Swiss Re GB Limited
Annual report and financial statements 2011

Company Registration No 1867359

Contents

Company Information

Board of Directors	Mark Swallow Michael Lyons
Company Secretary	John Titchener (resigned 10 March 2011) Hannah Flaxman (appointed 11March 2011)
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT
Registered Office	30 St Mary Axe London EC3A 8EP Telephone 020 7933 3000 Fax 020 7933 5000
Company Registration Number	1867359

Directors' Report

The directors present their annual report together with the audited financial statements for Swiss Re GB Limited (SRGB or the Company), registered number 1867359, for the year ended 31 December 2011 The Company is exempt under Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Swiss Re Ltd, registered in Switzerland The financial statements contain information about the Company and do not cont ain consolidated financial information as the parent of a group

Principal activity

The principal activity of the Company is that of a holding company The principal activities of the subsidiary undertakings are those of investment business and management services

The immediate parent company is Swiss Reinsurance Company Ltd, registered in Switzerland The parent undertaking of the smallest and largest group of undertakings for which Group consolidated accounts are drawn up and the ultimate parent company is Swiss Re Ltd For the purpose of these financial statements, the parent company and all its subsidiary undertakings are referred to as Swiss Re or the Swiss Re Group

On 11 May 2011, the Company re-registered as a private limited company Its change of name from Swiss Re GB Plc to Swiss Re GB Limited was registered on 12 May 2011

Results and dividends

The results for the year, which are set out on page 9, show a profit on ordinary activities after tax of £289 5m (2010 £59 5m) for the year Total shareholders' funds at the year-end were £240 5m (2010 £1,032 5m)

An interim dividend of £247 4m was paid "in specie" on ordinary shares on 1 December 2011 In addition, during the year, dividends of £16 1m (2010 £32 9m) and £33 4m (2010 £Nil) were paid on perpetual subordinated notes and preference shares respectively

The directors propose a final dividend on ordinary shares of £50 0m

Business review

On 1 July 2011, the Company received capital contributions of £582 0m from the parent company, Swiss Re On the same day, the Company made capital contributions of £853 9m to Admin Re UK Ltd (ARUK), at that time a wholly owned subsidiary undertaking These transactions preceded the sale of ARUK to Swiss Re for £1,726 0m The sale proceeds consisted of a US dollar cash amount equivalent to £598 5m, and a short-term loan to Swiss Re of £1,127 5m The cash proceeds were used to redeem the perpetual subordinated notes (£398 7m) and an intra group loan (£115 2m), as well as to pay a final dividend on the subordinated notes, accrued loan interest and early repayment fees associated with the intra group loan Under the terms of the sale agreement, the final agreed valuation of ARUK resulted in an additional payment of £185 4m to the Company on 1 December 2011 On the same day, this amount was paid to the parent as an "in specie" dividend Details of the sale of ARUK are contained in note 9

Also, on 1 July 2011, a loan receivable of £1 1m from a fellow group company was assigned to another Swiss Re Group company

On 5 August 2011, the Company further simplified its debt financing structure through the repayment of a loan from a fellow group company (£98 0m) On the same date, the Company executed an ordinary share capital reduction of £538 7m, and a preference share capital reduction of £0 6m The share premium account (£300 6m) was fully utilised as part of this transaction Capital of £539 9m was returned to the ordinary shareholder through the elimination of part of the loan balance due from the parent Share capital of £300 0m was returned to the preference shareholder

On 11 October 2011, the SRGB group continued its legal entity structure optimisation strategy by entering the subsidiary undertaking, Swiss Re JLP Limited, into members' voluntary liquidation A further change to the capital structure took place on 1 December 2011, which resulted in a £99 9m reduction to the ordinary share capital Capital was returned to the parent via the elimination of £99 9m of the loan balance due from the parent The final balance on the loan to the parent (£62 0m) was extinguished via the payment of an "in specie" dividend

Directors' Report

Future Outlook

The SRGB group will continue in its principal activities in the conduct of investment business and management services In addition, the SRGB group will continue to optimise its legal entity structure through the further rationalisation of its subsidiary undertakings

A subsidiary company, Swiss Re BHI Limited (BHI), sold a significant portion of its underlying assets to another Swiss Re Group company on 2 April 2012 As a result of this transaction, the value of this subsidiary at the year end was reduced to £107 5m (see note 16) This transaction was consistent with the Swiss Re global corporate restructure strategy

Directors' Report

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks The key risks affecting the Company are set out below Risks are formally reviewed by the Board and appropriate processes put in place to monitor and mitigate them

The Company is exposed to financial risk indirectly through its investments in subsidiary undertakings The key components of this financial risk are

Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market price Market risk typically comprises currency risk, interest rate risk and equity price risk Equity price risk is the risk that arises from changes in market prices and these may be caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market

Interest rate risk is the risk that the fair value of financial instruments will fluctuate because of changes in market interest rates, and in particular that those fluctuations may not be well matched

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due

Currency risk is the risk that the fair value of cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost Management regularly reviews the current and forecasted financial position of the Company to ensure that the obligations can be met when they fall due

Business risk also arises indirectly through its investment in subsidiary undertakings The activities that give rise to business risk exposure are primarily from the investment businesses In addition to the financial risks described above, the business operates in competitive markets, which has a fundamental bearing on both pricing for products and execution of operational efficiency The Company regularly reviews the performance of its subsidiary undertakings and seeks to mitigate any business exposure arising

Risk management

The risk management framework of the Company is established in accordance with Swiss Re's overall risk management framework and relevant guidelines

The ultimate responsibility for the Company's risk management principles and policies lies with its Board of Directors, which is also responsible for approving the overall risk tolerance Group Internal Audit monitors the internal control framework

The Board of Directors of SRGB has ultimate responsibility for risk management of the Company and is required to approve the overall risk framework, including risk policies, and review and approve the identification and prioritisation of all material risks facing the business, ensuring that arrangements are put in place to control those risks

Key Performance Indicators

Performance for the current and prior years is set out below

	2011 £m	2010 £m	
Profit for the year, after tax	289 5	59 5	
Profit and loss account	190 6	(36 3)	
Interest cover	17 7	3 4	Result before interest, non-monetary items and tax divided by total interest expense

Directors' Report

Directors

The directors are listed on page 3

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

The following statement should be read in conjunction with the Independent Auditors' Report set out on page 8, with a view to distinguishing for shareholders the respective responsibilities of the directors and auditors in relation to the financial statements

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the Company's financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors confirm that they have complied with the above and also confirm that

- so far as each of the directors of the Company is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- each of the directors has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information, and to establish that the Company's auditors are aware of that information

Suppliers

All services are provided by other SRGB group companies Any external expenses incurred by the Company are settled by inter-company recharges

Charitable and political donations

No donations were made for charitable or political purposes during the year (2010 £ nil)

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office and accordingly a resolution to propose their reappointment will be submitted at the annual general meeting

On behalf of the Board

Michael Lyons

Michael Lyons
Director
15 June 2012

Independent Auditors' Report

To the Members of Swiss Re GB Limited

We have audited the financial statements of Swiss Re GB Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities in the Directors' Report as set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Mark Bolton (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
15 June 2012

Profit and Loss Account

For the year ended 31 December 2011

	Notes	2011 £m	2010 £m
Income from shares in group undertakings		5 1	50 1
Operating profit on ordinary activities before interest and tax		**5.1**	**50 1**
Profit on sale of investment in group undertakings	9	397 9	-
Operating profit before interest and tax		**403 0**	**50 1**
Interest receivable and similar income	2	2 6	19 5
Interest payable and similar expenses	3	(82 7)	(20 3)
Other income	4	1 3	1 0
Other expenses	4	(59 5)	-
Profit on ordinary activities before tax		**264 7**	**50 3**
Tax on ordinary activities	7	24 8	9 2
Profit on ordinary activities after tax		**289 5**	**59 5**

All of the amounts above are in respect of continuing operations

Statement of Total Recognised Gains and Losses

	Notes	2011 £m	2010 £m
Profit for the financial year		289 5	59 5
Revaluation of subsidiary undertakings	9,14	21 6	16 0
Foreign exchange gains	9,14	0 3	-
Total recognised profit for the year		**311 4**	**75.5**

The accounting policies and notes on pages 11 to 18 form an integral part of these financial statements

Balance Sheet

As at 31 December 2011

	Notes	2011 £m	2010 £m
Fixed assets			
Investments	9	215 3	962 7
Debtors due after one year	10	-	273 0
		215 3	**1,235 7**
Current assets			
Debtors due within one year	10	28 0	14 5
Investments	9	-	58 1
Cash at bank and in hand		50 7	0 4
Total current assets		**78 7**	**73 0**
Creditors due within one year	11	**(53 5)**	**(66 2)**
Net current assets		**25 2**	**6 8**
Total assets less current liabilities		**240 5**	**1,242 5**
Creditors due after one year	12	-	**(210 0)**
Net assets		**240 5**	**1,032 5**
Capital and reserves			
Called up share capital	13,14	0 1	639 3
Share premium account	14	-	300 6
Perpetual subordinated notes	14	-	398 7
Revaluation reserve	14	46 9	(272 7)
Capital reserve	14	2 9	2 9
Profit and loss account	14	190 6	(36 3)
Total shareholders' funds		**240 5**	**1,032 5**

The notes on pages 11 to 18 form an integral part of these financial statements

The financial statements and related notes on pages 9 to 18 were approved by the Board of Directors on 15 June 2012 and were signed on their behalf by

Michael Lyons

Michael Lyons
Director

Notes to the Financial Statements

1 Accounting policies

a) Basis of presentation

These financial statements have been prepared on a going concern basis, in accordance with the Companies Act 2006 and applicable accounting standards

The Company is exempt under Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Swiss Re Ltd, registered in Switzerland The financial statements contain information about Swiss Re GB Limited (SRGB or the Company) and do not contain consolidated financial information as the parent of a group

The Company is exempt from preparing a cash flow statement in accordance with Financial Reporting Standard 1, Cash Flow Statements (FRS 1), as it is included by full consolidation in the consolidated financial statements of the ultimate parent company, Swiss Re Ltd, registered in Switzerland, which are publicly available

In accordance with Financial Reporting Standard 8, Related Party Disclosures (FRS 8), the Company is exempt from the requirement to disclose transactions with entities that are part of Swiss Re or investees of Swiss Re qualifying as related parties, as it is a wholly owned subsidiary of Swiss Reinsurance Company Ltd, registered in Switzerland, whose consolidated financial statements are publicly available

The following accounting policies have been applied consistently in dealing with items which are considered material to the Company's financial statements

b) Income from investments

Income from investments comprises dividends from shares in subsidiary undertakings and is included in the profit and loss account when received

c) Interest receivable, interest payable and other income and expenses

Interest income, interest expense and other income and expenses are recognised on an accruals basis

d) Taxation

Tax in the profit and loss account is based on profits for the period as determined in accordance with the relevant tax legislation, together with adjustments to provisions for prior periods

Provision is made for deferred tax assets and liabilities in accordance with the provisions of Financial Reporting Standard 19, Deferred Tax (FRS 19) Full provision has been made for material deferred tax on assets and liabilities arising on timing differences

Deferred tax is calculated at the rates at which it is expected that the tax will arise and is recognised in the profit and loss account for the period, except to the extent it is attributable to a gain or loss recognised directly in the statement of total recognised gains and losses In this case the attributable deferred tax is shown separately in the statement of total recognised gains and losses The provision for deferred tax is not discounted

Deferred tax assets are recognised to the extent that they are regarded as recoverable, that is, when it is considered more likely than not that there will be sufficient, suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

e) Investments

Investments in subsidiary undertakings are carried at consolidated net asset value Unrealised gains and losses are taken to the revaluation reserve, except where there is evidence that the investment is other than temporarily impaired, in which case unrealised losses are taken directly to the profit and loss account

Notes to the Financial Statements

1 Accounting policies (continued)

f) Foreign currency translation

Assets and liabilities denominated in foreign currency are translated into Sterling at rates of exchange prevailing at the balance sheet date with the exception of non monetary items which are maintained at historic rates Revenue transactions denominated in foreign currencies are translated into Sterling at average rates of exchange for the year Gains and losses arising from translation are included in the profit and loss account

2 Interest receivable and similar income

	2011 £m	2010 £m
Interest income		
Swiss Re Group undertakings	2 4	-
SRGB Group subsidiary undertakings	-	19 5
Current and call accounts	0 2	-
	2 6	**19 5**

3 Interest payable and similar expenses

	2011 £m	2010 £m
Interest payable		
Swiss Re Group undertakings	22 7	14 1
SRGB Group subsidiary undertakings	-	1 2
Foreign exchange losses	60 0	5 0
	82 7	**20 3**

4 Other income and other expenses

	2011 £m	2010 £m
Other income		
Gain on sale of investment in subsidiary undertakings	1 3	1 0
	1 3	**1 0**
Other expenses		
Write down in value of investments through the profit and loss account (Note 9)	59 5	-
	59 5	**-**

Notes to the Financial Statements

5 Auditors' remuneration

The remuneration payable by the Company, excluding VAT, to its independent auditor, PricewaterhouseCoopers LLP, in respect of these accounts, is shown below, together with fees payable in respect of other work

	2011 £000	2010 £000
Fees payable for the Company's annual accounts	44	47
Fees payable for other services		
Tax services	-	12
Other services	-	-
	44	**59**

All amounts incurred by the Company in respect of auditors' remuneration are settled by Swiss Re Services Limited (SRSL), a SRGB group subsidiary undertaking

6 Directors' emoluments

	2011 £000	2010 £000
Aggregate emoluments	32	35
Aggregate amounts (excluding shares) receivable under long-term incentive schemes	-	-
Pension contributions	2	2

The emoluments of two directors (2010 two directors) have been included No director (2010 no director) was a member of the Swiss Re Services Limited defined benefits pension scheme and no director exercised share options during the year (2010 no director) Two directors were members of the Swiss Re Services Limited defined contribution scheme

7 Taxation

	2011 £m	2010 £m
UK corporation tax at 26 5% (2010 28 0%)		
Current tax credit on income for the period	24 8	7 5
Adjustments in respect of previous periods	-	1 7
Total current tax credit for the period	**24 8**	**9 2**
Deferred tax		
Adjustments in respect of prior periods	-	-
Total deferred tax (charge) for the period	-	-
Tax credit on profit on ordinary activities	**24 8**	**9 2**
Factors affecting the tax credit for the period		
Profit on ordinary activities before tax	264 7	50 3
Standard UK corporate tax rate of 26 5% (2010 28 0%)	(70 2)	(14 1)
Non taxable income	1 7	14 0
Permanent differences	93 3	7 6
Adjustments in respect of previous periods	-	1 7
Current tax credit for the period	**24.8**	**9 2**

Notes to the Financial Statements

8 Dividends and other distributions

	2011 £m	2011 per share £	2010 £m	2010 per share £
Ordinary shares (Note 13)				
Paid	247 4	0 39	-	-
Proposed	50 0	500 00	-	-
4 65% cumulative preference shares (Note 13)	33 4	0 56	-	-
6 854% perpetual subordinated notes (Note 14)	16 1	-	32 9	-
	346 9		**32 9**	

9 Investments

Non current investments

Shares in subsidiary undertakings	Current value 2011 £m	Cost 2011 £m
At 1 January	**962 7**	**1,235 4**
Additions	853 9	853 9
Disposals	(1,563 3)	(1,861 5)
Revaluation of subsidiary undertakings (Note 14)	21 6	-
Foreign exchange gains (Note 14)	0 3	-
Impairment in value of subsidiaries	(59 5)	(59 5)
Other	(0 4)	0 2
At 31 December	**215 3**	**168 5**

On 1 July 2011 the Company made a capital contribution of £853 9m to ARUK, a wholly owned subsidiary undertaking On the same day, the Company sold ARUK to the parent company for £1,726 0m The sale value was subject to a true-up process which resulted in an additional payment of £185 4m on 1 December 2011 The disposal resulted in a profit of £397 9m

Swiss Re NY Limited was dissolved on 10 April Swiss Re Financial Services Limited was dissolved on 26 July A final meeting to agree the dissolution of Swiss Re Frankona Reinsurance Limited was held on 16 December

On 11 October, the SRG B Group continued its legal entity structure optimisation strategy by entering a subsidiary undertaking, Swiss Re JLP Limited, into members' voluntary liquidation

	Current value 2011 £m	Cost 2011 £m
Disposals		
Admin Re UK Limited	1,513 0	1,811 3
Swiss Re Financial Services Limited	7 2	7 1
Swiss Re NY Limited	39 0	39 0
Swiss Re Frankona Reinsurance Limited	4 1	4 1
	1,563 3	**1,861 5**

Notes to the Financial Statements

9 Investments (continued)

Current investments

Shares in Swiss Re Group undertakings (2010 £58 1m) related to holdings in an unlisted Swiss Re collective investment scheme These investments were sold in May 2011 and the proceeds placed into cash deposits

10 Debtors

	2011 £m	2010 £m
Amounts falling due after more than one year		
Swiss Re Group undertakings	-	1 1
SRGB group subsidiary undertakings	-	271 9
	-	**273 0**
Amounts falling due within one year		
Tax recoverable	26 7	13 5
Other	1 3	1 0
	28 0	**14 5**

On 1 July 2011, as part of the transactions undertaken to rationalise the Company's balance sheet, the loans receivable from SRGB group subsidiary undertakings were repaid in advance of the original maturity date The loan receivable from Swiss Re Group undertakings was assigned to another Swiss Re Group undertaking

As a result of the sale of ARUK, on 1 July 2011, the Company entered into a new loan arrangement with the parent company The initial amount of the loan was £1,127 5m On 5 August 2011, part repayments of the loan totalling £965 6m were effected The remaining balance of £161 9m was repaid on 1 December 2011

Notes to the Financial Statements

11 Creditors due within one year

	2011 £m	2010 £m
Amounts due to SRGB group subsidiary undertakings	3 5	44 7
Loans payable Swiss Re Group undertakings	-	21 5
Proposed dividends payable	50 0	-
	53 5	**66 2**

Amounts due to SRGB Group subsidiary undertaking are unsecured, interest free, have no fixed date of repayment and are repayable on demand

12 Creditors due after one year

	2011 £m	2010 £m
Loans payable		
In more than one year but not more than two years	-	91 8
In more than two years but not more than five years	-	-
In more than five years	-	118 2
	-	**210 0**

On 1 July 2011, the Company repaid an intra group loan payable to a fellow Swiss Re Group undertaking of £115 2m in advance of the original maturity date

On 5 August 2011, the Company repaid an intra group loan payable to a fellow Swiss Re Group undertaking of £92 3m in advance of the original maturity date

13 Called up share capital

		2011 £m	2010 £m
Authorised			
1,000,000,000	Ordinary shares of £1 each	1,000 0	1,000 0
60,000,000	Preference shares of £0 01 each	0 6	0 6
		1,000 6	**1,000 6**
Allotted, called up and fully paid			
100,000	Ordinary shares of £1 each	0 1	638 7
60,000,000	Preference shares of £0 01 each	-	0 6
		0.1	**639 3**

Reductions to the ordinary share capital took place on 5 August 2011 (£538 7m) and 1 December 2011 (£99 9m) Capital was returned to the shareholder through the elimination of an equivalent value of the intra group loan receivable from the parent company (note 10) A dividend payment on ordinary shares of £247 4m was paid "in specie" on 1 December 2011 (note 8)

The preference shares were fully redeemed on 5 August 2011 (£0 6m) A final cumulative preference dividend of £33 4m was paid on the same day The preference shareholders were entitled to receive dividends at 4 65% per annum on the issued value of the preference shares on a cumulative basis, at the discretion of the Company's directors

Notes to the Financial Statements

14 Reconciliation of movement in shareholders' funds

	Share capital £m	Share premium account £m	Perpetual subordinated notes £m	Revaluation reserve £m	Capital reserve £m	Profit and loss account £m	Total shareholders' funds £m
Balance at 1 January 2011	**639 3**	**300 6**	**398 7**	**(272 7)**	**2 9**	**(36 3)**	**1,032 5**
Profit for the financial year						289 5	289 5
Dividends and other distributions (Note 8)						(346 9)	(346 9)
Revaluation of subsidiary undertakings (Note 9)				21 6			21 6
Foreign exchange gains (Note 9)				0 3			0 3
Disposal of subsidiary undertakings (Note 9)				297 7		(297 7)	-
Repayments			(398 7)				(398 7)
Capital contribution						582 0	582 0
Capital reduction (Note 13)	(639 2)	(300 6)					(939 8)
At 31 December 2011	**0 1**	**-**	**-**	**46 9**	**2 9**	**190 6**	**240 5**

The share capital movements are explained in note 13

On 11 May 2006, the Company issued USD$751 5m (£398 7m) of perpetual 6 854% subordinated notes This capital raising was part of a global funding plan for the Swiss Re Group's acquisition of the business and operations of GE Insurance Solutions worldwide The Company redeemed all of the perpetual subordinated notes on 1 July 2011 by utilising the proceeds of the sale of ARUK The repayment was made in advance of the original redemption date

In accordance with Financial Reporting Standard 25, Financial Instruments Disclosures and Presentation, due to their features, the perpetual subordinated notes are included in equity shareholders' funds and interest payments are classified as dividends Additionally, the perpetual subordinated notes are not revalued for foreign currency fluctuations

The revaluation reserve constitutes the carrying value of subsidiary companies compared with cost, less permanent impairments The amount carried in the revaluation reserve has been arrived at after due consideration of a number of factors among which would include the estimation of the present value of future cash flows expected to emerge from the underlying business, which by their nature may change over time

The Company received capital contributions of £582 0m from the parent company on 1 July 2011 These transactions facilitated the additional investment in ARUK prior to its sale to a fellow Swiss Re Group undertaking (note 9)

15 Subsidiary undertakings

The whole of the ordinary share capital of the following companies was held by the Company as at 31 December 2011

Subsidiary undertakings	Principal activity	Country of Registration
Dex Name Limited	Lloyds corporate vehicle	England
Swiss Re BHI Limited	Investment business	England
Swiss Re Capital Markets Limited	Investment business	England
Swiss Re Investment Management Limited	Management services	England
Swiss Re Life & Health Limited	Non-trading	England
Swiss Re Services Limited	Management services	England
Swiss Re JLP Limited	In liquidation	England
Swiss Re Frankona Reinsurance Limited	In liquidation	England
The Mercantile & General Reinsurance Company Limited	Non-trading	Scotland

16 Subsequent events

On 2 April, Swiss Re BHI Limited (BHI), a subsidiary company sold its principal asset (Breven Howard Asset Management) to a Swiss Re Group company for a value of £107 5m This amount was paid to SRGB in the form of a dividend from BHI, and immediately afterwards a dividend of the same amount was paid to the parent company A permanent impairment in this asset has been effected in the year ended 31 December 2011 through a write-down of £59 5m

17. Parent company

The parent undertaking of the smallest and largest group of undertakings for which Group consolidated accounts are drawn up and the ultimate parent company was Swiss Reinsurance Company Ltd, until 20 May 2011

On 20 May 2011, shares in Swiss Reinsurance Company Ltd were exchanged for newly issued shares in Swiss Re Ltd The new shares of Swiss Re Ltd were listed on the Swiss Stock Exchange on 23 May 2011 Effective 20 May 2011 Swiss Re Ltd became the holding company of the Swiss Re group of companies

Accounts of the ultimate parent company may be obtained by applying to the Company Secretary at the following address

Mythenquai 50/60
P O Box 8022
Zurich
Switzerland