

MCEV 2010 Zurich

Ergänzungen

Definitionen:

- **Operating earnings** := new business value
 - + roll-forward
 - + operating variance
- **Roll-forward** := expected contribution at reference rate
 - + expected contribution in excess of ref. rate
 - + transfer to free surplus
- **Operating variance**:= experience variance
 - + assumption changes
 - + other operating variance

- **EV earnings** := operating earnings
 - + economic variance
 - + other non-operating variance

Verlauf der Earnings 2010, 2009, 2008:**• Operating earnings:**

$$2010: 1,574 = 817 + 622 + 134$$

$$2009: 1,921 = 782 + 840 + 299$$

$$2008: 1,983 = 753 + 964 + 267$$

• EV earnings:

$$2010: 1,005 = 1,574 - 846 + 277$$

$$2009: 3,088 = 1,921 + 1,920 - 123$$

$$2008: -1,575 = 1,983 - 3,811 + 253$$

• Foreign exchange translation effects:

$$2010: -182$$

$$2009: 815$$

$$2008: -1,633$$

• Dividends & capital movements (= net capital inflow):

$$2010: -1,433 = -427 - 1,006$$

$$2009: 31 = 72 - 41$$

$$2008: 92$$

Verlauf der Returns 2010, 2009, 2008:

- **Expected return** := total expected contribution / opening EV
 - 2010: 3.7% = 622 / 16,752**
 - 2009: 6.5% = 840 / 12,818
 - 2008: 6.1% = 964 / 15,935

- **Operating return** := operating earnings / opening EV
 - 2010: 9.4% = 1,574 / 16,752**
 - 2009: 14.9% = 1,921 / 12,818
 - 2008: 12.5% = 1,983 / 15,935

- **EV return** := EV earnings / opening EV
 - 2010: 6.0% = 1,005 / 16,752**
 - 2009: 24.0% = 3,088 / 12,818
 - 2008: -9.9% = -1,575 / 15,935

- **Return on EV** := (end EV – op EV – net capital infl.) / op. EV
 - 2010: 4.9% = (16,141 – 16,752 + 1,433) / 16,752**
 - 2009: 30.4% = (16,752 – 12,818 – 31) / 12,818
 - 2008: -20.1% = (12,818 – 15,935 – 92) / 15,935

Verlauf der EVs in 2010, 2009, 2008 bzw. in 2009, 2008:

- **Operating earnings:**

$$5,478 = 1,574 + 1,921 + 1,983$$

$$3,904 = 1,921 + 1,983$$

- **Valuation impact** (= economic variance + foreign currency translation effects):

$$-4,367 = -846 - 182 + 1,290 - 3,811 + 815 - 1,633$$

$$-3,339 = 1,290 - 3,811 + 815 - 1,633$$

- **Rest** (= dividends & capital movements + other non-operating variance):

$$-903 = -1,433 + 277 + 31 + 92 - 123 + 253$$

$$253 = 31 + 92 - 123 + 253$$

- **Change in EV:**

$$206 = 5,478 - 4,367 - 903$$

$$= 16,141 - 15,935$$

$$817 = 3,904 - 3,339 + 253$$

$$= 16,752 - 15,935$$

Relationen 2010, 2009, 2008

VBI Value of Business in Force

CE Certainty Equivalent Value of Business in Force

EV Embedded Value

TR Technical Reserves

In %	VBI/CE	VBI/EV	VBI/TR	EV/TR
USA	85.0	76.4	35.8	46.9
	82.5	74.0	33.9	45.8
	84.4	76.8	33.7	42.9
UK	84.2	59.9	3.5	5.9
	79.7	63.3	7.1	11.3
	76.1	52.1	5.6	6.4
Germany	36.7	26.9	1.0	3.6
	66.6	37.5	1.8	4.7
	30.7	16.3	0.6	3.1
Switzerland	85.1	76.6	9.3	12.1
	88.5	86.9	10.7	12.4
	89.2	97.4	8.1	8.2
Total	80.1	59.2	5.1	8.6
	82.9	60.9	6.7	11.1
	79.0	57.5	5.4	9.4

**Global Life –
Reserves and liabilities, net of reinsurance, by region**

in USD millions, for the years ended December 31	Unit-linked insurance and investment contracts		Other life insurance liabilities		Total reserves and liabilities	
	2010	2009	2010	2009	2010	2009
Americas	1,350	1,233	7,149	6,730	8,499	7,964
<i>of which:</i>						
<i>United States</i>	845	789	5,107	5,002	5,952	5,791
<i>Latin America</i>	505	444	2,042	1,729	2,547	2,173
United Kingdom	54,757	51,968	4,792	4,394	59,549	56,363
Germany	10,666	9,467	41,347	42,645	52,013	52,111
Switzerland	650	1,842	18,688	15,678	19,339	17,520
Ireland	10,414	8,484	1,318	1,337	11,732	9,821
Spain	5,352	4,411	6,783	9,670	12,134	14,080
Emerging Markets in Asia	8,483	7,486	1,156	1,115	9,639	8,601
<i>of which:</i>						
<i>ZIS</i>	8,057	7,121	245	252	8,302	7,373
<i>Hong Kong</i>	426	365	886	852	1,311	1,218
Rest of the world	9,219	7,951	5,073	5,735	14,292	13,686
Eliminations	–	–	(1)	(2)	(1)	(2)
Total	100,891	92,841	86,306	87,304	187,196	180,145