

Consolidated financial statements (continued)

Consolidated income statements

in USD millions, for the years ended December 31	Notes	2020	2019
Revenues			
Gross written premiums		48,221	48,056
Policy fees		2,334	2,469
Gross written premiums and policy fees		50,555	50,525
Less premiums ceded to reinsurers		(9,988)	(9,274)
Net written premiums and policy fees		40,567	41,251
Net change in reserves for unearned premiums	10	(623)	(949)
Net earned premiums and policy fees		39,944	40,302
Farmers management fees and other related revenues	26	3,703	3,780
Net investment income on Group investments		4,903	5,298
Net capital gains/(losses) and impairments on Group investments		2,047	2,093
Net investment result on Group investments	6	6,950	7,391
Net investment result on unit-linked investments		7,389	19,485
Net gains/(losses) on divestment of businesses	5	57	(295)
Other income		957	1,129
Total revenues		59,001	71,792
Benefits, losses and expenses			
Insurance benefits and losses, gross of reinsurance	10	35,899	33,620
Less ceded insurance benefits and losses	10	(8,158)	(6,051)
Insurance benefits and losses, net of reinsurance	10	27,741	27,570
Policyholder dividends and participation in profits, net of reinsurance	10	8,325	20,582
Underwriting and policy acquisition costs, net of reinsurance	10	8,555	8,529
Administrative and other operating expense	12	8,006	8,020
Interest expense on debt		399	401
Interest credited to policyholders and other interest		581	590
Total benefits, losses and expenses		53,606	65,692
Net income before income taxes		5,395	6,100
of which: Attributable to non-controlling interests		339	356
Income tax (expense)/benefit	17	(1,323)	(1,716)
attributable to policyholders	17	(46)	(365)
attributable to shareholders	17	(1,277)	(1,351)
of which: Attributable to non-controlling interests		(102)	(119)
Net income after taxes		4,071	4,384
attributable to non-controlling interests		238	237
attributable to shareholders		3,834	4,147
in USD			
Basic earnings per share	19	25.85	28.01
Diluted earnings per share	19	25.56	27.69
in CHF			
Basic earnings per share	19	24.24	27.84
Diluted earnings per share	19	23.98	27.51

Consolidated financial statements (continued)

Consolidated balance sheets

Assets	in USD millions, as of December 31	Notes	2020	2019
Assets:				
Cash and cash equivalents			11,106	7,880
Total Group investments	6		210,398	193,312
Equity securities			19,493	18,296
Debt securities			161,710	147,507
Investment property			14,749	13,261
Mortgage loans			5,783	5,935
Other loans			8,620	8,274
Investments in associates and joint ventures			43	39
Investments for unit-linked contracts			135,058	126,211
Total investments			345,456	319,523
Reinsurers' share of liabilities for insurance contracts	8		25,523	22,752
Deposits made under reinsurance contracts			503	726
Deferred policy acquisition costs	11		20,021	19,207
Deferred origination costs	11		426	400
Receivables and other assets	15		20,362	19,357
Deferred tax assets	17		1,314	1,151
Assets held for sale ¹	5		2,538	2,087
Property and equipment	13		2,705	2,635
Attorney-in-fact contracts	14		1,025	1,025
Goodwill	14		4,089	3,610
Other intangible assets	14		4,230	4,333
Total assets			439,299	404,688

¹ As of December 31, 2020, the Group had USD 2.5 billion of assets held for sale based on agreements signed to sell business of Zurich Insurance plc and Zurich International Life Limited (see note 5). In 2019, the Group reclassified USD 2 billion of assets to held for sale based on agreements signed to sell business in the UK and Germany (see note 5).

Consolidated financial statements (continued)

Liabilities and equity

in USD millions, as of December 31		Notes	2020	2019
Liabilities				
Liabilities for investment contracts	9		69,507	61,761
Deposits received under ceded reinsurance contracts			910	994
Deferred front-end fees			5,372	5,173
Liabilities for insurance contracts	8		283,497	264,140
Obligations to repurchase securities			784	977
Other liabilities	16		17,992	16,567
Deferred tax liabilities	17		5,136	4,533
Liabilities held for sale ¹	5		2,477	1,996
Senior debt	18		5,470	5,148
Subordinated debt	18		8,306	6,852
Total liabilities			399,453	368,139
Equity				
Share capital	19		11	11
Additional paid-in capital	19		1,438	1,235
Net unrealized gains/(losses) on available-for-sale investments			5,701	3,985
Cash flow hedges			526	454
Cumulative foreign currency translation adjustment ²			(8,698)	(9,349)
Revaluation reserve			284	223
Retained earnings ²			39,016	38,445
Shareholders' equity			38,278	35,004
Non-controlling interests			1,568	1,545
Total equity			39,846	36,549
Total liabilities and equity			439,299	404,688

- 1 As of December 31, 2020, the Group had USD 2.5 billion of liabilities held for sale based on agreements to sell business of Zurich Insurance plc and Zurich International Life Limited (see note 5). In 2019, the Group reclassified USD 2 billion of liabilities to held for sale based on agreements to sell certain businesses in the UK and Germany (see note 5).
- 2 Restated in line with Hyperinflation reclassification in Consolidated statements of changes in equity.

Consolidated financial statements (continued)

Consolidated statements of cash flows

in USD millions, for the years ended December 31	2020	2019
Cash flows from operating activities		
Net income attributable to shareholders	3,834	4,147
Adjustments for:		
Net (gains)/losses on divestment of businesses	(57)	295
(Income)/expense from equity method accounted investments	(3)	(3)
Depreciation, amortization and impairments of fixed and intangible assets	911	967
Other non-cash items	558	248
Underwriting activities:	8,029	19,597
Liabilities for insurance contracts, gross	7,594	11,073
Reinsurers' share of liabilities for insurance contracts	(2,105)	(2,423)
Liabilities for investment contracts	3,047	11,159
Deferred policy acquisition costs	(627)	(761)
Deferred origination costs	1	18
Deposits made under assumed reinsurance contracts	206	154
Deposits received under ceded reinsurance contracts	(87)	377
Investments:	(7,893)	(20,390)
Net capital (gains)/losses on total investments and impairments	(8,264)	(20,006)
Net change in derivatives	42	(347)
Net change in money market investments	(572)	(584)
Sales and maturities		
Debt securities	47,775	54,248
Equity securities	57,137	61,018
Other	6,100	7,369
Purchases		
Debt securities	(48,527)	(56,272)
Equity securities	(56,741)	(59,392)
Other	(4,842)	(6,423)
Net changes in sale and repurchase agreements	(248)	(361)
Movements in receivables and payables	609	718
Net changes in other operational assets and liabilities	50	(636)
Deferred income tax, net	(89)	302
Net cash provided by/(used in) operating activities	5,701	4,884

Consolidated financial statements (continued)

in USD millions, for the years ended December 31	2020	2019
Cash flows from investing activities		
Additions to tangible and intangible assets	(552)	(752)
Disposals of tangible and intangible assets	60	114
(Acquisitions)/disposals of equity method accounted investments, net	12	(5)
Acquisitions of companies, net of cash acquired	(26)	(1,672)
Divestments of companies, net of cash divested	8	108
Dividends from equity method accounted investments	1	1
Net cash provided by/(used in) investing activities	(496)	(2,206)
Cash flows from financing activities		
Dividends paid	(3,232)	(3,036)
Net movement in treasury shares	(214)	(101)
Issuance of debt	2,015	1,398
Repayment of debt	(1,024)	(1,367)
Lease principal repayments	(217)	(196)
Net cash provided by/(used in) financing activities	(2,672)	(3,302)
Foreign currency translation effects on cash and cash equivalents	666	41
Change in cash and cash equivalents	3,199	(583)
Cash and cash equivalents as of January 1	8,527	9,110
Total cash and cash equivalents as of December 31	11,726	8,527
of which: Cash and cash equivalents	11,106	7,880
of which: Unit-linked	620	647
Other supplementary cash flow disclosures¹		
Other interest income received	4,479	4,830
Dividend income received	1,367	1,764
Other interest expense paid	(928)	(907)
Income taxes paid	(1,406)	(1,534)

¹ 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	2020	2019
Cash and cash equivalents comprise the following:		
Cash at bank and in hand	10,949	7,989
Cash equivalents	777	537
Total	11,726	8,527

For the periods ended December 31, 2020 and 2019, cash and cash equivalents held to meet local regulatory requirements were USD 440 million and USD 313 million, respectively.