	180	37		1 404
Net claims paid	**–4 990**	**–4 133**	**–594**	**–910**	**–6**	**–10 633**
Change in unpaid claims and claim adjustment expenses; life and health benefits, thereof:						
Gross – with external parties	1 377	–398	–258	273	–12	982
Intra-group transactions (assumed and ceded)	82	14	–82	–14		0
Unpaid claims and claim adjustment expenses; life and health benefits before impact of retrocession to external parties	1 459	–384	–340	259	–12	982
Reinsurance ceded to external parties	–540	16	–95	–9		–628
Net unpaid claims and claim adjustment expenses; life and health benefits	**919**	**–368**	**–435**	**250**	**–12**	**354**
Claims and claim adjustment expenses; life and health benefits	**–4 071**	**–4 501**	**–1 029**	**–660**	**–18**	**–10 279**

Acquisition costs

2014 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Total
Acquisition costs, thereof:						
Gross acquisition costs with external parties	–1 672	–1 014	–211	–79		–2 976
Intra-group transactions (assumed and ceded)	16	–1	–16	1		0
Acquisition costs before impact of retrocession to external parties	–1 656	–1 015	–227	–78		–2 976
Retrocession to external parties	51	96	14	1		162
Net acquisition costs	**–1 605**	**–919**	**–213**	**–77**	**0**	**–2 814**

Reinsurance receivables

Reinsurance receivables as of 31 December 2013 and 30 June 2014 were as follows:

USD millions	2013	**2014**
Premium receivables invoiced	1 482	1 910
Receivables invoiced from ceded re/insurance business	446	704
Assets arising from the application of the deposit method of accounting and meeting the definition of financing receivables	1 273	807
Recognised allowance	–101	–105

Policyholder dividends

Policyholder dividends are recognised as an element of policyholder benefits. In the six months ended 30 June 2013 and 2014, the relative percentage of participating insurance of the life and health policy benefits was 8%. The amount of policyholder dividend expense for the three months ended 30 June 2013 and 2014 was USD 22 million and USD 28 million, respectively. For the six months ended 30 June 2013 and 2014, the policyholder dividend expense amounted to USD 65 million and USD 54 million, respectively.

This page intentionally left blank

4 Premiums written

For the three months ended 30 June

2013 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Consolidation	Total
Gross premiums written, thereof:							
Direct		124	656	384			1 164
Reinsurance	3 535	2 547	125	45			6 252
Intra-group transactions (assumed)	48	66	82			–196	0
Gross premiums written	3 583	2 737	863	429		–196	7 416
Intra-group transactions (ceded)	–82		–48	–66		196	0
Gross premiums written before retrocession to external parties	3 501	2 737	815	363			7 416
Reinsurance ceded to external parties	–444	–325	–50	–13			–832
Net premiums written	3 057	2 412	765	350	0	0	6 584

2014 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Consolidation	Total
Gross premiums written, thereof:							
Direct		80	740	186			1 006
Reinsurance	3 569	2 961	149	42			6 721
Intra-group transactions (assumed)	41	73	92			–206	0
Gross premiums written	3 610	3 114	981	228		–206	7 727
Intra-group transactions (ceded)	–92		–41	–73		206	0
Gross premiums written before retrocession to external parties	3 518	3 114	940	155			7 727
Reinsurance ceded to external parties	–138	–316	–15	–12			–481
Net premiums written	**3 380**	**2 798**	**925**	**143**	**0**	**0**	**7 246**

For the six months ended 30 June

2013 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Consolidation	Total
Gross premiums written, thereof:							
Direct		365	1 135	586			2 086
Reinsurance	10 166	5 134	237	91			15 628
Intra-group transactions (assumed)	222	121	153			–496	0
Gross premiums written	10 388	5 620	1 525	677		–496	17 714
Intra-group transactions (ceded)	–153		–222	–121		496	0
Gross premiums written before retrocession to external parties	10 235	5 620	1 303	556			17 714
Reinsurance ceded to external parties	–596	–742	–95	–20			–1 453
Net premiums written	9 639	4 878	1 208	536	0	0	16 261

2014 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Consolidation	Total
Gross premiums written, thereof:							
Direct		465	1 325	363			2 153
Reinsurance	10 140	5 740	344	84			16 308
Intra-group transactions (assumed)	188	139	135			–462	0
Gross premiums written	10 328	6 344	1 804	447		–462	18 461
Intra-group transactions (ceded)	–135		–188	–139		462	0
Gross premiums written before retrocession to external parties	10 193	6 344	1 616	308			18 461
Reinsurance ceded to external parties	–155	–619	–62	–23			–859
Net premiums written	**10 038**	**5 725**	**1 554**	**285**	**0**	**0**	**17 602**

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

As of 31 December 2013 and 30 June 2014, the DAC were as follows:

2013 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Total
Opening balance as of 1 January 2013	1 103	2 713	219	2	2	4 039
Deferred	3 217	491	504			4 212
Effect of acquisitions/disposals and retrocessions		57				57
Amortisation	–2 710	–397	–406			–3 513
Effect of foreign currency translation	–19	–19	2	–1	–2	–39
Closing balance as of 31 December 2013	1 591	2 845	319	1	0	4 756

2014 USD millions	Property & Casualty Reinsurance	Life & Health Reinsurance	Corporate Solutions	Admin Re®	Group items	Total
Opening balance as of 1 January 2014	1 591	2 845	319	1	0	4 756
Deferred	1 957	276	208			2 441
Effect of acquisitions/disposals and retrocessions						0
Amortisation	–1 581	–246	–213			–2 040
Effect of foreign currency translation	–3	43	–1	1		40
Closing balance as of 30 June 2014	**1 964**	**2 918**	**313**	**2**	**0**	**5 197**

Retroceded DAC 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.

As of 31 December 2013 and 30 June 2014, the PVFP was as follows:

			2013			**2014**
USD millions	Life & Health Reinsurance	Admin Re®	Total	Life & Health Reinsurance	Admin Re®	Total
Opening balance	1 358	1 665	3 023	1 451	2 086	3 537
Effect of acquisitions/disposals and retrocessions	206	–30	176		165	165
Amortisation	–151	–184	–335	–78	–62	–140
Interest accrued on unamortised PVFP	35	186	221	20	–1	19
Effect of foreign currency translation	3	44	47	22	52	74
Effect of change in unrealised gains/losses		405	405		–9	–9
Closing balance	1 451	2 086	3 537	**1 415**	**2 231**	**3 646**

Retroceded 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 Investments

Investment income

Net investment income by source (excluding unit-linked and with-profit business) for the periods ended 30 June was as follows:

USD millions	Three months ended 30 June 2013	2014	Six months ended 30 June 2013	2014
Fixed income securities	662	717	1 320	1 406
Equity securities	46	44	62	64
Policy loans, mortgages and other loans	29	33	57	66
Investment real estate	34	36	70	72
Short-term investments	29	29	59	56
Other current investments	24	37	51	64
Share in earnings of equity-accounted investees	84	94	136	192
Cash and cash equivalents	17	12	27	21
Net result from deposit-accounted contracts	34	49	70	73
Deposits with ceding companies	156	154	302	302
Gross investment income	1 115	**1 205**	2 154	**2 316**
Investment expenses	–100	–88	–193	–178
Interest charged for funds held	–8	–5	–13	–19
Net investment income – non-participating	1 007	**1 112**	1 948	**2 119**

Dividends received from investments accounted for using the equity method were USD 44 million and USD 43 million for the three months ended 30 June 2013 and 2014, respectively, as well as USD 132 million and USD 173 million for the six months ended 30 June 2013 and 2014, respectively.

Realised gains and losses

Realised gains and losses for fixed income, equity securities and other investments (excluding unit-linked and with-profit business) for the periods ended 30 June were as follows:

USD millions	Three months ended 30 June 2013	2014	Six months ended 30 June 2013	2014
Fixed income securities available-for-sale:				
Gross realised gains	472	225	870	428
Gross realised losses	–247	–71	–386	–177
Equity securities available-for-sale:				
Gross realised gains	86	145	158	449
Gross realised losses	–13	–10	–18	–37
Other-than-temporary impairments	–6	–8	–18	–13
Net realised investment gains/losses on trading securities	–13	9	–17	13
Change in net unrealised investment gains/losses on trading securities	–30	24	–29	41
Other investments:				
Net realised/unrealised gains/losses	64	–43	60	–199
Net realised/unrealised gains/losses on insurance-related derivatives	–58	–26	–104	4
Foreign exchange gains/losses	–4	–86	–57	–65
Net realised investment gains/losses – non-participating	251	**159**	459	**444**

Investment result – unit-linked and with-profit business
Unit-linked and with-profit business are presented together as they are similar in nature. For unit-linked contracts, the investment risk is borne by the policyholder. For with-profit contracts, the majority of the investment risk is also borne by the policyholder, although there are certain guarantees that limit the down-side risk for the policyholder, and a certain proportion of the returns may be retained by Swiss Re (typically 10%).

Net investment result on unit-linked and with-profit business credited to policyholders for the periods ended 30 June was as follows:

	Three months ended 30 June				Six months ended 30 June			
	2013		2014		2013		2014	
USD millions	Unit-linked	With-profit	Unit-linked	With-profit	Unit-linked	With-profit	Unit-linked	With-profit
Investment income – fixed income securities	30	22	30	24	61	45	59	46
Investment income – equity securities	164	8	172	8	292	16	360	19
Investment income – other	–2	3	5	6	1	6	8	7
Total investment income – unit-linked and with-profit business	192	33	**207**	**38**	354	67	**427**	**72**
Realised gains/losses – fixed income securities	–101	–88	5	12	–91	–84	36	46
Realised gains/losses – equity securities	–355	–14	278	14	1 494	85	69	2
Realised gains/losses – other	–13	–2	7	–13	–1	–39	9	–14
Total realised gains/losses – unit-linked and with-profit business	–469	–104	**290**	**13**	1 402	–38	**114**	**34**
Total net investment result – unit-linked and with-profit business	–277	–71	**497**	**51**	1 756	29	**541**	**106**

Impairment on fixed income securities related to credit losses
Other-than-temporary impairments for debt securities are bifurcated between credit and non-credit components, with the credit component recognised through earnings and the non-credit component recognised in other comprehensive income. The credit component of other-than-temporary impairments is defined as the difference between a security's amortised cost basis and expected cash flows. Methodologies for measuring the credit component of impairment are aligned to market observer forecasts of credit performance drivers. Management believes that these forecasts are representative of median market expectations.

For securitised products, cash flow projection analysis is conducted by integrating forward-looking evaluation of collateral performance drivers, including default rates, prepayment rates and loss severities, and deal-level features, such as credit enhancement and prioritisation among tranches for payments of principal and interest. Analytics are differentiated by asset class, product type and security-level differences in historical and expected performance. For corporate bonds and hybrid debt instruments, an expected loss approach based on default probabilities and loss severities expected in the current and forecast economic environment is used for securities identified as credit-impaired to project probability-weighted cash flows. Expected cash flows resulting from these analyses are discounted, and net present value is compared to the amortised cost basis to determine the credit component of other-than-temporary impairments.

A reconciliation of other-than-temporary impairment related to credit losses recognised in earnings for the six months ended 30 June was as follows:

USD millions	2013	2014
Balance as of 1 January[1]	310	228
Credit losses for which an other-than-temporary impairment was not previously recognised		
Reductions for securities sold during the period	–41	–58
Increase of credit losses for which an other-than-temporary impairment has been recognised previously, when the Group does not intend to sell, or more likely than not will not be required to sell before recovery	7	
Impact of increase in cash flows expected to be collected	–16	–14
Impact of foreign exchange movements	14	
Balance as of 30 June	274	**156**

[1] During 2013 the Group revised the other-than-temporary impairment on fixed income securities related to credit losses. The revision had no impact on net income and shareholders' equity of the Group.

Investments available-for-sale

Amortised cost or cost, estimated fair values and other-than-temporary impairments of fixed income securities classified as available-for-sale as of 31 December 2013 and 30 June 2014 were as follows:

2013 USD millions	Amortised cost or cost	Gross unrealised gains	Gross unrealised losses	Other-than-temporary impairments recognised in other comprehensive income	Estimated fair value
Debt securities issued by governments and government agencies:					
US Treasury and other US government corporations and agencies	6027	143	–113		6057
US Agency securitised products	3970	36	–75		3931
States of the United States and political subdivisions of the states	953	10	–48		915
United Kingdom	11255	344	–351		11248
Canada	3063	315	–67		3311
Germany	4386	96	–37		4445
France	2727	113	–12		2828
Other	7185	181	–274		7092
Total	39566	1238	–977		39827
Corporate debt securities	30464	1477	–528	–4	31409
Mortgage- and asset-backed securities	6319	284	–74	–4	6525
Fixed income securities available-for-sale	76349	2999	–1579	–8	77761
Equity securities available-for-sale	6110	1047	–81		7076

2014 USD millions	Amortised cost or cost	Gross unrealised gains	Gross unrealised losses	Other-than-temporary impairments recognised in other comprehensive income	Estimated fair value
Debt securities issued by governments and government agencies:					
US Treasury and other US government corporations and agencies	4703	307	–20		4990
US Agency securitised products	3680	52	–32		3700
States of the United States and political subdivisions of the states	987	51	–6		1032
United Kingdom	11049	490	–79		11460
Canada	2825	454	–25		3254
Germany	4615	230	–9		4836
France	3061	249	–7		3303
Other	7928	279	–127		8080
Total	38848	2112	–305		40655
Corporate debt securities	31267	2102	–164		33205
Mortgage- and asset-backed securities	6054	276	–28	–1	6301
Fixed income securities available-for-sale	**76169**	**4490**	**–497**	**–1**	**80161**
Equity securities available-for-sale	**3974**	**782**	**–40**		**4716**

The "Other-than-temporary impairments recognised in other comprehensive income" column includes only securities with a credit-related loss recognised in earnings. Subsequent recovery in fair value of securities previously impaired in other comprehensive income is presented in the "Other-than-temporary impairments recognised in other comprehensive income" column.

Investments trading
Fixed income securities and equity securities classified as trading (excluding unit-linked and with-profit business) as of 31 December 2013 and 30 June 2014 were as follows:

USD millions	2013	**2014**
Debt securities issued by governments and government agencies	1 202	2 118
Corporate debt securities	145	62
Mortgage- and asset-backed securities	188	175
Fixed income securities trading – non-participating	1 535	**2 355**
Equity securities trading – non-participating	615	**56**

Investments held for unit-linked and with-profit business
Investments held for unit-linked and with-profit business as of 31 December 2013 and 30 June 2014 were as follows:

USD millions	Unit-linked	2013 With-profit	Unit-linked	**2014** With-profit
Fixed income securities trading	2 541	2 044	2 437	2 044
Equity securities trading	20 252	928	20 935	963
Investment real estate	517	386	656	427
Other invested assets	547		416	
Total investments for unit-linked and with-profit business	23 857	3 358	**24 444**	**3 434**

Maturity of fixed income securities available-for-sale
The amortised cost or cost and estimated fair values of investments in fixed income securities available-for-sale by remaining maturity as of 31 December 2013 and 30 June 2014 are shown below. Fixed maturity investments are assumed not to be called for redemption prior to the stated maturity date. As of 31 December 2013 and 30 June 2014, USD 11 476 million and USD 11 790 million, respectively, of fixed income securities available-for-sale were callable.

USD millions	Amortised cost or cost	2013 Estimated fair value	Amortised cost or cost	**2014** Estimated fair value
Due in one year or less	3 308	3 305	3 868	3 864
Due after one year through five years	19 308	19 697	18 994	19 597
Due after five years through ten years	14 243	14 522	14 808	15 551
Due after ten years	33 370	33 911	32 606	35 010
Mortgage- and asset-backed securities with no fixed maturity	6 120	6 326	5 893	6 139
Total fixed income securities available-for-sale	76 349	77 761	**76 169**	**80 161**

Assets pledged
As of 30 June 2014, investments with a carrying value of USD 8 548 million were on deposit with regulatory agencies in accordance with local requirements, and investments with a carrying value of USD 11 917 million were placed on deposit or pledged to secure certain reinsurance liabilities, including pledged investments in subsidiaries.

As of 31 December 2013 and 30 June 2014, securities of USD 16 215 million and USD 20 314 million, respectively, were pledged as collateral in securities lending transactions and repurchase agreements. The associated liabilities of USD 1 991 million and USD 2 551 million, respectively, were recognised in accrued expenses and other liabilities.

As of 30 June 2014, a real estate portfolio with a carrying value of USD 258 million serves as collateral for short-term senior operational debt of USD 733 million.

Collateral accepted which the Group has the right to sell or repledge
As of 31 December 2013 and 30 June 2014, the fair value of the equity securities and the government and corporate bond securities received as collateral was USD 4 367 million and USD 4 667 million, respectively. Of this, the amount that was sold or repledged as of 31 December 2013 and 30 June 2014 was USD 1 472 million and USD 1 535 million, respectively. The sources of the collateral are reverse repurchase agreements and derivative transactions.

Offsetting of derivatives, financial assets and financial liabilities
Offsetting of derivatives, financial assets and financial liabilities as of 31 December 2013 and 30 June 2014 were as follows:

2013 USD millions	Gross amounts of recognised financial assets	Collateral set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Related financial instruments not set off in the balance sheet	Net amount
Derivative financial instruments – assets	4 099	–2 877	1 222	–380	842
Reverse repurchase agreements	4 064	–1 811	2 253	–2 253	0
Securities borrowing			0		0
Total	8 163	–4 688	3 475	–2 633	842

2013 USD millions	Gross amounts of recognised financial liabilities	Collateral set off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Related financial instruments not set off in the balance sheet	Net amount
Derivative financial instruments – liabilities	–4 104	2 656	–1 448	157	–1 291
Repurchase agreements	–2 009	1 811	–198	198	0
Securities lending	–1 792		–1 792	1 655	–137
Total	–7 905	4 467	–3 438	2 010	–1 428

2014 USD millions	Gross amounts of recognised financial assets	Collateral set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Related financial instruments not set off in the balance sheet	Net amount
Derivative financial instruments – assets	3 978	–3 182	796	–140	**656**
Reverse repurchase agreements	4 501	–1 438	3 063	–3 063	**0**
Securities borrowing	37		37	–37	**0**
Total	**8 516**	**–4 620**	**3 896**	**–3 240**	**656**

2014 USD millions	Gross amounts of recognised financial liabilities	Collateral set off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Related financial instruments not set off in the balance sheet	Net amount
Derivative financial instruments – liabilities	–4 081	2 931	–1 150	114	**–1 036**
Repurchase agreements	–2 189	1 438	–751	751	**0**
Securities lending	–1 800		–1 800	1 699	**–101**
Total	**–8 070**	**4 369**	**–3 701**	**2 564**	**–1 137**

Collateral pledged or received between two counterparties with a master netting arrangement in place, but not subject to balance sheet netting is disclosed at fair value. The fair values represent the gross carrying value amounts at the reporting date for each financial instrument received or pledged by the Group. Management believes that master netting agreements provide for legally enforceable setoff in the event of default, which substantially reduces credit exposure. Upon occurrence of an event of default the non-defaulting party may set off the obligation against collateral received regardless if offset on balance sheet prior to the defaulting event. The net amounts of the financial assets and liabilities presented on the balance sheet were recognised in "Other Invested Assets", and "Accrued Expenses and Other Liabilities", respectively.

Unrealised losses on securities available-for-sale

The following table shows the fair value and unrealised losses of the Group's fixed income securities, aggregated by investment category and length of time that individual securities were in a continuous unrealised loss position as of 31 December 2013 and 30 June 2014. As of 31 December 2013 and 30 June 2014, USD 77 million and USD 36 million, respectively, of the gross unrealised loss on equity securities available-for-sale relates to declines in value for less than 12 months and USD 4 million and USD 4 million, respectively, to declines in value for more than 12 months.

2013 USD millions	Less than 12 months Fair value	 Unrealised losses	12 months or more Fair value	 Unrealised losses	Total Fair value	 Unrealised losses
Debt securities issued by governments and government agencies:						
US Treasury and other US government corporations and agencies	2 874	113			2 874	113
US Agency securitised products	2 248	71	41	4	2 289	75
States of the United States and political subdivisions of the states	703	48			703	48
United Kingdom	6 973	351			6 973	351
Canada	938	65	11	2	949	67
Germany	1 697	33	199	4	1 896	37
France	506	10	47	2	553	12
Other	3 392	198	646	76	4 038	274
Total	19 331	889	944	88	20 275	977
Corporate debt securities	12 189	494	319	38	12 508	532
Mortgage- and asset-backed securities	1 834	47	565	31	2 399	78
Total	33 354	1 430	1 828	157	35 182	1 587

2014 USD millions	Less than 12 months Fair value	 Unrealised losses	12 months or more Fair value	 Unrealised losses	Total Fair value	 Unrealised losses
Debt securities issued by governments and government agencies:						
US Treasury and other US government corporations and agencies	209	4	525	16	734	20
US Agency securitised products	481	16	810	16	1 291	32
States of the United States and political subdivisions of the states	72		233	6	305	6
United Kingdom	3 008	46	748	33	3 756	79
Canada	359	8	358	17	717	25
Germany	155	1	281	8	436	9
France	87	4	56	3	143	7
Other	1 012	51	1 597	76	2 609	127
Total	5 383	130	4 608	175	9 991	305
Corporate debt securities	2 817	38	3 183	126	6 000	164
Mortgage- and asset-backed securities	869	10	602	19	1 471	29
Total	**9 069**	**178**	**8 393**	**320**	**17 462**	**498**

Mortgages, loans and real estate
As of 31 December 2013 and 30 June 2014, the carrying values of investments in mortgages, policy and other loans, and real estate (excluding unit-linked and with-profit business) were as follows:

USD millions	2013	**2014**
Policy loans	270	263
Mortgage loans	1 801	1 941
Other loans	824	963
Investment real estate	825	906

The fair value of the real estate as of 31 December 2013 and 30 June 2014 was USD 2 551 million and USD 2 644 million, respectively. The carrying value of policy loans, mortgages and other loans approximates fair value.

As of 31 December 2013 and 30 June 2014, investments in real estate included USD 5 million and USD 5 million, respectively, of real estate held for sale.

Depreciation expense related to income-producing properties was USD 12 million and USD 14 million for the six months ended 30 June 2013 and 2014, respectively. Accumulated depreciation on investment real estate totalled USD 577 million and USD 590 million as of 31 December 2013 and 30 June 2014, respectively.

Substantially all mortgages, policy loans and other loan receivables are secured by buildings, land or the underlying policies.

7 Fair value disclosures

Fair value, as defined by the Fair Value Measurements and Disclosures Topic, 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.

The Fair Value Measurements and Disclosures Topic requires all assets and liabilities that are measured at fair value to be categorised 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 where 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 unadjusted 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 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, and state, 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 (OTC) 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 liabilities for life and health policy benefits in 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.

The fair values of assets are adjusted to incorporate the counterparty risk of non-performance. Similarly, the fair values of liabilities reflect the risk of non-performance of the Group, captured by the Group's credit spread. These valuation adjustments from assets and liabilities measured at fair value using significant unobservable inputs are recognised in net realised gains and losses. For the six months ended 30 June 2014, these adjustments were not material. Whenever the underlying assets or liabilities are reported in a specific business segment, the valuation adjustment is allocated accordingly. Valuation adjustments not attributable to any business segment are reported in Group items.

In certain situations, the Group uses inputs to measure the fair value of asset or liability positions that fall into different levels of the fair value hierarchy. In these situations, the Group will determine the appropriate level based on the lowest level input that is significant to the determination of the fair value.

Valuation techniques
US government securities typically have quoted market prices in active markets and are categorised as level 1 instruments in the fair value hierarchy. Non-US government holdings are generally classified as level 2 instruments and are valued on the basis of the quotes provided by pricing services, which are subject to the Group's pricing validation reviews and pricing vendor challenge process. Valuations provided by pricing vendors are generally based on the actual trade information as substantially all of the Group's non-US government holdings are traded in a transparent and liquid market.

Corporate debt securities mainly include US and European investment-grade positions, which are priced on the basis of quotes provided by third-party pricing vendors and first utilise valuation inputs from actively traded securities, such as bid prices, bid spreads to Treasury securities, Treasury curves, and same or comparable issuer curves and spreads. Issuer spreads are determined from actual quotes and traded prices and incorporate considerations of credit/default, sector composition, and liquidity and call features. Where market data is not available, valuations are developed based on the modelling techniques that utilise observable inputs and option-adjusted spreads and incorporate considerations of the security's seniority, maturity and the issuer's corporate structure.

Values of mortgage and asset-backed securities are obtained both from third-party pricing vendors and through quoted prices, some of which may be based on the prices of comparable securities with similar structural and collateral features. Values of certain asset-backed securities (ABS) for which there are no significant observable inputs are developed using benchmarks to similar transactions or indices. The two primary categories of mortgage and asset-backed securities are residential mortgage-backed securities (RMBS) and commercial mortgage-backed securities (CMBS). For both RMBS and CMBS, cash flows are derived based on the transaction-specific information, which incorporates priority in the capital structure, and are generally adjusted to reflect benchmark yields, market prepayment data, collateral performance (default rates and loss severity) for specific vintage and geography, credit enhancements, and ratings. For certain RMBS and CMBS with low levels of market liquidity, judgments may be required to determine comparable securities based on the loan type and deal-specific performance. CMBS terms may also incorporate lock-out periods that restrict borrowers from prepaying the loans or provide disincentives to prepay and therefore reduce prepayment risk of these securities, compared to RMBS. The factors specifically considered in valuation of CMBS include borrower-specific statistics in a specific region, such as debt service coverage and loan-to-value ratios, as well as the type of commercial property. Mortgage and asset-backed securities also includes debt securitised by credit card, student loan and auto loan receivables. Pricing inputs for these securities also focus on capturing, where relevant, collateral quality and performance, payment patterns, and delinquencies.

The Group uses third-party pricing vendor data to value agency securitised products, which mainly include collateralised mortgage obligations (CMO) and mortgage-backed government agency securities. The valuations generally utilise observable inputs consistent with those noted above for RMBS and CMBS.

Equity securities held by the Group for proprietary investment purposes are mainly classified in levels 1 and 2. Securities classified in level 1 are traded on public stock exchanges for which quoted prices are readily available. Level 2 equities include equity investments fair valued pursuant to the fair value option election and certain hedge fund positions; all valued based on primarily observable inputs.

The category "Other invested assets" includes the Group's private equity and hedge fund investments which are made directly or via ownership of funds. Substantially all these investments are classified as level 3 due to the lack of observable prices and significant judgment required in valuation. Valuation of direct private equity investments requires significant management judgment due to the absence of quoted market prices and the lack of liquidity. Initial valuation is based on the acquisition cost, and is further refined based on the available market information for the public companies that are considered comparable to the Group's holdings in the private companies being valued, and the private company-specific performance indicators; both historic and projected. Subsequent valuations also reflect business or asset appraisals, as well as market transaction data for private and public benchmark companies and the actual companies being valued, such as financing rounds and mergers and acquisitions activity. The Group's holdings in the private equity and hedge funds are generally valued utilising net asset values (NAV), subject to adjustments, as deemed necessary, for restrictions on redemption (lock-up periods and amount limitations on redemptions).

The Group holds both exchange-traded and (OTC) interest rate, foreign exchange, credit and equity derivative contracts for hedging and trading purposes. The fair values of exchange-traded derivatives measured using observable exchange prices are classified in level 1. Long-dated contracts may require adjustments to the exchange-traded prices which would trigger reclassification to level 2 in the fair value hierarchy. OTC derivatives are generally valued by the Group based on the internal models, which are consistent with industry standards and practices, and use both observable (dealer, broker or market consensus prices, spot and forward rates, interest rate and credit curves and volatility indices) and unobservable inputs (adjustments for liquidity, inputs derived from the observable data based on the Group's judgments and assumptions).

The Group's OTC interest rate derivatives primarily include interest rate swaps, futures, options, caps and floors, and are valued based on the cash flow discounting models which generally utilise as inputs observable market yield curves and volatility assumptions.

The Group's OTC foreign exchange derivatives primarily include forward, spot and option contracts and are generally valued based on the cash flow discounting models, utilising as main inputs observable foreign exchange forward curves.

The Group's investments in equity derivatives primarily include OTC equity option contracts on single or baskets of market indices and equity options on individual or baskets of equity securities, which are valued using internally developed models (such as the Black-Scholes option pricing model and various simulation models) calibrated with the inputs, which include underlying spot prices, dividend curves, volatility surfaces, yield curves, and correlations between underlying assets.

The Group's OTC credit derivatives include index and single-name credit default swaps, as well as more complex structured credit derivatives. Plain vanilla credit derivatives, such as index and single-name credit default swaps, are valued by the Group based on the models consistent with the industry valuation standards for these credit contracts, and primarily utilising observable inputs published by market data sources, such as credit spreads and recovery rates. These valuation techniques warrant classification of plain vanilla OTC derivatives as level 2 financial instruments in the fair value hierarchy.

Governance around level 3 fair valuation

The Group Risk & Capital Committee, chaired by the Group Chief Risk Officer, has a primary responsibility for governing and overseeing all of the Group's valuation policies and operating parameters (including level 3 measurements). The Group Risk & Capital Committee ultimately delegates the responsibility for implementation and oversight of consistent application of the Group's pricing and valuation policies to the Pricing and Valuation Committee, which is a management control committee. Key functions of the Pricing and Valuation Committee include: oversight over the entire valuation process, approval of internal valuation methodologies, approval of external pricing vendors, monitoring of the independent price verification (IPV) process and resolution of significant or complex valuation issues.

A formal IPV process is undertaken monthly by members of the IPV team within a Financial Risk Management function. The process includes monitoring and in-depth analyses of approved pricing methodologies and valuations of the Group's financial instruments aimed at identifying and resolving pricing discrepancies.

The Risk Management function is responsible for independent validation and ongoing review of the Group's valuation models. The Product Control group within Finance is tasked with reporting of fair values through the vendor- and model-based valuations, the results of which are also subject to the IPV process.

Assets and liabilities measured at fair value on a recurring basis
As of 31 December 2013 and 30 June 2014, the fair values of assets and liabilities measured on a recurring basis by level of input were as follows:

2013 USD millions	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Impact of netting[1]	Total
Assets					
Fixed income securities held for proprietary investment purposes	5454	73180	662		79296
Debt securities issued by US government and government agencies	5454	1537			6991
US Agency securitised products		3946			3946
Debt securities issued by non-US governments and government agencies		30092			30092
Corporate debt securities		30904	650		31554
Mortgage and asset-backed securities		6701	12		6713
Fixed income securities backing unit-linked and with-profit life and health policies		4585			4585
Equity securities	28257	565	49		28871
Equity securities backing unit-linked and with-profit life and health policies	21169	11			21180
Equity securities held for proprietary investment purposes	7088	554	49		7691
Derivative financial instruments	31	3563	505	−2877	1222
Interest rate contracts	8	2372			2380
Foreign exchange contracts		267			267
Derivative equity contracts	23	842	401		1266
Credit contracts		18	28		46
Other contracts		64	76		140
Other invested assets	1476	210	2256		3942
Total assets at fair value	35218	82103	3472	−2877	117916
Liabilities					
Derivative financial instruments	−14	−3097	−993	2656	−1448
Interest rate contracts		−2123			−2123
Foreign exchange contracts		−428			−428
Derivative equity contracts	−14	−527	−190		−731
Credit contracts		−11	−38		−49
Other contracts		−8	−765		−773
Liabilities for life and health policy benefits			−145		−145
Accrued expenses and other liabilities	−1634	−1271			−2905
Total liabilities at fair value	−1648	−4368	−1138	2656	−4498

[1] The netting of derivative receivables and derivative payables is permitted when a legally enforceable master netting agreement exists between two counterparties. 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.

2014 USD millions	Quoted prices in active markets for identical assets and liabilities (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Impact of netting[1]	Total
Assets					
Fixed income securities held for proprietary investment purposes	4 902	76 976	638		82 516
Debt securities issued by US government and government agencies	4 902	1 664			6 566
US Agency securitised products		3 713			3 713
Debt securities issued by non-US governments and government agencies		32 494			32 494
Corporate debt securities		32 641	626		33 267
Mortgage and asset-backed securities		6 464	12		6 476
Fixed income securities backing unit-linked and with-profit life and health policies		4 481			4 481
Equity securities	26 594	28	48		26 670
Equity securities backing unit-linked and with-profit life and health policies	21 886	12			21 898
Equity securities held for proprietary investment purposes	4 708	16	48		4 772
Short-term investments held for proprietary investment purposes[2]	10 158	10 215			20 373
Short-term investments backing unit-linked and with-profit life and health policies[2]		31			31
Derivative financial instruments	25	3 391	562	–3 182	796
Interest rate contracts	2	2 552			2 554
Foreign exchange contracts		85			85
Derivative equity contracts	23	731	424		1 178
Credit contracts		1	15		16
Other contracts		22	123		145
Other invested assets	1 586		2 109		3 695
Total assets at fair value	**43 265**	**95 122**	**3 357**	**–3 182**	**138 562**
Liabilities					
Derivative financial instruments	–7	–3 244	–830	2 931	–1 150
Interest rate contracts		–2 252			–2 252
Foreign exchange contracts		–422			–422
Derivative equity contracts	–7	–523	–145		–675
Credit contracts		–32	–10		–42
Other contracts		–15	–675		–690
Liabilities for life and health policy benefits			–143		–143
Accrued expenses and other liabilities	–1 985	–1 165			–3 150
Total liabilities at fair value	**–1 992**	**–4 409**	**–973**	**2 931**	**–4 443**

1 The netting of derivative receivables and derivative payables is permitted when a legally enforceable master netting agreement exists between two counterparties. 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.

2 In the first quarter 2014, the Group changed the valuation of short-term investments from amortized cost to fair value. There is no material impact to the net income, total assets or shareholders' equity.

Transfers between level 1 and level 2

There were no material transfers between level 1 and level 2 for the six months ended 30 June 2013 and 2014.

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

As of 31 December 2013 and 30 June 2014, the reconciliation of the fair values of assets and liabilities measured on a recurring basis using significant unobservable inputs were as follows:

2013 USD millions	Fixed income securities	Equity securities	Derivative assets	Other invested assets	Total assets	Derivative liabilities	Liabilities for life and health policy benefits	Total liabilities
Assets and liabilities								
Balance as of 1 January	698	74	1 010	2 098	3 880	–2 865	–272	–3 137
Realised/unrealised gains/losses:								
Included in net income	–4	4	–330	108	–222	1 724	131	1 855
Included in other comprehensive income		1		12	13			0
Purchases	53		25	346	424			0
Issuances			100		100	–62		–62
Sales	–39	–30	–233	–462	–764	210		210
Settlements	–46		–67		–113			0
Transfers into level 3[1]				419	419			0
Transfers out of level 3[1]				–292	–292			0
Impact of foreign exchange movements				27	27		–4	–4
Closing balance as of 31 December	662	49	505	2 256	3 472	–993	–145	–1 138

[1] Transfers are recognised at the date of the event or change in circumstances that caused the transfer.

2014 USD millions	Fixed income securities	Equity securities	Derivative assets	Other invested assets	**Total assets**	Derivative liabilities	Liabilities for life and health policy benefits	**Total liabilities**
Assets and liabilities								
Balance as of 1 January	662	49	505	2 256	**3 472**	–993	–145	**–1 138**
Realised/unrealised gains/losses:								
Included in net income	2	2	–5	52	**51**	236	1	**237**
Included in other comprehensive income	5	–2		42	**45**			**0**
Purchases	12		26	40	**78**	–1		**–1**
Issuances			27		**27**	–85		**–85**
Sales	–25	–3	–20	–149	**–197**	39		**39**
Settlements	–17		–13	–2	**–32**	–25		**–25**
Transfers into level 3[1]		2	42		**44**			**0**
Transfers out of level 3[1]	–1			–131	**–132**			**0**
Impact of foreign exchange movements				1	**1**	–1	1	**0**
Closing balance as of 30 June	**638**	**48**	**562**	**2 109**	**3 357**	**–830**	**–143**	**–973**

[1] Transfers are recognised at the date of the event or change in circumstances that caused the transfer.

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 were as follows:

USD millions	2013	**2014**
Gains/losses included in net income for the period	959	288
Whereof change in unrealised gains/losses relating to assets and liabilities still held at the reporting date	808	162

Quantitative information about level 3 fair value measurements

Unobservable inputs for major level 3 assets and liabilities as of 31 December 2013 and 30 June 2014 were as follows:

USD millions	Fair value as of 31 December 2013	Fair value as of **30 June 2014**	Valuation technique	Unobservable input	Range (weighted average)
Assets					
Corporate debt securities	650	**626**			
Surplus notes with a mortality underlying	195	202	Discounted Cash Flow Model	Illiquidity premium	75 bps (na)
Private placement corporate debt	383	352	Corporate Spread Matrix	Illiquidity premium	15 bps–186 bps (67 bps)
Private placement credit tenant leases	68	69	Discounted Cash Flow Model	Illiquidity premium	75 bps–200 bps (129 bps)
Derivative equity contracts	401	**424**			
OTC equity option referencing correlated equity indices	401	424	Proprietary Option Model	Correlation	–10%–100% (45%)[1]
Liabilities					
Derivative equity contracts	–190	**–145**			
OTC equity option referencing correlated equity indices	–49	–49	Proprietary Option Model	Correlation	–10%–100% (45%)[1]
Option contract referencing a private equity underlying	–137	–96	Option Model	Volatility	100%
				Growth Rate	6.75% (n.a.)
Other derivative contracts and liabilities for life and health policy benefits	–910	**–818**			
Variable annuity and fair valued GMDB contracts	–677	–616	Discounted Cash Flow Model	Risk Margin	4% (n.a.)
				Volatility	4%–42%
				Lapse	0.5%–33%
				Mortality adjustment	–10%–0%
				Withdrawal rate	0%–90%
Embedded derivatives in Mod-Co and Coinsurance with Funds Withheld treaties	–125	–110	Discounted Cash Flow Model	Lapse	3%–10%
				Mortality adjustment	80% (n.a.)

[1] Represents average input value for the reporting period.

Sensitivity of recurring level 3 measurements to changes in unobservable inputs

The significant unobservable input used in the fair value measurement of the Group's surplus notes, private placement corporate debt securities and private placement credit tenant leases is illiquidity premium. A significant increase (decrease) in this input in isolation would result in a significantly higher (lower) fair value measurement.

The significant unobservable input used in the fair value measurement of the Group's OTC equity option referencing correlated equity indices is correlation. Where the Group is long correlation risk, a significant increase (decrease) in this input in isolation would result in a significantly higher (lower) fair value measurement. Where the Group is short correlation risk, a significant increase (decrease) in this input in isolation would result in a significantly lower (higher) fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Group's option referencing private equity underlying are: volatility and growth rate. Where the Group is long vega, a significant increase (decrease) in volatility in isolation would result in a significantly higher (lower) fair value measurement. Where the Group is short vega, a significant increase (decrease) in volatility in isolation would result in a significantly lower (higher) fair value measurement. Where the Group is long delta, a significant increase (decrease) in the growth rate in isolation would result in a significantly higher (lower) fair value measurement. Where the Group is short delta, a significant increase (decrease) in the growth rate in isolation would result in a significantly lower (higher) fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Group's variable annuity and fair valued guaranteed minimum death benefit (GMDB) contracts are: risk margin, volatility, lapse, mortality adjustment rate and withdrawal rate. A significant increase (decrease) in isolation in each of the following inputs: risk margin, volatility and withdrawal rate would result in a significantly higher (lower) fair value of the Group's obligation. A significant increase (decrease) in isolation in a lapse rate for in-the-money contracts would result in a significantly lower (higher) fair value of the Group's obligation, whereas for out-of-the-money contracts, an isolated increase (decrease) in a lapse assumption would increase (decrease) fair value of the Group's obligation. Changes in the mortality adjustment rate impact fair value of the Group's obligation differently for living-benefit products, compared to death-benefit products. For the former, a significant increase (decrease) in the mortality adjustment rate (i.e. increase (decrease) in mortality, respectively) in isolation would result in a decrease (increase) in fair value of the Group's liability. For the latter, a significant increase (decrease) in the mortality adjustment rate in isolation would result in an increase (decrease) in fair value of the Group's liability.

The significant unobservable inputs underlying the fair valuation of an embedded derivative bifurcated from the Group's modified coinsurance (Mod-Co) and Coinsurance with Funds Withheld treaties are lapse and mortality adjustment to published mortality tables; both are applied to build an expectation of cash flows associated with the underlying block of term business. Both inputs are not expected to significantly fluctuate over time.

Other invested assets measured at net asset value
Other invested assets measured at net asset value as of 31 December 2013 and 30 June 2014, respectively, were as follows:

USD millions	2013 Fair value	2014 Fair value	Unfunded commitments	Redemption frequency (if currently eligible)	Redemption notice period
Private equity funds	735	741	267	non-redeemable	na
Hedge funds	749	626		redeemable[1]	90–180 days[2]
Private equity direct	138	109		non-redeemable	na
Real estate funds	231	222	85	non-redeemable	na
Total	1 853	**1 698**	**352**		

[1] The redemption frequency varies from monthly to up to three years.
[2] Cash distribution can be delayed for up to three years depending on the sale of the underlyings.

The hedge fund investments employ a variety of strategies, including global macro, relative value and event-driven strategies, across various asset classes, including long/short equity and credit investments.

The private equity direct portfolio consists of equity and equity-like investments directly in other companies. These investments have no contractual term and are generally held based on financial or strategic intent.

Private equity and real estate funds generally have limitations imposed on the amount of redemptions from the fund during the redemption period due to illiquidity of the underlying investments. Fees may apply for redemptions or transferring of interest to other parties. Distributions are expected to be received from these funds as the underlying assets are liquidated over the life of the fund, which is generally from 10 to 12 years.

The redemption frequency of hedge funds varies depending on the manager as well as the nature of the underlying product. Additionally, certain funds may impose lock-up periods and redemption gates as defined in the terms of the individual investment agreement.

Fair value option
The fair value option under the Financial Instruments Topic 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:

Equity securities trading
The Group 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. Over the first six months of 2014, these equity securities got redeemed.

Other invested assets
The Group elected the fair value option for certain investments classified as equity method investees within other invested assets in the balance sheet. The Group applied the fair value option, as the investments are managed on a fair value basis. The changes in fair value of these elected investments are recorded in earnings.

Liabilities for life and health policy benefits
The Group elected the fair value option for existing 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.

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 31 December 2013 and 30 June 2014 were as follows:

USD millions	2013	2014
Assets		
Equity securities trading	615	56
of which at fair value pursuant to the fair value option	544	0
Other invested assets	11 164	11 913
of which at fair value pursuant to the fair value option	403	412
Liabilities		
Liabilities for life and health policy benefits	–36 033	–36 334
of which at fair value pursuant to the fair value option	–145	–143

Changes in fair values for items measured at fair value pursuant to election of the fair value option
Gains/losses included in earnings for items measured at fair value pursuant to election of the fair value option including foreign exchange impact for the six months ended 30 June were as follows:

USD millions	2013	2014
Equity securities trading	5	2
Other invested assets		18
Liabilities for life and health policy benefits	85	2
Total	90	**22**

Fair value changes from equity securities trading are reported in "Net realised investment gains/losses – non-participating business". Fair value changes from other invested assets are reported in "Net investment income – non-participating business". Fair value changes from the GMDB reserves are shown in "Life and health benefits".

Assets and liabilities not measured at fair value but for which the fair value is disclosed
Assets and liabilities not measured at fair value but for which the fair value is disclosed as of 31 December 2013 and 30 June 2014, were as follows:

2013 USD millions	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets			
Policy loans		270	270
Mortgage loans		1 801	1 801
Other loans		824	824
Investment real estate		2 551	2 551
Total assets	0	5 446	5 446
Liabilities			
Debt	–10 998	–7 528	–18 526
Total liabilities	–10 998	–7 528	–18 526

2014 USD millions	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets			
Policy loans		263	263
Mortgage loans		1 954	1 954
Other loans		968	968
Investment real estate		2 644	2 644
Total assets	0	**5 829**	**5 829**
Liabilities			
Debt	–9 618	–8 492	–18 110
Total liabilities	**–9 618**	**–8 492**	**–18 110**

Policy loans, other loans and certain mortgage loans are classified as level 3 measurements, as they do not have an active exit market. The majority of these positions need to be assessed in conjunction with the corresponding insurance business. Considering these circumstances, the Group presents the carrying amount as an approximation for the fair value.

Investments in real estate are fair valued primarily by external appraisers based on proprietary discounted cash flow models that incorporate applicable risk premium adjustments to discount yields and projected market rental income streams based on market-specific data. These fair value measurements are classified in level 3 in the fair value hierarchy.

Debt positions, which are fair valued based on executable broker quotes or based on the discounted cash flow method using observable inputs, are classified as level 2 measurements. Fair value of the majority of the Group's level 3 debt positions is judged to approximate carrying value due to the highly tailored nature of the obligation and short-notice termination provisions.

8 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 gross fair values 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 setoff in the event of default, which substantially reduces credit exposure.

Fair values and notional amounts of derivative financial instruments
As of 31 December 2013 and 30 June 2014, the fair values and notional amounts of the derivatives outstanding were as follows:

2013 USD millions	Notional amount assets/liabilities	Fair value assets	Fair value liabilities	Carrying value assets/liabilities
Derivatives not designated as hedging instruments				
Interest rate contracts	81 197	2 380	–2 123	257
Foreign exchange contracts	15 580	252	–417	–165
Equity contracts	20 111	1 266	–731	535
Credit contracts	2 676	46	–49	–3
Other contracts	23 055	140	–773	–633
Total	142 619	4 084	–4 093	–9
Derivatives designated as hedging instruments				
Foreign exchange contracts	1 472	15	–11	4
Total	1 472	15	–11	4
Total derivative financial instruments	144 091	4 099	–4 104	–5
Amount offset				
Where a right of setoff exists		–2 353	2 353	
Due to cash collateral		–524	303	
Total net amount of derivative financial instruments		1 222	–1 448	–226

2014 USD millions	Notional amount assets/liabilities	Fair value assets	Fair value liabilities	Carrying value assets/liabilities
Derivatives not designated as hedging instruments				
Interest rate contracts	89 963	2 554	–2 252	302
Foreign exchange contracts	16 120	80	–419	–339
Equity contracts	19 601	1 178	–675	503
Credit contracts	1 575	16	–42	–26
Other contracts	31 079	145	–690	–545
Total	**158 338**	**3 973**	**–4 078**	**–105**
Derivatives designated as hedging instruments				
Foreign exchange contracts	1 203	5	–3	2
Total	**1 203**	**5**	**–3**	**2**
Total derivative financial instruments	**159 541**	**3 978**	**–4 081**	**–103**
Amount offset				
Where a right of setoff exists		–2 385	2 385	
Due to cash collateral		–797	546	
Total net amount of derivative financial instruments		**796**	**–1 150**	**–354**

The notional amounts of derivative financial instruments give an indication of the Group's volume of derivative activity. The fair value assets are included in "Other invested assets" and the fair value liabilities are included in "Accrued expenses and other liabilities". The fair value amounts that were not offset were nil as of 31 December 2013 and 30 June 2014.

Non-hedging activities

The Group primarily uses derivative financial instruments for risk management and trading strategies. Gains and losses of derivative financial instruments not designated as hedging instruments are recorded in "Net realised investment gains/losses" in the income statement. Gains and losses of derivative financial instruments not designated as hedging instruments were as follows:

USD millions	For the three months ended 30 June 2013	2014	For the six months ended 30 June 2013	2014
Derivatives not designated as hedging instruments				
Interest rate contracts	–103	–41	–178	–92
Foreign exchange contracts	–245	–130	–384	–115
Equity contracts	–78	–115	–520	–112
Credit contracts	–120	1	–112	–2
Other contracts	426	108	1 174	102
Total gain/loss recognised in income	–120	**–177**	–20	**–219**

Hedging activities

The Group designates certain derivative financial instruments as hedging instruments. The designation of derivative financial instruments is primarily used for overall portfolio and risk management strategies. As of 30 June, the following hedging relationships were outstanding:

Fair value hedges

The Group enters into interest rate and foreign exchange swaps to reduce the exposure to interest rate and foreign exchange volatility for certain of its issued debt positions. These derivative instruments are designated as hedging instruments in qualifying fair value hedges. Gains and losses on derivative financial instruments designated as fair value hedging instruments are recorded in "Net realised investment gains/losses" in the income statement. Gains and losses attributable to the hedged risks were as follows:

2013 USD millions	For the three months ended 30 June Gains/losses on derivatives	Gains/losses on hedged items	For the six months ended 30 June Gains/losses on derivatives	Gains/losses on hedged items
Fair value hedging relationships				
Interest rate contracts	–162	177	–224	241
Foreign exchange contracts	–3	2	–2	1
Total gain/loss recognised in income	–165	179	–226	242

2014 USD millions	For the three months ended 30 June Gains/losses on derivatives	Gains/losses on hedged items	For the six months ended 30 June Gains/losses on derivatives	Gains/losses on hedged items
Fair value hedging relationships				
Interest rate contracts				
Foreign exchange contracts	–6	8	–10	12
Total gain/loss recognised in income	**–6**	**8**	**–10**	**12**

Hedges of the 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 2013 and the six months ended 30 June 2014, the Group recorded an accumulated net unrealised foreign currency remeasurement gain of USD 29 million and a loss of USD 58 million, respectively, in shareholders' equity. These offset translation gains and losses on the hedged net investment.

Maximum potential loss
In consideration of the rights of setoff and the qualifying master netting arrangements with various counterparties, the maximum potential loss as of 31 December 2013 and 30 June 2014 was approximately USD 1 746 million and USD 1 593 million, respectively. The maximum potential loss is based on the positive market replacement cost assuming non-performance of all counterparties, excluding cash collateral.

Credit risk-related contingent features[1]
Certain derivative instruments held by the Group contain provisions that require its debt to maintain an investment-grade credit rating. If the Group's credit rating were downgraded or no longer rated, the counterparties could request immediate payment, guarantee or an ongoing full overnight collateralisation on derivative instruments in net liability positions.

The total fair value of derivative financial instruments containing credit risk-related contingent features amounted to USD 305 million and USD 256 million as of 31 December 2013 and 30 June 2014, respectively. For derivative financial instruments containing credit risk-related contingent features, the Group posted collateral of USD 2 million and USD 4 million as of 31 December 2013 and 30 June 2014, respectively. In the event of a reduction of the Group's credit rating to below investment grade, a fair value of USD 252 million additional collateral would have had to be posted as of 30 June 2014. The total equals the amount needed to settle the instruments immediately as of 30 June 2014.

Credit derivatives written/sold
In 2013, the Group has substantially completed the unwinding and de-risking activities and reduced its exposure in credit derivatives written/sold which decreased the related notional amount and fair values materially. As of 30 June 2014 the Group had no significant exposure in credit derivatives written/sold. The maximum potential payout, which is based on notional values, as of 31 December 2013 and 30 June 2014 was USD 640 million and USD 400 million, respectively.

[1] During 2014 the Group revised the disclosure on contracts that contain credit-risk related contingent features. The revision had no impact on net income and shareholders' equity of the Group.

9 Debt and contingent capital instruments

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 not greater 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 2013 and 30 June 2014 was as follows:

USD millions	2013	2014
Senior financial debt	901	1635
Senior operational debt	2917	1373
Short-term debt – financial and operational debt	3818	**3008**
Senior financial debt	3233	3156
Senior operational debt	708	711
Subordinated financial debt	5367	5432
Subordinated operational debt	5414	5448
Long-term debt – financial and operational debt	14722	**14747**
Total carrying value	18540	**17755**
Total fair value	18526	**18110**

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 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. Certain debt positions are limited- or non-recourse, meaning the debtors' claims are limited to assets underlying the financing. As of 31 December 2013 and 30 June 2014, debt related to operational leverage and financial intermediation amounted to USD 9.0 billion (thereof USD 6.1 billion limited- or non-recourse) and USD 7.5 billion (thereof USD 6.2 billion limited- or non-recourse), respectively.

Interest expense on long-term debt and contingent capital instruments

Interest expense on long-term debt for the periods ended 30 June was as follows:

	Three months ended 30 June		Six months ended 30 June	
USD millions	2013	2014	2013	2014
Senior financial debt	43	22	86	52
Senior operational debt	16	4	38	8
Subordinated financial debt	72	75	139	147
Subordinated operational debt	60	64	121	128
Total	191	**165**	384	**335**

Interest expenses on contingent capital instruments were USD 14 million and USD 18 million for the three months ended 30 June 2013 and 2014, respectively, and USD 32 million and USD 35 million for the six months ended 30 June 2013 and 2014, respectively.

Long-term debt issued in 2014

In April 2014, Swiss Re Life Capital Ltd entered into a GBP 550 million revolving credit facility with a syndicate of banks. The facility has an expiry date of 7 April 2018. At 30 June 2014, the amount drawn under the facility was GBP 390 million. The funds were used for the repayment of an intragroup loan from Swiss Reinsurance Company Ltd to Swiss Re Life Capital Ltd.

10 Earnings per share

Earnings per share for the periods ended 30 June were as follows:

	Three months ended 30 June		Six months ended 30 June	
USD millions (except share data)	2013	**2014**	2013	**2014**
Basic earnings per share				
Net income	801	**820**	2 199	**2 064**
Non-controlling interests	–1		–1	**–1**
Interest on contingent capital instruments	–14	**–18**	–32	**–35**
Net income attributable to common shareholders	786	**802**	2 166	**2 028**
Weighted average common shares outstanding	344 378 796	**342 940 050**	344 379 706	**342 837 356**
Net income per share in USD	2.28	**2.34**	6.29	**5.92**
Net income per share in CHF[1]	2.14	**2.08**	5.89	**5.27**
Effect of dilutive securities				
Change in income available to common shares due to contingent capital instruments	17	**17**	34	**35**
Change in average number of shares due to contingent capital instruments	35 745 192	**35 745 192**	35 745 192	**35 745 192**
Change in average number of shares due to employee options	1 048 166	**676 550**	1 088 177	**798 713**
Diluted earnings per share				
Net income assuming contingent capital instruments conversion and exercise of options	803	**819**	2 200	**2 063**
Weighted average common shares outstanding	381 172 154	**379 361 792**	381 213 075	**379 381 261**
Net income per share in USD	2.11	**2.16**	5.77	**5.44**
Net income per share in CHF[1]	1.97	**1.92**	5.41	**4.84**

[1] The translation from USD to CHF is shown for informational purposes only and has been calculated using the Group's average exchange rates.

Dividends are declared in Swiss francs. During the year ended 31 December 2013 and the period ended 30 June 2014, the Group's dividends declared per share were CHF 3.50 and CHF 3.85 respectively, as well as an additional special dividend of CHF 4.00 and CHF 4.15 respectively. All dividends were paid in the form of withholding tax exempt repayment of legal reserves from capital contributions.

11 Variable interest entities

Swiss Re Group enters into arrangements with variable interest entities (VIEs) in the normal course of business. The involvement ranges from being a passive investor to designing, structuring and managing the VIEs. The variable interests held by the Group arise as a result of the Group's involvement in certain insurance-linked and credit-linked securitisations, swaps in trusts, debt financing and other entities which meet the definition of a VIE.

When analysing the status of an entity, the Group mainly assesses if (1) the equity is sufficient to finance the entity's activities without additional subordinated financial support, (2) the equity holders have the right to make significant decisions affecting the entity's operations and (3) the holders of the voting rights substantively participate in the gains and losses of the entity. When one of these criteria is not met, the entity is considered a VIE and needs to be assessed for consolidation under the VIE section of the Consolidation Topic.

The party that has a controlling financial interest is called the primary beneficiary and consolidates the VIE. An enterprise is deemed to have a controlling financial interest if it has both of the following:
- the power to direct the activities of the VIE that most significantly impact the entity's economic performance; and
- the obligation to absorb losses of the entity that could potentially be significant to the VIE or the right to receive benefits from the entity that could potentially be significant to the VIE.

The Group assesses for all its variable interests in VIEs whether it has a controlling financial interest in these entities and, thus, is the primary beneficiary. For this, the Group identifies the activities that most significantly impact the entity's performance and determines whether the Group has the power to direct those activities. In conducting the analysis, the Group considers the purpose, the design and the risks that the entity was designed to create and pass through to its variable interest holders. In a second step, the Group assesses if it has the obligation to absorb losses or if it has the right to receive benefits of the VIE that could potentially be significant to the entity. If both criteria are met, the Group has a controlling financial interest in the VIE and consolidates the entity.

Whenever facts and circumstances change, a review is undertaken of the impact these changes could have on the consolidation assessment previously performed. When the assessment might be impacted, a reassessment to determine the primary beneficiary is performed.

Insurance-linked and credit-linked securitisations
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 assumes the insurance risk through insurance or derivative contracts. In credit-linked securitisations, the securitisation vehicle assumes the credit risk through credit default swaps. The securitisation vehicle generally retains the issuance proceeds as collateral. The collateral held predominantly consists of investment-grade securities.

Typically, the variable interests held by the Group arise through ownership of insurance-linked and credit-linked securities, or through protection provided under a total return swap for the principal of the collateral held by the securitisation vehicle.

Generally, the activities of a securitisation vehicle are pre-determined at formation. There are substantially no ongoing activities during the life of the VIE that could significantly impact the economic performance of the vehicle. Consequently, the main focus to identify the primary beneficiary is on the activities performed and decisions made when the VIE was designed. Typically, the Group is considered the primary beneficiary of a securitisation vehicle when the Group acts as a sponsor of risk passed to the VIE and enters at the same time into a total return swap with the VIE to protect the VIE's assets from market risk. Under the total return swap, the Group would incur losses if some or all of the securities held as collateral in the securitisation vehicle decline in value or default. Therefore, the Group's maximum exposure to loss equals the principal amount of the collateral protected under the total return swap.

As of 30 June 2014, the total assets of the insurance-linked and credit-linked securitisation vehicles in which the Group holds variable interests but is not the primary beneficiary were USD 1 855 million.

Swaps in trusts
The Group provides risk management services to certain asset securitisation trusts which qualify as VIEs. As the involvement of the Group is limited to interest rate and foreign exchange derivatives, Swiss Re does not have power to direct any activities of the trusts and therefore does not qualify as primary beneficiary of any of these trusts. These activities are in run-off.

Debt financing vehicles
Debt financing vehicles issue preference shares or loan notes to provide the Group with funding. The Group is partially exposed to the asset risk by holding equity rights or by protecting some of the assets held by the VIEs via guarantees or derivative contracts. The assets held by the VIEs consist of investment-grade securities, structured products, hedge fund units, derivatives and others.

The Group consolidates certain debt financing vehicles as it has power over the investment management in the vehicles, which is considered to be the activity that most significantly impacts the entities' economic performance. In addition, the Group absorbs the variability of the investment return so that both criteria for a controlling financial interest are met.

As of 30 June 2014, the total assets of the debt financing vehicles in which the Group holds variable interests but is not the primary beneficiary were USD 2 143 million. The total assets of the vehicles in which the Group is the primary beneficiary were USD 6 942 million.

Investment vehicles
Investment vehicles are private equity limited partnerships, in which the Group is invested as part of its investment strategy. Typically, the Group's variable interests arise through limited partner ownership interests in the vehicles. The Group does not own the general partners of the limited partnerships, and does not have any significant kick-out or participating rights. Therefore the Group lacks power over the relevant activities of the vehicles and, consequently, does not qualify as the primary beneficiary. The Group is exposed to losses when the values of the investments held by the vehicles decrease. The maximum exposure to loss equals the carrying amount of the ownership interest.

As of 30 June 2014, the total assets of investment vehicles in which the Group holds variable interests but is not the primary beneficiary were USD 2 509 million. The total assets of the vehicles in which the Group is the primary beneficiary were USD 12 million.

Other

The VIEs in this category were created for various purposes. Generally, the Group is exposed to the asset risk of the VIEs by holding an equity stake in the VIE or by guaranteeing a part or the entire asset value to third-party investors. A significant portion of the Group's exposure is either retroceded or hedged. The assets held by the VIEs consist mainly of residential real estate and other.

As of 30 June 2014, the total assets of other VIEs in which the Group holds variable interests but is not the primary beneficiary were USD 5 825 million. The total assets of the vehicles in which the Group is the primary beneficiary were USD 17 million.

The Group did not provide financial or other support to any VIEs during 2014 that it was not previously contractually required to provide.

Consolidated VIEs

The following table shows the total assets and liabilities on the Group's balance sheet relating to VIEs of which the Group is the primary beneficiary as of 31 December 2013 and 30 June 2014:

		2013		2014
USD millions	Carrying value	Whereof restricted	Carrying value	Whereof restricted
Fixed income securities available-for-sale	6 490	6 490	6 719	6 719
Short-term investments	61	61	38	38
Other invested assets	8		12	
Cash and cash equivalents	162	162	19	19
Accrued investment income	60	60	62	62
Other assets	17		121	104
Total assets	6 798	6 773	**6 971**	**6 942**

	Carrying value	Whereof limited recourse	Carrying value	Whereof limited recourse
Deferred and other non-current tax liabilities			46	46
Short-term debt	62	62		
Accrued expenses and other liabilities	20	20	103	103
Long-term debt	5 414	5 414	5 448	5 448
Total liabilities	5 496	5 496	**5 597**	**5 597**

Non-consolidated VIEs

The following table shows the total assets and liabilities in the Group's balance sheet related to VIEs in which the Group held a variable interest but was not the primary beneficiary as of 31 December 2013 and 30 June 2014:

USD millions	2013	**2014**
Fixed income securities:		
Available-for-sale	71	59
Trading	15	15
Policy loans mortgages and other loans		96
Other invested assets	1 568	1 531
Total assets	1 654	**1 701**
Short-term debt	417	
Accrued expenses and other liabilities	422	337
Total liabilities	839	**337**

The following table shows the Group's assets, liabilities and maximum exposure to loss related to VIEs in which the Group held a variable interest but was not the primary beneficiary as of 31 December 2013 and 30 June 2014:

				2013				**2014**
USD millions	Total assets	Total liabilities	Maximum exposure to loss	Difference between exposure and liabilities	Total assets	Total liabilities	Maximum exposure to loss	Difference between exposure and liabilities
Insurance-linked/credit-linked securitisations	72		90	90	63		58	58
Swaps in trusts	96	284	–[1]	–	41	240	–[1]	–
Debt financing	407		30	30	417		31	31
Investment vehicles	853		853	853	861		861	861
Other	226	555	1 897	1 342	319	97	3 007	2 910
Total	1 654	839	–[1]	–	**1 701**	**337**	**–[1]**	**–**

[1] The maximum exposure to loss for swaps in trusts cannot be meaningfully quantified due to their derivative character.

The assets and liabilities for the swaps in trusts represent the positive and negative fair values of the derivatives the Group has entered into with the trusts. Liabilities are recognised for certain debt financing VIEs when losses occur. To date, the respective debt financing VIEs have not incurred any losses. Liabilities of USD 97 million recognised for the "Other" category relate mainly to a guarantee granted.

12 Benefit plans

Net periodic benefit cost
Pension and post-retirement cost for the six months ended 30 June 2013 and 2014 were USD 80 million and USD 60 million, respectively.

Employer's contributions for 2014
For the six months ended 30 June 2014, the Group contributed USD 119 million to its defined benefit pension plans and USD 9 million to other post-retirement plans, compared to USD 158 million and USD 8 million, respectively, in the same period of 2013.

The expected 2014 contributions to the defined benefit pension plans and to the post-retirement benefit plans, revised as of 30 June 2014 for latest information, amount to USD 194 million and USD 18 million, respectively.

Note on risk factors

General impact of adverse market conditions
The continued volatility in global financial markets and recent pessimistic global growth forecasts by the Organisation of Economic Cooperation and Development and the International Monetary Fund, among others, highlight the continued uncertainties around the post-crisis recovery and the risks that the world economy continues to face. In the European Union, it remains unclear whether the recently announced single resolution mechanism and other components of a banking union, as well as actions of the European Central Bank will create the conditions necessary for increased bank lending and greater economic growth. The volatility in the financial and credit markets could increase the severity and duration of economic recession, cause more economic turmoil in the near term, cause further disruptions in the global financial markets and impact foreign currency exchange rates. These uncertainties could be exacerbated by the uncertainty over the pace and extent of future economic growth in emerging markets. Moreover, political or geopolitical crises, and international responses to such crises, as highlighted by the recent events involving Ukraine and the Middle East, could have an adverse impact on global financial markets and economic conditions. These developments in turn could have an adverse impact on the investment results of Swiss Re Ltd ("Swiss Re") and its direct or indirect subsidiaries (collectively, the "Group" or the "Swiss Re Group"), the Group's ability to access the capital markets and the bank funding market, the ability of counterparties to meet their obligations to the Group and the short-term outlook for the life insurance industry, particularly in North America and Europe, with a corresponding negative impact on the Group's Life & Health business.

The foregoing developments could have material adverse effects on the Group's industry and on the Group.

Regulatory changes
Swiss Re and its subsidiaries are subject to Group supervision, and some of its subsidiaries are regulated in a number of jurisdictions in which they conduct business. New legislation as well as changes to existing legislation have been proposed and/or recently adopted in a number of jurisdictions that are expected to alter, in a variety of ways, the manner in which the financial services industry is regulated. Although it is difficult to predict which proposals will become law and when and how new legislation ultimately will be implemented by regulators (including in respect of the extraterritorial effect of reforms), it is likely that significant aspects of existing regulatory regimes governing financial services will change. These include changes as to which governmental bodies regulate financial institutions, changes in the way financial institutions generally are regulated, enhanced governmental authority to take control over operations of financial institutions, restrictions on the conduct of certain lines of business, changes in the way financial institutions account for transactions and securities positions, changes in disclosure obligations and changes in the way rating agencies rate the creditworthiness and financial strength of financial institutions.

Legislative initiatives directly impacting the Group's industry include the establishment of a pan-European regulator for insurance companies, the European Insurance and Occupational Pension Authority (the "EIOPA"), which has the power to overrule national regulators in certain circumstances. In addition, Swiss Re as a Group is subject to the Swiss Solvency Test, and will be subject to Solvency II, which is expected to enter into force on 1 January 2016. The Group is also monitoring the proposed Swiss Federal Act on Financial Market Infrastructure (which will introduce new regulations for over-the-counter derivatives trading in line with international standards) and the proposed Swiss Federal Financial Services Act and Financial Institutions Act (which contain rules for financial services providers that are based on the EU Markets in Financial Instruments Directive ("MiFID") regulations). In the United

States, as a possible step towards federal oversight of insurance, the US Congress created the Federal Insurance Office within the Department of Treasury and, more recently, as a result of the Solvency Modernization Initiative of the National Association of Insurance Commissioners, the Group is experiencing greater US scrutiny of its global operations and more extensive reporting obligations. In addition, provisions of the Wall Street Reform and Consumer Protection Act of 2010, as well as provisions in the proposed European Market Infrastructure Regulation and proposed changes to the MiFID, in respect of derivatives could have a significant impact on the Group.

Other changes remain focused principally on banking institutions, but some could have direct applicability to insurance or reinsurance operations and others could have a general impact on the regulatory landscape for financial institutions, which might indirectly impact our capital requirements and/or required reserve levels or have other direct or indirect effects on the Group. Changes are particularly likely to impact financial institutions designated as "systemically important", a designation which is expected to result in enhanced regulatory supervision and heightened capital, liquidity and diversification requirements under evolving reforms. There is an emerging focus on classifying certain insurance companies as systemically important as well. The Group could be designated as a global systemically important financial institution. Separately, the International Association of Insurance Supervisors, an international body that represents insurance regulators and supervisors, published a methodology for identifying global systemically important insurers (G-SIIs) and a framework for supervision of internationally active insurance groups (IAIGs). Initial designation of insurers as G-SIIs took place in July 2013, and initial designation of reinsurers as G-SIIs is expected towards the end of 2014. The Group believes that there is a reasonable likelihood that it will be designated as a G-SII when the initial reinsurer designations are issued and that it could be subject to one or both of the resulting regimes, once implemented, including capital standards under both regimes (the Basic Capital Requirement for G-SIIs and the Insurance Capital Standard for IAIGs). In addition, the Group ultimately will be subject to oversight of its Swiss regulator in respect of recovery and resolution planning.

Significant policy decisions on a range of regulatory changes that could affect the Group and its operations remain undecided. The Group cannot predict which legislative and regulatory initiatives ultimately will be enacted or promulgated, what the scope and content of these initiatives ultimately will be, when they will be effective and what the implications will be for the industry, in general, and for the Group, in particular. Certain of these initiatives could have a material impact on the Group's business.

In addition, regulatory changes could occur in areas of broader application, such as competition policy and tax laws. Changes in tax laws, for example, could increase the taxes the Group pays, the attractiveness of products offered by the Group, the Group's investment activities and the value of deferred tax assets. Any number of these changes could apply to the Group and its operations. These changes, or inconsistencies between the various regimes that apply or will apply to the Group, could increase the costs of doing business, reduce access to liquidity, limit the scope of business or affect the competitive balance, or could make reinsurance less attractive to primary insurers.

Market risk

Volatility and disruption in the global financial markets can expose the Group to significant financial and capital markets risk, including changes in interest rates, credit spreads, equity prices and foreign currency exchange rates, which may adversely impact the Group's financial condition, results of operations, liquidity and capital position. The Group's exposure to interest rate risk is primarily related to the market price and cash flow variability associated with changes in interest rates. Exposure to credit spreads primarily relates to market price and cash flow variability associated with changes in credit spreads. When credit spreads widen, the net unrealised loss position of the Group's investment portfolio can increase, as could other-than-temporary impairments. With respect to equity prices, the Group is exposed to changes in the level and volatility of equity prices, as they affect the value of equity securities themselves as well as the value of securities or instruments that derive their value from a particular equity security, a basket of equity securities or a stock index. The Group is also subject to equity price risk to the extent that the values of life-related benefits under certain products and life contracts, most notably variable annuity business, are tied to financial market values; to the extent market values fall, the financial exposure on guarantees related to these contracts would increase to the extent this exposure is not hedged. While the Group has discontinued writing new variable annuity business and has in place an extensive hedging programme covering its existing variable annuity business that it believes is sufficient, certain risks cannot be hedged, including actuarial risks, basis risk and correlation risk. Exposure to foreign exchange risk arises from exposures to changes in spot prices and forward prices as well as to volatile movements in exchange rates.

These risks can have a significant effect on investment returns and market values of securities positions, which in turn may affect both the Group's results of operations and financial condition. The Group continues to focus on asset-liability management for its investment portfolio, but pursuing even this strategy has its risks – including possible mismatch – that in turn can lead to reinvestment risk. The Group seeks to manage the risks inherent in its investment portfolio by repositioning the portfolio from time to time, as needed, and to reduce risk and fluctuations through the use of hedges and other risk management tools.

Credit risk
If the credit markets were to deteriorate and asset classes were to be impacted, the Group could experience losses. Changes in the market value of the underlying securities and other factors impacting their price could give rise to market value losses. If the credit markets were to deteriorate, the Group could face write-downs in areas of its portfolio, including structured instruments, and the Group and its counterparties could face difficulties in valuing credit-related instruments. Differences in opinion with respect to valuations of credit-related instruments could result in legal disputes among the Group and its counterparties as to their respective obligations, the outcomes of which are difficult to predict and could be material.

Liquidity risks
The Group's business requires, and its clients expect, that it has sufficient capital and sufficient liquidity to meet its reinsurance obligations, and that this would continue to be the case following the occurrence of any foreseeable event or series of events, including extreme catastrophes, that would trigger insurance or reinsurance coverage obligations. The Group's uses of funds include obligations arising in its reinsurance business (including claims and other payments as well as insurance provision repayments due to portfolio transfers, securitisations and commutations), which may include large and unpredictable claims (including catastrophe claims), funding of capital requirements and operating costs, payment of principal and interest on outstanding indebtedness and funding of acquisitions. The Group also has unfunded capital commitments in its private equity and hedge fund investments, which could result in funding obligations at a time when it is subject to liquidity constraints. In addition, the Group has potential collateral requirements in connection with a number of reinsurance arrangements, the amounts of which may be material and the meeting of which could require the Group to liquidate cash

equivalents or other securities. The Group manages liquidity and funding risks by focusing on the liquidity stress that is likely to result from extreme capital markets scenarios or from extreme loss events, or combinations of the two. Generally, the ability to meet liquidity needs could be adversely impacted by factors that the Group cannot control, such as market dislocations or interruptions, adverse economic conditions, severe disruption in the financial and worldwide credit markets and the related increased constraints on the availability of credit; changes in interest rates, foreign exchange rates and credit spreads; or by perceptions among market participants of the extent of the Group's liquidity needs.

The Group may not be able to secure new sources of liquidity or funding, should projected or actual liquidity fall below levels it requires. The ability to meet liquidity needs through asset sales may be constrained by market conditions and the related stress on valuations, and through third-party funding may be limited by constraints on the general availability of credit and willingness of lenders to lend. In addition, the Group's ability to meet liquidity needs may also be constrained by regulatory requirements that require regulated entities to maintain or increase regulatory capital, or that restrict intra-group transactions, the timing of dividend payments from subsidiaries or the fact that certain assets may be encumbered or otherwise non-tradable. Failure to meet covenants in lending arrangements could give rise to collateral-posting or defaults, and further constrain access to liquidity. Finally, any adverse ratings action could trigger a need for further liquidity (for example, by triggering termination provisions or collateral delivery requirements in contracts to which the Group is a party) at a time when the Group's ability to obtain liquidity from external sources is limited by such ratings action.

Counterparty risks
The Group is exposed to the risk of defaults, or concerns about defaults, by its counterparties. Trading counterparties, counterparties under swaps and other derivative contracts, and financial intermediaries may default on their obligations due to bankruptcy, insolvency, lack of liquidity, adverse economic conditions, operational failure, fraud or other reasons, which could also have a material adverse effect on the Group.

The Group could also be adversely affected by the insolvency of, or other credit constraints affecting, counterparties in its reinsurance operations. Moreover, the Group could be adversely affected by liquidity issues at ceding companies or at third parties to whom the Group has retroceded risk, and such risk could be exacerbated to the extent any such exposures are concentrated.

Risks relating to credit rating downgrades
Ratings are an important factor in establishing the competitive position of reinsurance companies, and market conditions could increase the risk of downgrade. Third-party rating agencies assess and rate the financial strength of reinsurers and insurers. These ratings are intended to measure a company's ability to repay its obligations and are based upon criteria established by the rating agencies.

The Group's ratings reflect the current opinion of the relevant rating agencies. One or more of its ratings could be downgraded or withdrawn in the future. Rating agencies may increase the frequency and scope of ratings reviews, revise their criteria or take other actions that may negatively impact the Group's ratings. In addition, changes to the process or methodology of issuing ratings, or the occurrence of events or developments affecting the Group, could make it more difficult for the Group to achieve improved ratings, which it would otherwise have expected.

As claims paying and financial strength ratings are key factors in establishing the competitive position of reinsurers, a decline in ratings alone could make reinsurance provided by the Group less attractive to clients relative to reinsurance from competitors with similar or stronger ratings. A decline in ratings could also cause the loss of clients who are required by either policy or regulation to purchase reinsurance only from reinsurers with certain ratings. A decline in ratings could also impact the availability and terms of unsecured financing and obligate the Group to provide collateral or other guarantees in the course of its reinsurance business or trigger early termination of funding arrangements. Any rating downgrades could also have a material adverse impact on the Group's costs of borrowing and limit its access to the capital markets. Further negative ratings action could also impact reinsurance contracts.

Legal and regulatory risks
In the ordinary course of business, the Group is involved in lawsuits, arbitrations and other formal and informal dispute resolution procedures, the outcomes of which determine rights and obligations under insurance, reinsurance and other contractual agreements. From time to time, the Group may institute, or be named as a defendant in, legal proceedings, and the Group may be a claimant or respondent in arbitration proceedings. These proceedings could involve coverage or other disputes with ceding companies, disputes with parties to which the Group transfers risk under reinsurance arrangements, disputes with other counterparties or other matters. The Group cannot predict the outcome of any of the foregoing, which could be material for the Group.

The Group is also involved, from time to time, in investigations and regulatory proceedings, certain of which could result in adverse judgments, settlements, fines and other outcomes. The number of these investigations and proceedings involving the financial services industry has increased in recent years, and the potential scope of these investigations and proceedings has also increased, not only in respect of matters covered by the Group's direct regulators, but also in respect of compliance with broader business conduct rules, such as market abuse regulations, anti-bribery legislation, anti-money laundering legislation and trade sanctions legislation. The Group also is subject to audits and challenges from time to time by tax authorities, which could result in increases in tax costs, changes to internal structures and interests and penalties. The Group could be subject to risks arising from alleged, or actual, violations of any of the foregoing, and could also be subject to risks arising from potential employee misconduct, including non-compliance with internal policies and procedures. Substantial legal liability could materially adversely affect the Group's business, financial condition or results of operations or could cause significant reputational harm, which could seriously affect its business.

Insurance, operational and other risks
As part of the Group's ordinary course of operations, the Group is subject to a variety of risks, including risks that reserves may not adequately cover future claims and benefits, risks that catastrophic events (including hurricanes, windstorms, floods, earthquakes, acts of terrorism, man-made disasters such as industrial accidents, explosions, and fires, and pandemics) may expose the Group to unexpected large losses (and related uncertainties in estimating future claims in respect of such events); changes in the insurance industry that affect ceding companies, particularly those that further increase their sensitivity to counterparty risk; competitive conditions; cyclicality of the industry; risks related to emerging claims and coverage issues (including, for example, trends to establish stricter building standards, which can lead to higher industry losses for earthquake cover based on higher replacement values); risks arising from the Group's dependence on policies, procedures and expertise of ceding companies; risks related to investments in emerging markets;

and risks related to the failure of operational systems and infrastructure. In addition, the occurrence of future risks that the Group's risk management procedures fail to identify or anticipate could have a material adverse effect on the Group. Any of the foregoing, as well as other concerns in respect of the Group's business, could also give rise to reputational risk.

Use of models; accounting matters

The Group is subject to risks relating to the preparation of estimates and assumptions that management uses as part of its risk models as well as those that affect the reported amounts of assets, liabilities, revenues and expenses in the Group's financial statements, including assumed and ceded business. For example, the Group estimates premiums pending receipt of actual data from ceding companies, and such actual data could deviate from the Group's estimates. In addition, particularly with respect to large natural catastrophes, it may be difficult to estimate losses, and preliminary estimates may be subject to a high degree of uncertainty and change as new information becomes available. Deterioration in market conditions could have an adverse impact on assumptions used for financial reporting purposes, which could affect possible impairment of present value of future profits, fair value of assets and liabilities, deferred acquisition costs or goodwill. To the extent that management's estimates or assumptions prove to be incorrect, it could have a material impact on underwriting results (in the case of risk models) or on reported financial condition or results of operations, and such impact could be material.

The Group's results may be impacted by changes in accounting standards, or changes in the interpretation of accounting standards. The Group's results may also be impacted if regulatory authorities take issue with any conclusions the Group may reach in respect of accounting matters. Changes in accounting standards could impact future reported results or require restatement of past reported results.

The Group uses non-GAAP financial measures in its external reporting, including in this report. These measures are not prepared in accordance with US GAAP or any other comprehensive set of accounting rules or principles, and should not be viewed as a substitute for measures prepared in accordance with US GAAP. Moreover, these may be different from or otherwise inconsistent with non-GAAP financial measures used by other companies. These measures have inherent limitations, are not required to be uniformly applied and are not audited.

Risks related to the Swiss Re corporate structure

Swiss Re is a holding company, a legal entity separate and distinct from its subsidiaries, including Swiss Reinsurance Company Ltd. As a holding company with no operations of its own, Swiss Re is dependent upon dividends and other payments from Swiss Reinsurance Company Ltd and its other principal operating subsidiaries.

Cautionary note on forward-looking statements

Certain statements and illustrations contained herein are forward-looking. These statements (including as to plans, objectives, targets and trends) 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 of operations, financial condition, solvency ratios, liquidity position or prospects to be materially different from any future results of operations, financial condition, solvency ratios, liquidity position or prospects expressed or implied by such statements or cause Swiss Re to not achieve its published targets. Such factors include, among others:

- instability affecting the global financial system and developments related thereto;
- deterioration in global economic conditions;
- Swiss Re's ability to maintain sufficient liquidity and access to capital markets, including sufficient liquidity to cover potential recapture of reinsurance agreements, early calls of debt or debt-like arrangements and collateral calls due to actual or perceived deterioration of Swiss Re's financial strength or otherwise;
- the effect of market conditions, including the global equity and credit markets, and the level and volatility of equity prices, interest rates, credit spreads, currency values and other market indices, on Swiss Re's investment assets;
- changes in Swiss Re's investment result as a result of changes in its investment policy or the changed composition of its investment assets, and the impact of the timing of any such changes relative to changes in market conditions;
- uncertainties in valuing credit default swaps and other credit-related instruments;
- possible inability to realise amounts on sales of securities on Swiss Re's balance sheet equivalent to their mark-to-market values recorded for accounting purposes;
- the outcome of tax audits, the ability to realise tax loss carryforwards and the ability to realise deferred tax assets (including by reason of the mix of earnings in a jurisdiction or deemed change of control), which could negatively impact future earnings;
- the possibility that Swiss Re's hedging arrangements may not be effective;
- the lowering or loss of one of the financial strength or other ratings of one or more Swiss Re companies, and developments adversely affecting Swiss Re's ability to achieve improved ratings;
- the cyclicality of the reinsurance industry;
- uncertainties in estimating reserves;
- uncertainties in estimating future claims for purposes of financial reporting, particularly with respect to large natural catastrophes, as significant uncertainties may be involved in estimating losses from such events and preliminary estimates may be subject to change as new information becomes available;
- the frequency, severity and development of insured claim events;
- acts of terrorism and acts of war;
- mortality, morbidity and longevity experience;
- policy renewal and lapse rates;
- extraordinary events affecting Swiss Re's clients and other counterparties, such as bankruptcies, liquidations and other credit-related events;
- current, pending and future legislation and regulation affecting Swiss Re or its ceding companies and the interpretation of legislation or regulations by regulators;
- legal actions or regulatory investigations or actions, including those in respect of industry requirements or business conduct rules of general applicability;

- changes in accounting standards;
- significant investments, acquisitions or dispositions, and any delays, unexpected costs or other issues experienced in connection with any such transactions;
- 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.

This communication is not intended to be a recommendation to buy, sell or hold securities and does not constitute an offer for the sale of, or the solicitation of an offer to buy, securities in any jurisdiction, including the United States. Any such offer will only be made by means of a prospectus or offering memorandum, and in compliance with applicable securities laws.

Corporate calendar and contact information

Corporate calendar
7 November 2014
Third quarter 2014 results

19 February 2015
2014 annual results

18 March 2015
Publication of Annual Report 2014
and 2014 EVM Results

21 April 2015
151st Annual General Meeting

30 April 2015
First quarter 2015 results

Contact information

Investor Relations
Telephone +41 43 285 4444
Fax +41 43 282 4444
investor_relations@swissre.com

Media Relations
Telephone +41 43 285 7171
Fax +41 43 282 7171
media_relations@swissre.com

Share Register
Telephone +41 43 285 6810
Fax +41 43 282 6810
share_register@swissre.com

Title:
Swiss Re Group
Second Quarter 2014 Report

Production:
Corporate Real Estate & Logistics/
Media Production, Zurich

MIX
Paper from
responsible sources
FSC® C022369

ClimatePartner°
climate neutral
Print | ID: 11020-1407-1008

The web version of the Second Quarter 2014 Report
is available at: www.swissre.com/investors

Order no: 1492019_14_en

CCHCC, 8/14, 1 100 en

Swiss Re Ltd
Mythenquai 50/60
P.O. Box
8022 Zurich
Switzerland

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