

Consolidated financial statements (continued)

Consolidated income statements

in USD millions, for the years ended December 31	Notes	2022	2021
Revenues			
Gross written premiums		56,118	53,185
Policy fees		2,730	2,592
Gross written premiums and policy fees		58,848	55,777
Less premiums ceded to reinsurers		(11,747)	(10,970)
Net written premiums and policy fees		47,101	44,806
Net change in reserves for unearned premiums	10	(2,569)	(1,776)
Net earned premiums and policy fees		44,532	43,031
Farmers management fees and other related revenues	26	4,490	4,265
Net investment income on Group investments		5,084	5,047
Net capital gains/(losses) and impairments on Group investments		(951)	2,038
Net investment result on Group investments	6	4,133	7,085
Net investment result on unit-linked investments		(12,405)	14,388
Net gains/(losses) on divestment of businesses	5	(288)	(185)
Other income		1,286	1,283
Total revenues		41,750	69,867
Benefits, losses and expenses			
Insurance benefits and losses, gross of reinsurance	10	34,576	34,470
Less ceded insurance benefits and losses	10	(6,372)	(6,186)
Insurance benefits and losses, net of reinsurance	10	28,204	28,284
Policyholder dividends and participation in profits, net of reinsurance	10	(11,791)	15,195
Underwriting and policy acquisition costs, net of reinsurance	10	9,873	9,213
Administrative and other operating expense	12	8,665	8,794
Interest expense on debt		434	469
Interest credited to policyholders and other interest		403	591
Total benefits, losses and expenses		35,787	62,546
Net income before income taxes		5,962	7,321
of which: Attributable to non-controlling interests		457	332
Income tax (expense)/benefit	17	(1,040)	(1,895)
attributable to policyholders	17	239	(275)
attributable to shareholders	17	(1,279)	(1,621)
of which: Attributable to non-controlling interests		(137)	(109)
Net income after taxes		4,923	5,425
attributable to non-controlling interests		319	223
attributable to shareholders		4,603	5,202
in USD			
Basic earnings per share	19	31.01	34.99
Diluted earnings per share	19	30.77	34.66
in CHF			
Basic earnings per share	19	29.59	31.98
Diluted earnings per share	19	29.36	31.68

Consolidated financial statements (continued)

Consolidated balance sheets

Assets	in USD millions, as of December 31	Notes	2022	2021
Assets:				
Cash and cash equivalents			7,560	8,698
Total Group investments	6		140,625	190,959
Equity securities			13,130	18,578
Debt securities			103,664	145,084
Investment property			14,798	14,070
Mortgage loans			5,497	6,106
Other loans			3,444	7,053
Investments in associates and joint ventures			92	68
Investments for unit-linked contracts			121,989	142,470
Total investments			262,614	333,429
Reinsurers' share of liabilities for insurance contracts	8		25,667	25,680
Deposits made under reinsurance contracts			960	444
Deferred policy acquisition costs	11		20,711	20,446
Deferred origination costs	11		431	441
Receivables and other assets	15		21,768	19,951
Deferred tax assets	17		2,179	1,198
Assets held for sale ¹	5		22,152	11,626
Property and equipment	13		2,225	2,436
Attorney-in-fact contracts	14		2,650	2,650
Goodwill	14		4,420	4,344
Other intangible assets	14		4,445	4,484
Total assets			377,782	435,826

¹ As of December 31, 2022, the Group had USD 22.1 billion of assets held for sale based on agreements signed to sell portfolios of Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft and Zurich Insurance plc (Spain Medical Malpractice and UK Employers' Liability portfolios) (see note 5). In 2021, the Group had USD 11.6 billion of assets held for sale portfolios of Zurich International Life Limited, Zurich Investments Life S.p.A. and Zurich Insurance plc (Spain Medical Malpractice and UK Employers' Liability portfolios) (see note 5).

Consolidated financial statements (continued)

Liabilities and equity

in USD millions, as of December 31	Notes	2022	2021
Liabilities			
Liabilities for investment contracts	9	57,456	68,855
Deposits received under ceded reinsurance contracts		857	970
Deferred front-end fees		4,560	5,124
Liabilities for insurance contracts	8	229,755	272,707
Obligations to repurchase securities		1,069	1,381
Other liabilities ¹	16, 22	18,017	16,009
Deferred tax liabilities	17	2,889	5,151
Liabilities held for sale ²	5	21,295	11,351
Senior debt	18	5,071	5,327
Subordinated debt	18	8,899	9,782
Total liabilities		349,868	396,656
Equity			
Share capital	19	11	11
Additional paid-in capital	19	1,158	1,449
Net unrealized gains/(losses) on available-for-sale investments		(6,980)	3,670
Cash flow hedges		134	411
Cumulative foreign currency translation adjustment		(10,824)	(9,633)
Revaluation reserve		272	265
Retained earnings		42,863	41,707
Shareholders' equity		26,634	37,881
Non-controlling interests		1,279	1,289
Total equity		27,914	39,170
Total liabilities and equity		377,782	435,826

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

² As of December 31, 2022, the Group had USD 21.3 billion of liabilities held for sale based on agreements signed to sell portfolios of Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft and Zurich Insurance plc (Spain Medical Malpractice and UK Employers' Liability portfolios) (see note 5). In 2021, the Group had USD 11.4 billion of liabilities held for sale portfolios of Zurich International Life Limited, Zurich Investments Life S.p.A and Zurich Insurance plc (Spain Medical Malpractice and UK Employers' Liability portfolios) (see note 5).

Consolidated financial statements (continued)

Consolidated statements of cash flows

in USD millions, for the years ended December 31	2022	2021
Cash flows from operating activities		
Net income attributable to shareholders	4,603	5,202
Adjustments for:		
Net (gains)/losses on divestment of businesses	288	185
(Income)/expense from equity method accounted investments	4	4
Depreciation, amortization and impairments of fixed and intangible assets	804	849
Other non-cash items	(125)	(374)
Underwriting activities:	(10,693)	16,033
Liabilities for insurance contracts, gross	(3,206)	9,485
Reinsurers' share of liabilities for insurance contracts	(234)	(336)
Liabilities for investment contracts	(5,720)	7,676
Deferred policy acquisition costs	(886)	(889)
Deferred origination costs	(22)	(38)
Deposits made under assumed reinsurance contracts	(521)	56
Deposits received under ceded reinsurance contracts	(104)	79
Investments:	12,307	(17,857)
Net capital (gains)/losses on total investments and impairments	14,609	(14,918)
Net change in derivatives	(477)	432
Net change in money market investments	90	728
Sales and maturities		
Debt securities	51,589	42,492
Equity securities	53,190	53,695
Other	7,517	9,489
Purchases		
Debt securities	(54,925)	(48,985)
Equity securities	(51,407)	(51,580)
Other	(7,879)	(9,211)
Net changes in sale and repurchase agreements	(266)	615
Movements in receivables and payables	(2,055)	(2,059)
Net changes in other operational assets and liabilities	644	(75)
Deferred income tax, net	(434)	646
Net cash provided by/(used in) operating activities	5,079	3,167

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	2022	2021
Cash flows from investing activities		
Additions to tangible and intangible assets	(572)	(576)
Disposals of tangible and intangible assets	54	155
(Acquisitions)/disposals of equity method accounted investments, net	–	(38)
Acquisitions of companies, net of cash acquired	(328)	(2,446)
Divestments of companies, net of cash divested	155	16
Dividends from equity method accounted investments	–	2
Net cash provided by/(used in) investing activities	(691)	(2,886)
Cash flows from financing activities		
Dividends paid	(3,767)	(3,534)
Net movement in treasury shares	(770)	(455)
Issuance of debt	2,551	2,664
Repayment of debt	(3,067)	(740)
Lease principal repayments	(220)	(227)
Net cash provided by/(used in) financing activities	(5,273)	(2,292)
Foreign currency translation effects on cash and cash equivalents	(290)	(386)
Change in cash and cash equivalents¹	(1,174)	(2,396)
Cash and cash equivalents as of January 1	9,330	11,726
Total cash and cash equivalents as of December 31	8,155	9,330
of which: Cash and cash equivalents	7,560	8,698
of which: Unit-linked ²	596	632
Other supplementary cash flow disclosures³		
Other interest income received	4,927	4,676
Dividend income received	1,439	1,737
Other interest expense paid	(890)	(955)
Income taxes paid	(1,469)	(1,486)

¹ The movement for the period ended December 31, 2022 includes USD 51 million of cash and cash equivalents reclassified to assets held for sale, which has been recognized in net changes in other operational assets and liabilities (see note 5).

² These amounts are included within 'Investments for unit-linked contracts' on the balance sheet.

³ 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	2022	2021
Cash and cash equivalents comprise the following:		
Cash at bank and in hand	7,119	8,663
Cash equivalents	1,036	667
Total	8,155	9,330

For the periods ended December 31, 2022 and 2021, cash and cash equivalents held to meet local regulatory requirements were USD 407 million and USD 376 million, respectively.