

## Consolidated statements of shareholders' equity

in USD millions, except number of shares, for the years ended December 31

	Number of common shares issued	Preferred securities
<b>Balance as of December 31, 2002, as previously reported</b>	144,006,955	1,096
Implementation of a new accounting standard <sup>1</sup>	–	–
<b>Balance as of December 31, 2002, restated</b>	144,006,955	1,096
Change in net unrealized gains/(losses) on investments (excluding translation adjustments)	–	–
Translation adjustments	–	–
Change in net unrealized gains/(losses) on investments not recognized in the operating statement	–	–
Nominal value reduction of common stock	–	–
Share-based payment transactions	–	–
Treasury stock transactions	–	–
Net income	–	–
Dividends on preferred securities	–	–
<b>Balance as of December 31, 2003</b>	<b>144,006,955</b>	<b>1,096</b>
<b>Balance as of December 31, 2003, as previously reported</b>	144,006,955	1,096
Implementation of a new accounting standard <sup>1</sup>	–	–
<b>Balance as of December 31, 2003, restated</b>	144,006,955	1,096
Change in net unrealized gains/(losses) on investments (excluding translation adjustments)	–	–
Transfer arising from initial application of "legal quote" legislation in Switzerland <sup>2</sup>	–	–
Translation adjustments	–	–
Change in net unrealized gains/(losses) on investments not recognized in the operating statement	–	–
Nominal value reduction of common stock <sup>3</sup>	–	–
Share-based payment transactions	–	–
Treasury stock transactions	–	–
Net income	–	–
Dividends on preferred securities	–	–
<b>Balance as of December 31, 2004</b>	<b>144,006,955</b>	<b>1,096</b>

<sup>1</sup> Implementation of a new accounting standard as discussed in note 3, and as published in the Half Year Report 2004.

<sup>2</sup> Transfer of net unrealized gains on investments to insurance reserves as "policyholders' contract deposits and other funds" in connection with the initial application as of June 30, 2004 of the new "legal quote" legislation in Switzerland as described in note 11.

<sup>3</sup> Effective as of June 30, 2004, the share capital was reduced by a nominal value reduction from CHF 9 to CHF 6.50 per each registered share. The payment to shareholders was made on July 1, 2004.

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

Common stock	Treasury stock (nominal value)	Additional paid-in capital	Net unrealized gains/(losses) on investments	Cumulative translation adjustment	Retained earnings	Total shareholders' equity
1,028	(14)	10,031	1,080	(484)	4,038	16,775
–	–	–	2	–	(310)	(308)
1,028	(14)	10,031	1,082	(484)	3,728	16,467
–	–	–	(312)	–	–	(312)
–	–	–	92	636	–	728
–	–	–	(220)	636	–	416
(105)	–	–	–	–	–	(105)
–	–	33	–	–	–	33
–	8	144	–	–	–	152
–	–	–	–	–	2,009	2,009
–	–	–	–	–	(38)	(38)
<b>923</b>	<b>(6)</b>	<b>10,208</b>	<b>862</b>	<b>152</b>	<b>5,699</b>	<b>18,934</b>
923	(6)	10,208	862	181	6,120	19,384
–	–	–	–	(29)	(421)	(450)
923	(6)	10,208	862	152	5,699	18,934
–	–	–	386	–	–	386
–	–	–	(226)	–	–	(226)
–	–	–	53	688	–	741
–	–	–	213	688	–	901
(288)	–	–	–	–	–	(288)
–	–	19	–	–	–	19
–	5	61	–	–	–	66
–	–	–	–	–	2,587	2,587
–	–	–	–	–	(38)	(38)
<b>635</b>	<b>(1)</b>	<b>10,288</b>	<b>1,075</b>	<b>840</b>	<b>8,248</b>	<b>22,181</b>