

Consolidated financial statements (continued)

Consolidated income statements

in USD millions, for the years ended December 31	Notes	2021	2020
Revenues			
Gross written premiums		53,185	48,221
Policy fees		2,592	2,334
Gross written premiums and policy fees		55,777	50,555
Less premiums ceded to reinsurers		(10,970)	(9,988)
Net written premiums and policy fees		44,806	40,567
Net change in reserves for unearned premiums	10	(1,776)	(623)
Net earned premiums and policy fees		43,031	39,944
Farmers management fees and other related revenues	26	4,265	3,703
Net investment income on Group investments		5,047	4,903
Net capital gains/(losses) and impairments on Group investments		2,038	2,047
Net investment result on Group investments	6	7,085	6,950
Net investment result on unit-linked investments		14,388	7,389
Net gains/(losses) on divestment of businesses	5	(185)	57
Other income		1,283	957
Total revenues		69,867	59,001
Benefits, losses and expenses			
Insurance benefits and losses, gross of reinsurance	10	34,470	35,899
Less ceded insurance benefits and losses	10	(6,186)	(8,158)
Insurance benefits and losses, net of reinsurance	10	28,284	27,741
Policyholder dividends and participation in profits, net of reinsurance	10	15,195	8,325
Underwriting and policy acquisition costs, net of reinsurance	10	9,213	8,555
Administrative and other operating expense	12	8,794	8,006
Interest expense on debt		469	399
Interest credited to policyholders and other interest		591	581
Total benefits, losses and expenses		62,546	53,606
Net income before income taxes		7,321	5,395
of which: Attributable to non-controlling interests		332	339
Income tax (expense)/benefit	17	(1,895)	(1,323)
attributable to policyholders	17	(275)	(46)
attributable to shareholders	17	(1,621)	(1,277)
of which: Attributable to non-controlling interests		(109)	(102)
Net income after taxes		5,425	4,071
attributable to non-controlling interests		223	238
attributable to shareholders		5,202	3,834
in USD			
Basic earnings per share	19	34.99	25.85
Diluted earnings per share	19	34.66	25.56
in CHF			
Basic earnings per share	19	31.98	24.24
Diluted earnings per share	19	31.68	23.98

Consolidated financial statements (continued)

Consolidated balance sheets

Assets	in USD millions, as of December 31	Notes	2021	2020
Assets:				
Cash and cash equivalents			8,698	11,106
Total Group investments	6		190,959	210,398
Equity securities			18,578	19,493
Debt securities			145,084	161,710
Investment property			14,070	14,749
Mortgage loans			6,106	5,783
Other loans			7,053	8,620
Investments in associates and joint ventures			68	43
Investments for unit-linked contracts			142,470	135,058
Total investments			333,429	345,456
Reinsurers' share of liabilities for insurance contracts	8		25,680	25,523
Deposits made under reinsurance contracts			444	503
Deferred policy acquisition costs	11		20,446	20,021
Deferred origination costs	11		441	426
Receivables and other assets	15		19,951	20,362
Deferred tax assets	17		1,198	1,314
Assets held for sale ¹	5		11,626	2,538
Property and equipment	13		2,436	2,705
Attorney-in-fact contracts	14		2,650	1,025
Goodwill	14		4,344	4,089
Other intangible assets	14		4,484	4,230
Total assets			435,826	439,299

¹ As of December 31, 2021, the Group had USD 11.6 billion of assets held for sale based on agreements signed to sell business of Zurich Insurance plc, Zurich International Life Limited, Zurich Investments Life S.p.A. and Zurich Insurance plc (Spain) (see note 5). In 2020, the Group had USD 2.5 billion of assets held for sale business of Zurich Insurance plc and Zurich International Life Limited (see note 5).

Consolidated financial statements (continued)

Liabilities and equity

in USD millions, as of December 31	Notes	2021	2020
Liabilities			
Liabilities for investment contracts	9	68,855	69,507
Deposits received under ceded reinsurance contracts		970	910
Deferred front-end fees		5,124	5,372
Liabilities for insurance contracts	8	272,707	283,497
Obligations to repurchase securities		1,381	784
Other liabilities ¹	16, 22	16,009	17,992
Deferred tax liabilities	17	5,151	5,136
Liabilities held for sale ²	5	11,351	2,477
Senior debt	18	5,327	5,470
Subordinated debt	18	9,782	8,306
Total liabilities		396,656	399,453
Equity			
Share capital	19	11	11
Additional paid-in capital	19	1,449	1,438
Net unrealized gains/(losses) on available-for-sale investments		3,670	5,701
Cash flow hedges		411	526
Cumulative foreign currency translation adjustment		(9,633)	(8,698)
Revaluation reserve		265	284
Retained earnings		41,707	39,016
Shareholders' equity		37,881	38,278
Non-controlling interests		1,289	1,568
Total equity		39,170	39,846
Total liabilities and equity		435,826	439,299

¹ Includes restructuring provisions, litigation and regulatory provisions and other provisions (see note 16).

² As of December 31, 2021, the Group had USD 11.4 billion of liabilities held for sale based on agreements signed to sell business of Zurich Insurance plc, Zurich International Life Limited, Zurich Investments Life S.p.A and Zurich Insurance plc (Spain) (see note 5). In 2020, the Group had USD 2.5 billion of liabilities held for sale business of Zurich Insurance plc and Zurich International Life Limited (see note 5).

Consolidated financial statements (continued)

Consolidated statements of cash flows

in USD millions, for the years ended December 31	2021	2020
Cash flows from operating activities		
Net income attributable to shareholders	5,202	3,834
Adjustments for:		
Net (gains)/losses on divestment of businesses	185	(57)
(Income)/expense from equity method accounted investments	4	(3)
Depreciation, amortization and impairments of fixed and intangible assets	849	911
Other non-cash items	(374)	558
Underwriting activities:	16,033	8,029
Liabilities for insurance contracts, gross	9,485	7,594
Reinsurers' share of liabilities for insurance contracts	(336)	(2,105)
Liabilities for investment contracts	7,676	3,047
Deferred policy acquisition costs	(889)	(627)
Deferred origination costs	(38)	1
Deposits made under assumed reinsurance contracts	56	206
Deposits received under ceded reinsurance contracts	79	(87)
Investments:	(17,857)	(7,893)
Net capital (gains)/losses on total investments and impairments	(14,918)	(8,264)
Net change in derivatives	432	42
Net change in money market investments	728	(572)
Sales and maturities		
Debt securities	42,492	47,775
Equity securities	53,695	57,137
Other	9,489	6,100
Purchases		
Debt securities	(48,985)	(48,527)
Equity securities	(51,580)	(56,741)
Other	(9,211)	(4,842)
Net changes in sale and repurchase agreements	615	(248)
Movements in receivables and payables	(2,059)	609
Net changes in other operational assets and liabilities	(75)	50
Deferred income tax, net	646	(89)
Net cash provided by/(used in) operating activities	3,167	5,701

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

Consolidated financial statements (continued)

in USD millions, for the years ended December 31	2021	2020
Cash flows from investing activities		
Additions to tangible and intangible assets	(576)	(552)
Disposals of tangible and intangible assets	155	60
(Acquisitions)/disposals of equity method accounted investments, net	(38)	12
Acquisitions of companies, net of cash acquired ¹	(2,446)	(26)
Divestments of companies, net of cash divested	16	8
Dividends from equity method accounted investments	2	1
Net cash provided by/(used in) investing activities	(2,886)	(496)
Cash flows from financing activities		
Dividends paid	(3,534)	(3,232)
Net movement in treasury shares	(455)	(214)
Issuance of debt	2,664	2,015
Repayment of debt	(740)	(1,024)
Lease principal repayments	(227)	(217)
Net cash provided by/(used in) financing activities	(2,292)	(2,672)
Foreign currency translation effects on cash and cash equivalents	(386)	666
Change in cash and cash equivalents	(2,396)	3,199
Cash and cash equivalents as of January 1	11,726	8,527
Total cash and cash equivalents as of December 31	9,330	11,726
of which: Cash and cash equivalents	8,698	11,106
of which: Unit-linked	632	620
Other supplementary cash flow disclosures²		
Other interest income received	4,676	4,479
Dividend income received	1,737	1,367
Other interest expense paid	(955)	(928)
Income taxes paid	(1,486)	(1,406)

¹ Relates mainly to the acquisition of MetLife P&C (see note 5).

² These amounts are primarily included in the operating activities of the Cash flow statement.

Cash and cash equivalents

in USD millions, as of December 31	2021	2020
Cash and cash equivalents comprise the following:		
Cash at bank and in hand	8,663	10,949
Cash equivalents	667	777
Total	9,330	11,726

For the periods ended December 31, 2021 and 2020, cash and cash equivalents held to meet local regulatory requirements were USD 376 million and USD 440 million, respectively.