



Financial Condition Report 2024

Zurich Insurance Group

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The information published in this report is consistent with the information published in the Annual Report 2024 of Zurich Insurance Group and the regulatory reporting of Zurich Insurance Group for the year 2024, including the regulatory reporting to the Swiss Financial Market Supervisory Authority FINMA (FINMA) on the Swiss Solvency Test, in accordance with Art. 25 ISA and Art. 50 ISO. While the financial statements and the information therein were subject to audit by the statutory auditor of Zurich Insurance Group Ltd, Ernst & Young Ltd (see Appendix 2), there was no external audit or review of this report.

Please further note that while this report has been filed with FINMA, FINMA has not reviewed the report.

Zurich Insurance Group (continued)

Overview

Business profile

Zurich Insurance Group (Zurich or the Group) is a leading global multi-line insurer serving people and businesses in more than 200 countries and territories. With more than 63,000 employees, it provides a wide range of property and casualty, and life insurance products and services.

Business operating profit

USD 7.8bn¹

Investment portfolio

USD 161bn²

Insurance revenue and fee income

USD 66bn

System of governance and enterprise risk management

Good corporate governance enables Zurich to create sustainable value for its shareholders, customers, employees, and other stakeholders.

Zurich's Enterprise Risk Management framework supports the achievement of Zurich's strategy and helps protect capital, liquidity, earnings, and reputation.

Risk profile

The Group's SST ratio of 253% is well above the Group's SST target of 160%. The development of the SST ratio in 2024 reflects strong underlying capital generation and favorable market movements, partially offset by capital actions and model and assumption changes.

Swiss Solvency Test ratio as of December 31, 2024

SST 253%

Financial condition

The insurance financial strength rating of Zurich Insurance Company Ltd, the main operating entity of the Group, remains at the top of the league table of European peers, with 'AA/Stable' by Standard and Poor's Global Ratings, 'Aa2/stable' by Moody's, and 'A+(Superior)/Stable' by AM Best as of December 31, 2024.

Shareholders' equity

USD 25.5bn

Standard and Poor's financial strength rating as of December 31, 2024

AA/Stable

¹ Business operating profit (BOP) indicates the underlying performance of the Group's business units by eliminating the impact of financial market volatility and other non-operational variables.

² Market value of the investment portfolio (economic view).

Acronyms

AGM	Annual General Meeting
bn	billion
BS	Balance sheet
Board	Board of Directors
BOP	business operating profit
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHF	Swiss franc
CIO	Chief Investment Officer
CRO	Chief Risk Officer
CSM	contractual service margin
EMEA	Europe, Middle East & Africa
ERM	Enterprise Risk Management
ExCo	Executive Committee
EY	Ernst & Young Ltd
FCR	Financial Condition Report
FINMA	Swiss Financial Market Supervisory Authority FINMA
FMIA	Swiss Financial Market Infrastructure Act
GNSC	Governance, Nominations and Sustainability Committee
Group	Zurich Insurance Group Ltd and its subsidiaries
IACF	insurance acquisition cash flows
ICR	issuer credit rating
IFSR	insurance financial strength rating
ISA	Swiss Insurance Supervision Act
ISO	Swiss Insurance Supervision Ordinance
LRC	liability for remaining coverage
Ltd	company limited by shares
MCBS	market-consistent balance sheet
MVM	market value margin
Nat Cat	natural catastrophes
P&C	property and casualty
SFCR	Solvency and Financial Condition Report
SR	Sustainability Report
SST	Swiss Solvency Test
TRP	Total Risk Profiling™
TCFD	Financial Stability Board's Taskforce on Climate-related Financial Disclosure
UK	United Kingdom
UPR	unearned premium reserve
U.S.	United States
USD	United States dollar
Z-ECM	Zurich Economic Capital Model
ZIC	Zurich Insurance Company Ltd
ZIG	Zurich Insurance Group Ltd
Zurich	Zurich Insurance Group Ltd and its subsidiaries

Introduction

How to read the report

The financial condition report of the Zurich Insurance Group, consisting of Zurich Insurance Group Ltd and its subsidiaries (Zurich or the Group), is prepared in compliance with Art. 25 ISA and FINMA's Circular 2016/2 'Disclosure – insurers' (FINMA circular).

The report focuses on the 2024 financial year and should be read in conjunction with the Annual Report 2024 of the Group (available on www.zurich.com/investor-relations). Wherever applicable, this report makes reference to the Group's Annual Report for more information.

The report presents information following the structure given in the FINMA circular. It covers Zurich's business activities, performance, corporate governance and risk management, climate-related financial risks, risk profile, valuation, capital management and solvency. Quantitative information supporting the presentation of the information refers to different frameworks applicable or mandatory to the Group:

- 'Business activities'-related information and 'Performance' section are presented based on IFRS Accounting Standards.
- The 'Capital management' and the 'Risk profile' sections make reference to the Swiss Solvency Test (SST).
- 'Valuation' presents the market-consistent balance sheet (MCBS) of the Group following SST principles. The SST MCBS is compared with the balance sheet prepared in accordance with IFRS Accounting Standards as of December 31, 2024.
- Finally, the 'Solvency' section shows the regulatory capital adequacy, supported by the results of the SST.

In accordance with the Group's Annual Report, the reference currency is the U.S. dollar. SST ratios are calculated as of December 31, following FINMA requirements.

FINMA mandates the disclosure of quantitative templates for insurance groups that are presented in Appendix 1.

1 Executive summary

Business activities

Zurich is a leading global multi-line insurer that serves its customers in global and local markets. With more than 63,000 employees, it provides a wide range of property and casualty and life insurance products and services in more than 200 countries and territories. Zurich's customers include individuals, small businesses, and mid-sized and large companies, as well as multinational corporations. The Group is headquartered in Zurich, Switzerland, where it was founded in 1872. The holding company, Zurich Insurance Group Ltd (ZURN), is listed on the SIX Swiss Exchange and has a Level I American Depository Receipt (ZURVY) program, which is traded over-the-counter on OTCQX.

Company results

Full year 2024 results set the pace for the 2025-2027 financial cycle. Business operating profit (BOP) increased 5 percent to a record USD 7.8 billion in 2024, driven by strong performances across Property & Casualty (P&C), Life and Farmers.

P&C saw an 8 percent increase in BOP. Insurance revenue grew 6 percent with strong growth in Commercial and Retail insurance businesses supported by continuing price increases of 4 percent over the year. The combined ratio improved by 0.2 percentage points to 94.2 percent versus the prior year. Higher earned rate as well as lower levels of losses were partially offset by an increase in commission expenses due to business mix shifts. Favorable prior-year development of 1.6 percent was well within the indicated 1 to 2 percent range, demonstrating the strength of the Group's reserves.

The Group's Life business delivered an excellent performance, reflecting the success of the Group's strategy to focus on protection and unit-linked business. Life BOP was a record USD 2.2 billion, driven by a combination of solid underlying performance and favorable experience for long-term insurance, as well as revenue growth for short-term insurance and investment contracts.

Farmers BOP was in line with the prior year, showing a 5 percent increase in Farmers Management Services (FMS) BOP further supported by a higher gross earned premium base at Farmers Exchanges¹ and from the brokerage entities which were acquired in December 2023. The managed gross earned premium margin was 7.0 percent, consistent with the prior year. Farmers Re benefited from improved underwriting results at a higher reinsurance participation ratio of 10.0 percent compared with 8.5 percent in the prior year, as well as higher interest income. The Farmers Life BOP was USD 189 million lower than the prior year and reflected the reinsurance transaction with Resolution Life for its individual life in-force book which was completed in August 2023.

¹ Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, and certain of its subsidiaries, provide certain non-claims services and ancillary services to the Farmers Exchanges as its attorney-in-fact and receives fees for its services.

Introduction (continued)

Corporate governance and risk management

Zurich is committed to effective corporate governance for the benefit of its shareholders, customers, employees and other stakeholders based on the principles of fairness, transparency, and accountability. Structures, rules and processes are designed to enable proper conduct of business by defining the powers and responsibilities of its corporate bodies and employees.

The operational structure reflects the businesses operated by the Group and how these are strategically run to offer different products and services to specific customer groups. The Group is managed by regions, and in addition, Commercial Insurance, Zurich Global Ventures and Farmers in the U.S.

The Executive Committee (ExCo) is headed by the Group CEO. Seven members of the ExCo represent the Group's businesses: the CEOs of the regions (CEO North America, CEO EMEA (Europe, Middle East & Africa) and Bank Distribution, CEO Latin America, CEO Asia Pacific), CEO Commercial Insurance, CEO Zurich Global Ventures and the CEO of Farmers Group, Inc. Three members of the ExCo represent Group Functions and Operations: The Group Chief Information and Digital Officer, the Group Chief Risk Officer (Group CRO) and the Group Chief Financial Officer (Group CFO). On the investment side, Investment Management manages the Group's own assets and the assets of policyholders; Investment Management is headed by the Group Chief Investment Officer (Group CIO).

In 2024, the world continued to evolve at an accelerated pace with the Group's risk landscape being shaped by persistent geopolitical tensions, the rapid emergence of new technologies and shifting global dynamics.

Despite this, Zurich continued to deliver on its strategic objectives and maintained both financial and operational robustness, thanks to the Group's deep-rooted experience in navigating volatile conditions. Zurich's risk management system plays a pivotal role in identifying, assessing and managing threats, ultimately allowing the Group to stay ahead in a changing and uncertain world.

Informed risk-taking requires a thorough understanding of risks and transparency on risk-reward trade-offs. By equipping employees with the knowledge to take calculated risks within the Group's appetite, it is ensured that, in times of change, the Group's capital, liquidity, earnings, reputation and customers are protected. Zurich's Total Risk Profiling™ methodology, a key part of its Enterprise Risk Management framework, enables the Group to identify critical risks and focus on what matters.

This proactive risk management strategy establishes a robust foundation of resilience for the Group's and its customers, ensuring continued success despite external challenges.

Sustainability and climate-related financial risks

While environmental topics beyond climate are considered as part of our approach to sustainability, understanding and managing climate change impacts remains a particular focus. Our business strategy calls on us to deliver in our various roles as an insurer:

- as a risk manager, helping customers to understand, prevent and reduce climate-related risks.
- as a risk carrier, protecting households, companies and communities by absorbing the financial shocks from increasingly extreme weather.
- as an institutional investor, financing the transition of companies and scaling capital towards climate.

The Group continues to report in line with the recommendations of the Financial Stability Board's Taskforce on Climate-Related Financial Disclosures (TCFD). The sustainability report (SR), which is part of the Annual Report, outlines the Group's understanding of potential climate risk impacts to its insurance and investment activities as well as its own operations including supply chain and an assessment of the resilience of its strategy (see Group's Annual Report on [pages 137-179](#)). In line with previous cycles, analysis concludes that the Group's customer-focused approach and diversified portfolios, supported by strong risk management practices, continue to provide the resilience and flexibility necessary to be able to adapt to the climate change impacts observed. Analysis outcomes do not suggest impacts to access to capital over the medium term.

Introduction (continued)

Risk profile

The Group identifies, assesses, manages, monitors and reports risks that have an impact on the achievement of its business strategy and objectives by applying its proprietary Total Risk Profiling™ methodology. This methodology allows Zurich to assess risks in terms of severity and likelihood and supports the definition and implementation of mitigating actions. At Group level, this is an annual process, followed by regular reviews and updates by management.

Taking and managing risk is an integral part of the insurance business. Zurich takes risks in order to support the achievement of its strategy and serve its customers in global and local markets. Risk management contributes to enhancing the value of Zurich by embedding disciplined and conscious risk taking, where risk-reward trade-offs are transparent and understood, and risks are appropriately rewarded.

To foster transparency about risk, the Group regularly reports on its risk profile at business, Group and Board levels. The Group has procedures to refer risk topics to senior management and the Board in a timely manner.

The Group's solvency position is disclosed on the basis of the Swiss Solvency Test (SST) ratio. The Group's SST internal model is approved by the Swiss Financial Supervisory Authority (FINMA). Zurich's goal is to maintain capital consistent with a 'AA' financial strength rating for the Group, which translates into an SST ratio target of 160 percent or above.

The Group applies the Zurich Economic Capital Model (Z-ECM) as an internal metric. The Z-ECM provides a key input into the Group's planning process as an assessment of the Group's economic risk profile.

Valuation for SST purposes

Under the SST, the market-consistent balance sheet (MCBS) represents a listing of all rights and obligations that are valued in accordance with economic principles in a market-consistent manner unless specified otherwise in the Swiss Insurance Supervision Ordinance (ISO).

A market-consistent valuation is based on, and does not contradict, the most recent information that can be obtained from trading in liquid and transparent financial markets, and reflects the price at which independent, knowledgeable and willing business partners would normally purchase or sell the assets or transfer the liabilities in an arm's length transaction. The market-consistent value principles and valuation methods applied by the Group to determine the SST market-consistent balance sheet is detailed in sections E.1 and E.2.4 to E.2.5 of this report.

The SST net assets, which represent the difference between the SST market-consistent value of the assets and liabilities, form the starting point for the calculation of the risk-bearing capital, supplemented by the risk-absorbing capital instruments.

During 2024, the Group's SST risk-bearing capital increased by USD 2.1 billion to USD 36.4 billion as of December 31, 2024, compared to USD 34.3 billion as of December 31, 2023 (see section G.1).

Capital management

The Group manages capital to maximize long-term value while maintaining financial strength within its 'AA' target range, and meeting regulatory, solvency and rating agency requirements.

As of December 31, 2024, shareholders' equity based on IFRS Accounting Standards of USD 25.5 billion and subordinated debt of USD 8.9 billion were part of the capital available in the Group's SST available financial resources (AFR). Further adjustments to derive SST AFR typically include deductions for proposed dividends and share buybacks, goodwill and intangible assets, and deferred tax assets and liabilities, as well as the market-consistent valuation of insurance liabilities, which includes the market value margin (MVM) and the value of in-force business. The MVM, also known as risk margin, is the cost of future regulatory risk capital stemming from the present portfolio of assets and liabilities. Zurich strives to simplify the Group's legal entity structure to reduce complexity and increase fungibility of capital.

Zurich reached the top of the league table of European peers for its financial strength rating across the three rating agencies with which it had interactive relations in 2024, following upgrades by Moody's and AM Best. The insurance financial strength rating (IFSR) of the Group's main operating entity, Zurich Insurance Company Ltd (ZIC), is an important indicator of Zurich's competitive position, while the Group's credit ratings also affect the cost of debt capital.

ZIC's Moody's rating was upgraded to 'Aa2' from 'Aa3' in September 2024 as a reflection of the "Group's track record of strong and stable earnings along with its conservative risk and capital management, which support the Group's balance sheet resilience and enhance its financial flexibility".

Introduction (continued)

In November 2024, ZIC's AM Best Long Term Issuer Credit Rating (ICR) was upgraded to 'aa' from 'aa-' as a result of "continued resilience of the Group's balance sheet strength, underpinned by excellent financial flexibility, and strong operating returns from its diverse profit centers". AM Best's Financial Strength Rating, which is on a less granular scale, is at 'A+' (Superior).

S&P's IFSR rating remained at the 'AA' level.

As of December 31, 2024, the IFSR of ZIC was 'AA/Stable' by S&P Global Ratings, 'Aa2/Stable' by Moody's, and 'A+(Superior)/Stable' by AM Best. The AM Best ICR was 'aa/Stable'.

Solvency

The Swiss Solvency Test (SST) adopts a risk-based and total balance sheet approach. Insurance companies are required to provide a market-consistent assessment of the value of their assets and liabilities. Possible changes to these balance sheet positions are modelled over a one-year period to arrive at the total required capital.

Under the SST, insurance companies and insurance groups can apply to use company-specific internal models to calculate risk-bearing and target capital, as well as the SST ratio. The SST ratio must be calculated as per December 31 and submitted to FINMA.

The SST ratio as of December 31, 2024 stands at 253 percent (unaudited). It is filed with FINMA at the end of April 2025 and is subject to review by FINMA. Zurich met the regulatory solvency requirements in Switzerland throughout 2024.

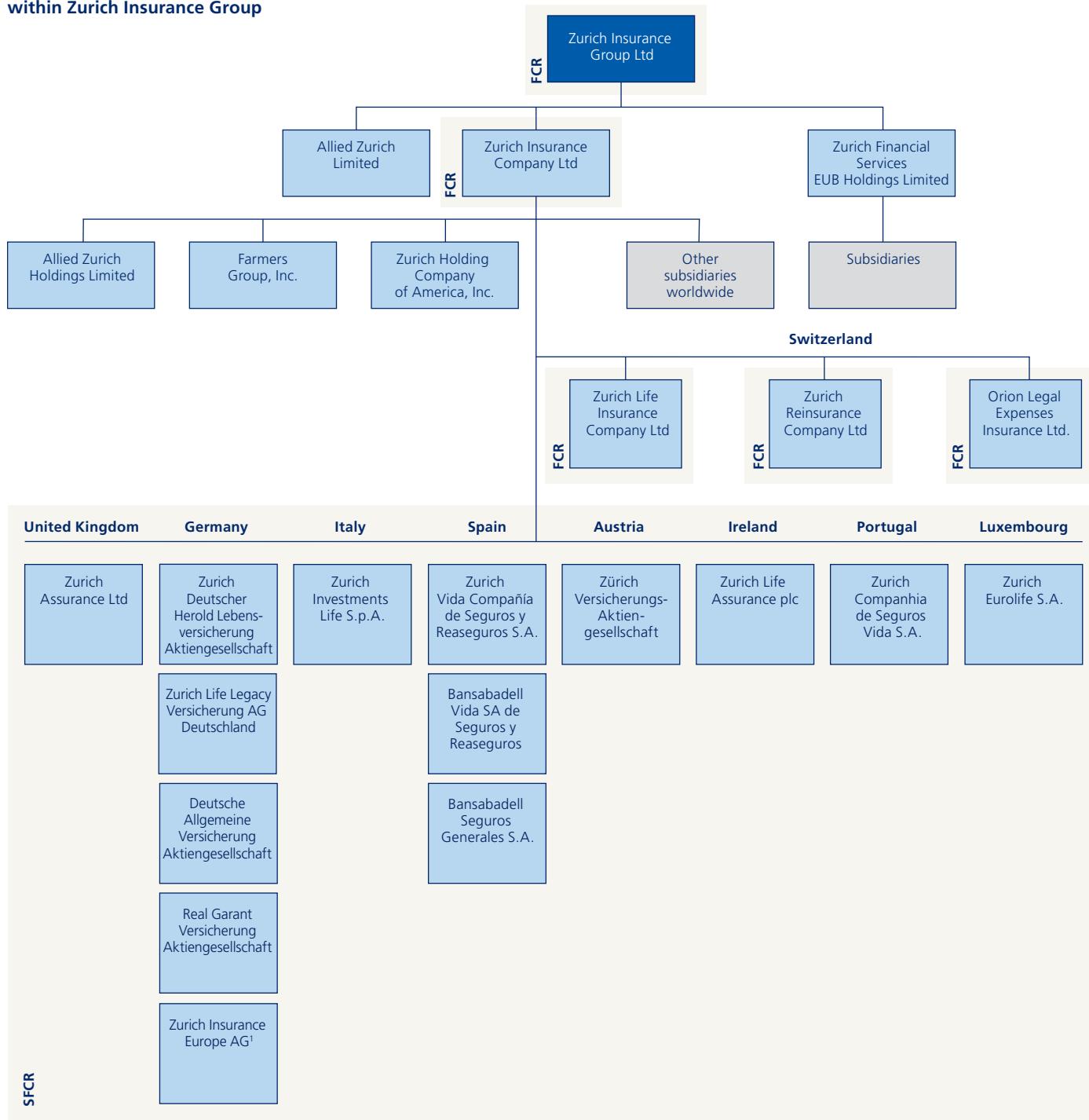
2 Approval of the Financial Condition Report

This Report was reviewed and signed-off by the Board of Directors of Zurich Insurance Group Ltd on April 10, 2025.

A. Business activities

A.1 Company structure and major subsidiaries

Public reporting on solvency and financial condition
within Zurich Insurance Group



Note: The purpose of the chart above is to provide a simplified overview of the Group's major subsidiaries (as of December 31, 2024), with special focus on the public reporting of their solvency and financial condition. Please note that this is a simplified representation showing entities that must publish such a report and therefore it may not comprehensively reflect the detailed legal ownership structure of the entities included in the overview. The ordering of the legal entities under each country is not indicative of ownership; these are independent legal entities.

¹ Effective January 2, 2024, the registered head office of Zurich Insurance plc (ZIP) was moved from Dublin, Ireland to Frankfurt, Germany by means of a cross-border conversion under the European Directive on cross-border conversions, mergers and divisions. While ZIP has converted to a German AG known as Zurich Insurance Europe AG (ZIE), it has preserved its legal personality in the conversion (i.e., no transfer of assets, dissolution or winding up were involved in this move).

A. Business activities (continued)

Zurich is a leading global multi-line insurer that serves its customers in global and local markets. With more than 63,000 employees, it provides a wide range of property and casualty and life insurance products and services in more than 200 countries and territories. Zurich's customers include individuals, small businesses, and mid-sized and large companies, as well as multinational corporations.

The Group consists of Zurich Insurance Group Ltd (holding entity 'ZIG') and its subsidiaries. Zurich Insurance Company Ltd ('ZIC') is the principal operating insurance company of ZIG. ZIC and its subsidiaries are collectively referred to as 'Zurich Insurance Company Group' or 'ZIC Group.'

The subsidiaries of ZIC in scope of the public disclosure requirements under Swiss regulation are:

- Zurich Life Insurance Company Ltd
- Zurich Reinsurance Company Ltd
- Orion Legal Expenses Insurance Ltd.

The ZIC subsidiaries based in the European Union produce their own Solvency and Financial Condition Reports under Solvency II regulation. All reports are accessible through Zurich's website <https://www.zurich.com/investor-relations/results-and-reports/other-statutory-filings>.

For additional information on the Group structure, please see the Corporate Governance report in the Group's Annual Report 2024 on [pages 33 and 34](#).

Also, a list of the **significant subsidiaries of the Group** can be found in note 27 of the audited consolidated financial statements of the Group's Annual Report 2024 on [pages 399–400](#).

Significant acquisitions and divestments in 2024 impacting the Group structure are detailed in note 4 of the audited consolidated financial statement in the Group's Annual Report 2024 on [pages 303–304](#).

For information about **significant shareholders** within the meaning of Article 120 para 1 FMIA, please see the Corporate Governance report section of the Group's Annual Report 2024 on [page 37](#).

A.2 Information about the company's strategy, objectives and key business segments

Zurich's business is focused on providing best-in-class insurance products and services to individuals, small businesses, and mid-sized and large companies. Zurich's strategy focuses on:

- Customers, with the ambition to be the insurer of choice by building meaningful relationships with customers and earning their loyalty,
- Simplification, by reducing unnecessary complexity to make better use of resources, and
- Innovation, by evolving to make sure Zurich continues to meet customers' expectations and needs.

In 2024, Zurich presented a new 2025–2027 three-year plan. To reflect a growing confidence, and to seize opportunities in the market, the new three-year plan comprises the most ambitious targets in Zurich's history. It comprises new business priorities that will raise the bar across the Commercial, Retail, Life and Farmers businesses. The priorities build on several years of successful execution and growth, leveraging Zurich's unique market position and capitalizing on its underwriting expertise to ensure it stays ahead of market.

For additional information on the **Group's strategy** and 2025–2027 financial targets, see [pages 16–18](#) of the Group's Annual Report 2024.

For details on the **activities of the various businesses**, refer to note 26 of the audited consolidated financial statements in the Group's Annual Report 2024, on [pages 384–398](#).

A. Business activities (continued)

A.3 Information about the company's external auditors as per Article 28 ISA

Ernst & Young Ltd (EY), Maagplatz 1, in 8005 Zurich, were re-elected as ZIG's external auditors for the financial year 2024 by the AGM on April 10, 2024.

EY assumes all auditing functions which are required by law and the Articles of Association (<https://www.zurich.com/investor-relations/our-shares/articles-of-association>). EY is responsible for auditing the Group's financial statements and for auditing Zurich's compliance with specific regulatory requirements.

For additional information on the Group's external auditors, refer to [pages 71–72](#) of the Group's Annual Report 2024.

A.4 Significant unusual events

For significant events during 2024 and thereafter until March 6, 2025, please refer to the Group's Annual Report 2024, as well as to the news releases available at <https://www.zurich.com/en/media/news-releases>.

B. Performance

Financial highlights

in USD millions, for the years ended December 31	2024	2023	Change ¹
Business operating profit	7,751	7,381	5%
Net income attributable to shareholders	5,814	4,351	34%
P&C business operating profit	4,204	3,893	8%
P&C insurance revenue	44,792	42,293	6%
P&C combined ratio	94.2%	94.5%	0.2 pts
Life business operating profit	2,235	2,060	8%
Life contractual service margin (CSM) ²	11,657	11,526	1%
Life present value of new business premiums (PVNBP) ³	16,891	16,384	3%
Life new business CSM (NB CSM) ²	1,094	1,037	5%
Life new business margin (as % of PVNBP) ⁴	6.5%	6.3%	0.1 pts
Farmers business operating profit	2,286	2,296	(0%)
Managed gross earned premium margin	7.0%	7.0%	(0.0 pts)
Average Group investments ⁵	148,383	142,389	4%
Net investment result on Group investments ⁵	6,814	4,687	45%
Net investment return on Group investments ^{5,6}	4.6%	3.3%	1.3 pts
Total return on Group investments ^{5,6}	4.3%	6.3%	(1.9 pts)
Shareholders' equity	25,472	24,860	2%
Swiss Solvency Test ratio ⁷	253%	234%	20 pts
Return on common shareholders' equity (ROE) ⁸	24.7%	18.1%	6.6 pts
Core ROE ⁸	24.6%	23.0%	1.6 pts

1 Parentheses around numbers represent an adverse variance.

2 CSM is net of external reinsurance and before the effect of non-controlling interests.

3 Present value of new business premiums (PVNBP) is gross of reinsurance and before the effect of non-controlling interests.

4 Calculated as new business CSM divided by PVNBP.

5 Including investment cash and derivatives.

6 Calculated on average Group investments.

7 Swiss Solvency Test (SST) ratio as of December 31, 2024, calculated based on the Group's internal model approved by the Swiss Financial Market Supervisory Authority FINMA. The SST ratio as of December 31 has to be filed with FINMA by end of April in the subsequent year and is subject to review by FINMA.

8 Shareholders' equity used to determine NIAS and Core ROE is adjusted for net unrealized gains/(losses). Core ROE previously referred to as BOPAT ROE.

Overall Group business operating profit (BOP) increased 5 percent to USD 7.8 billion in 2024, driven by strong performances in all areas of the business.

Net income attributable to shareholders (NIAS) increased by 34 percent in 2024, mainly due to the strong increase in BOP and higher net capital gains.

Detailed financial results are disclosed in the Group's Annual Report 2024. In particular, additional information on overall performance, is provided in the 'Financial overview' section in the Group's Annual Report 2024 on [pages 258–267](#).

For information on **investment performance**, please see note 5 of the consolidated financial statements of the Group's Annual Report 2024 on [pages 305–307](#).

C. Corporate governance and risk management

C.1 Composition of the Board of Directors and Executive Committee

Zurich's corporate governance principles are described in a number of corporate documents, in particular in the Articles of Association, the Organizational Rules and the Charter of the Committees of the Board of Directors of Zurich Insurance Group Ltd (Organizational Rules) (<https://www.zurich.com/about-us/corporate-governance/corporate-documents>). Zurich also complies with the Swiss Code of Best Practice for Corporate Governance (Swiss Code of Best Practice) issued by economiesuisse. The Governance, Nominations and Sustainability Committee (GNSC) regularly reviews the Group's corporate governance against best practice standards.

Information about the composition of the **Board and Executive Committee (ExCo)** are disclosed in the Corporate Governance Report section in the Group's Annual Report, on [pages 40–67](#). Changes to the composition of the Board and ExCo in 2024 and since January 1, 2025 are disclosed on [page 44](#) and [page 59](#), respectively.

C.2 Corporate governance and risk management

To achieve its risk management objectives, the Group manages risk according to an established Enterprise Risk Management (ERM) framework. All information in relation to the Group corporate governance and risk management is available in the Corporate Governance Report and Risk Review of the Group's Annual Report 2024, and include notably the following information:

- The major **risk management objectives** at Zurich are described in the Risk Review in the Group's Annual Report 2024, on [page 227](#).
- The Group **ERM framework** is the structure to manage risks within the organization. It is comprised of six components: risk governance and risk culture, risk appetite and tolerance, risk identification and risk assessment, risk response, risk monitoring, and risk reporting, as further detailed in the Group's Annual Report 2024, on [page 227](#).
- The **internal control system** implemented by the Group is considered essential for managing operational risk. The Board has overall responsibility for the Group's risk management and internal control frameworks. The objectives of the Group's internal control system are to provide reasonable assurance that Zurich's consolidated financial statements and disclosures are materially correct, support reliable operations, and ensure legal and regulatory compliance. The internal control system is designed to mitigate rather than eliminate risks that could impact the achievement of business objectives. For additional information on risk management and internal controls, please see [page 250](#) of the Group's Annual Report 2024.
- The **Group compliance** function is a control function responsible for enabling the business to manage its compliance risks, being a trusted advisor, providing independent challenge, monitoring and assurance and assisting management to promote compliance culture and ethics. For additional information on Group Compliance and its operational controls, please see [page 69](#) of the Group's Annual Report 2024.
- The Group's **internal audit function**, Group Audit, is tasked with providing independent and objective assurance on the adequacy and effectiveness of the Group's risk management, internal control and governance processes to the Board, the Audit Committee, the Group CEO and management, and to the boards and audit committees of subsidiary companies. For additional information on Group Audit, please see [page 70](#) of the Group's Annual Report 2024.

C. Corporate governance and risk management (continued)

C.3 Management of climate-related risks and opportunities

Zurich has implemented an integrated approach, where sustainability, including climate-related risks and opportunities, is embedded in the existing governance framework, where both on the Board and management level, accountability for different areas, including sustainability aspects related to each of these areas, is assigned according to the respective field of expertise. As part of its strategic responsibility, the Board approves sustainability strategy and objectives, with the support from the Board Committees according to their respective core mandates. In particular, the Governance, Nominations and Sustainability Committee (GNSC) has been mandated by the Board to oversee the Group's approach and conduct with regards to sustainability. Oversight with respect to sustainability risks, including risks associated with environmental topics such as climate change and nature loss, is achieved through regular updates from the Group Chief Sustainability Officer on material topics and on the performance against, among others, climate-related targets. Outcomes of scenario-based climate risk assessments were discussed with management as part of strategy setting processes. In addition to this, the GNSC was engaged on several strategic topics throughout 2024, including operational emissions, sustainability performance management and recommending the Board to approve the Group's first transition plan.

Further information on sustainability risk and its governance is set out in the Risk Review (see Group's Annual Report on [pages 252–253](#), the Corporate Governance Report (see Group's Annual Report on [pages 40–55](#)) and the Sustainability Report (see Group's Annual Report on [pages 134–136](#)). On the reporting side, the procedures and governance of the Sustainability Report is aligned with the financial reporting processes and governance.

The below table summarizes the FINMA circular requirements on climate-related risk disclosures and references to the relevant sections in the Group's Annual Report where these requirements are addressed.

FINMA Circular reference		Disclosure details/splits	Disclosure reference
The main features of the governance structure at the insurance company to enable it to identify, evaluate, manage, monitor and report on climate-related financial risks	13.3	Overall governance	Group Annual Report pages 28–73
		Sustainability related governance	Group Annual Report pages 134–136
		Climate-risk related governance	Group Annual Report pages 135–136
Description of the short-, medium- and long-term climate-related financial risks and their impact on the insurance company's business and risk strategy and any effects on existing risk categories	13.4	Approach & Scenario used Conclusion	Group Annual Report pages 142–144 and 156–157
		Underwriting	Group Annual Report pages 142–148
		Investment Management	Group Annual Report pages 142–144 and 149–154
		Own operations and supply chain	Group Annual Report pages 142–144 and 154–156
Risk management structures and processes in place to identify, evaluate and manage climate-related financial risks	13.5		Group Annual Report pages 157–159 and 252–253
Quantitative information (targets and key data) on climate-related financial risks including the methodology used	13.6	Roadmap	Group Annual Report pages 129–130 and 159–160
		Underwriting	Group Annual Report pages 160–162
		Investment management	Group Annual Report pages 163–176
		Own operations and supply chain	Group Annual Report pages 176–179
Insurance companies must disclose the criteria and methods used to evaluate the materiality of climate-related financial risks	13.7		Group Annual Report pages 145, 150, 152, 155–156 , and 157–179

D. Risk profile

The Group's ERM framework sets forth clear responsibilities for identifying, assessing, managing, monitoring and reporting risks.

The Group's risk appetite and tolerance statement reflects Zurich's willingness and capacity to take risks in pursuit of value creation and sets boundaries within which the businesses act. Zurich protects its capital, liquidity, earnings and reputation by monitoring that risks are taken within agreed risk appetite levels and tolerance limits. The Group regularly assesses and, as far as possible, quantifies material risks to which it is exposed.

Additional qualitative and quantitative information about the Group's risk profile, can be found in the Risk Review in the Group's Annual Report 2024, for each of the following risk categories:

- Insurance risk, see [pages 235–241](#);
- Market risk, including investment credit risk, see [pages 242–247](#);
- Other credit risk related to reinsurance assets and receivables, see [pages 247–248](#);
- Operational risk, including own insurance, data, third-party, business resilience and model risk, see [pages 249–250](#);
- Liquidity risk, see [page 251](#);
- Strategic risk and risks to the Group's reputation, see [page 252](#);
- Sustainability risk, see [pages 252–253](#).

E. Valuation

E.1 Overarching market-consistent valuation principle

The following section presents the Group's market-consistent balance sheet (MCBS) which is essential in determining the Group's risk-bearing capital.

As an overarching principle, all assets and liabilities are valued in accordance with economic principles in a market-consistent manner including market-consistent discounting of insurance liabilities. A market-consistent valuation is based on, and does not contradict, the most recent information that can be obtained from trading in liquid and transparent financial markets.

FINMA stipulates that the SST market-consistent balance sheet value of all insurance and non-insurance liabilities (with the exception of instruments eligible for risk-bearing capital) shall be determined under the assumption that the Group will fulfill its obligation in full; thus, own credit risk is not considered.

The Group uses its audited consolidated balance sheet prepared in accordance with IFRS Accounting Standards as a starting point for the MCBS. In summary, the following valuation methods apply:

MCBS valuation principles	Mark-to-market	Highest priority for third-party assets, equities and risk-absorbing capital instruments	Fair value as defined under IFRS Accounting Standards.
	Mark-to-model	If mark-to-market cannot be applied	Fair value as defined under IFRS Accounting Standards; or
			Best estimate valuation using parameter or assumptions explicitly stipulated by FINMA (e.g., liabilities valued at discounted cash flows using risk-free rate, thus without consideration of own credit risk).
	Same carrying value as under IFRS Accounting Standards		As a practical expedient, a carrying value other than fair value is used as proxy to market-consistent valuation provided such measurement can be considered reasonable. For example, same carrying value as under IFRS Accounting Standards may be considered as a reasonable proxy based on the following considerations: <ul style="list-style-type: none"> – It represents current balances (e.g., cash accounts); or – It involves high-frequency turnover with daily settlements (e.g., operational clearing accounts); or – It is expected to be settled/realized within relatively short period after origination (generally, within three months and always less than twelve months) and is exposed to only insignificant risk of changes in value.

When applying the mark-to-model method, adequate and best-practice valuation models and methodologies are used and sufficiently documented.

For more information on fair value measurement, see notes 5, 6 and 22 of the consolidated financial statements in the Group's Annual Report 2024, [pages 305–307, 308–311](#), and [370–376](#), respectively. The summary of accounting policies underlying IFRS Accounting Standards valuations, as well as significant judgments and assumptions, are included in note 3 of the consolidated financial statements in the Group's Annual Report 2024, [pages 283–302](#).

E.2 Market-consistent balance sheet following SST principles

The Swiss Solvency Test requires to assess risk quantitatively. SST calculations are based on a market-consistent valuation of balance sheet positions. The following tables show the main drivers for the differences in valuation between MCBS (used for SST purposes) and the values included in the balance sheet prepared in accordance with IFRS Accounting Standards, where certain amounts have been reclassified in order to comply with FINMA disclosure requirements.

Following the 2023 revision of the ISO, the Market Value Margin (MVM) forms part of the SST market-consistent valuation of insurance liabilities and thus the SST AFR. Market value margin, also known as risk margin, is the cost of future regulatory risk capital stemming from the present portfolio of assets and liabilities.

E. Valuation (continued)

As of December 31, 2024, the Group had USD 1.2 billion of assets held for sale and USD 1.2 billion of liabilities held for sale based on agreements signed to sell portfolios of Zurich Insurance plc (known now as Zurich Insurance Europe AG) and Zurich Insurance Company Ltd, UK Branch. These assets and liabilities are presented separately in the audited balance sheet and shown under 1.12 Other assets and 2.8 Other Liabilities. This reclassification is not applicable in the SST MCBS; therefore, presentation differences arise in multiple line items (e.g., Best estimate of non-life insurance liabilities and Best estimate of share of technical provisions from reinsurance).

In the following sections, all amounts, unless otherwise stated, are shown in U.S. dollars rounded to the nearest million, with the consequence that the rounded amounts may not add to the rounded total in all cases. All ratios and variances are calculated using the underlying amounts rather than the rounded amounts.

Assets MCBS vs audited balance sheet	In USD millions, as of December 31	Evolution			Difference 2024 (audited BS - SST)
		2023 (SST)	2024 (SST)	2023-2024 (SST)	
				BS)	
Market conform value of investments					
Real estate	14,045	11,782	(2,264)	11,782	(0)
Participations	135	146	11	146	(0)
Fixed-income securities	110,701	104,201	(6,500)	104,199	2
Loans	2,748	3,003	255	2,632	371
Mortgages	4,580	3,896	(684)	4,047	(151)
Equities	4,735	4,639	(95)	4,639	0
Other investments	25,480	24,868	(612)	25,176	(308)
Collective investment schemes	4,244	4,442	198	4,442	(0)
Alternative investments	9,600	9,656	56	9,964	(308)
Structured products	—	—	—	—	—
Other investments	11,636	10,770	(867)	10,770	—
Total investments	162,424	152,535	(9,889)	152,620	(85)
Market conform value of other assets					
Financial investments from unit-linked life insurance	141,315	148,535	7,221	148,535	0
Receivables from derivative financial instruments	960	885	(75)	885	(0)
Deposits made under assumed reinsurance contracts	1,816	2,030	214	2,043	(13)
Cash and cash equivalents	7,367	6,768	(599)	6,768	(0)
Share of technical provisions from reinsurance	20,646	21,194	547	27,009	(5,816)
Direct insurance: life insurance business (excluding unit-linked life insurance)	3,417	3,282	(135)	6,029	(2,747)
Reinsurance: life insurance business (excluding unit-linked life insurance)	315	382	67	466	(84)
Direct insurance: non-life insurance business	11,462	10,990	(472)	11,127	(138)
Reinsurance: non-life insurance business	5,677	6,955	1,278	8,120	(1,166)
Direct insurance: health insurance business	—	—	—	—	—
Reinsurance: health insurance business	—	—	—	—	—
Direct insurance: other business	—	—	—	—	—
Reinsurance: other business	—	—	—	—	—
Direct insurance: unit-linked life insurance business	(224)	(414)	(190)	1,267	(1,681)
Reinsurance: unit-linked life insurance business	—	—	—	—	—
Fixed assets	2,462	2,226	(236)	1,867	360
Deferred acquisition costs	—	—	—	—	—
Intangible assets	—	—	—	11,432	(11,432)
Receivables from insurance business	12,689	13,674	985	13,638	36
Other receivables	5,792	6,250	458	6,250	(0)
Other assets	1,053	1,109	56	3,337	(2,227)
Unpaid share capital	—	—	—	—	—
Accrued assets	3,986	4,025	39	5,728	(1,703)
Total other assets	198,086	206,696	8,610	227,492	(20,796)
Total market conform value of assets	360,510	359,231	(1,279)	380,112	(20,881)

E. Valuation (continued)

Best estimate liabilities and risk- bearing capital MCBS vs audited balance sheet	In USD millions, as of December 31	Evolution 2023–2024			Difference 2024 (audited BS – SST)
		2023 (SST)	2024 (SST)	(SST)	
				BS)	
Market conform value of liabilities (including unit-linked life insurance)					
Best estimate of insurance liabilities	(147,425)	(139,794)	7,631	(153,632)	13,838
Direct insurance: life insurance business (excluding unit-linked life insurance)	(73,714)	(65,116)	8,598	(73,592)	8,476
Reinsurance: life insurance business (excluding unit-linked life insurance)	(1,525)	(1,433)	93	(1,379)	(53)
Direct insurance: non-life insurance business	(66,819)	(68,034)	(1,216)	(72,550)	4,516
Reinsurance: non-life insurance business	(5,367)	(5,211)	156	(6,111)	899
Direct insurance: health insurance business	–	–	–	–	–
Reinsurance: health insurance business	–	–	–	–	–
Direct insurance: other business	–	–	–	–	–
Reinsurance: other business	–	–	–	–	–
Best estimate of unit-linked life insurance liabilities	(136,865)	(143,749)	(6,884)	(157,774)	14,025
Direct insurance: unit-linked life insurance business	(136,865)	(143,749)	(6,884)	(157,774)	14,025
Reinsurance: unit-linked life insurance business	–	–	–	–	–
Market value margin	(4,121)	(3,656)	466	–	(3,656)
Market conform value of other liabilities					
Non-technical provisions	(2,404)	(1,877)	526	(1,878)	1
Interest-bearing liabilities	(5,118)	(4,017)	1,102	(4,091)	74
Liabilities from derivative financial instruments	(1,252)	(840)	412	(840)	–
Deposits retained on ceded reinsurance	(686)	(1,212)	(526)	(1,379)	167
Liabilities from insurance business	(5,793)	(5,749)	43	(5,707)	(43)
Other liabilities	(11,709)	(12,330)	(621)	(13,307)	977
Accrued liabilities	(5,106)	(5,163)	(57)	(7,159)	1,996
Subordinated debts	(7,996)	(8,550)	(554)	(8,871)	321
Total market conform value of liabilities	(328,475)	(326,937)	1,538	(354,639)	27,702
Market conform value of assets minus market conform value of liabilities					
	32,035	32,293	258	25,472	6,821

E.2.1 Evolution of assets in 2024

Total investments

The market-consistent value of **Total investments** decreased by USD 9.9 billion from USD 162.4 billion in 2023 to USD 152.5 billion in 2024.

This is mostly driven by a decrease of USD 6.5 billion in **Fixed-income securities** from USD 110.7 billion in 2023 to USD 104.2 billion in 2024. Currency translation resulted in a decrease of USD 5.6 billion due to U.S. dollar strengthening against other major currencies. Net sales primarily in Germany, Italy, Bermuda and Ireland as well as the disposal of the annuities book in Chile contributed to a reduction of USD 1.4 billion. This was partially offset by an increase of USD 0.4 billion due to market valuation effects related to yield curve and credit spread movements, primarily in Switzerland and Spain.

Real estate decreased by USD 2.2 billion from USD 14.0 billion in 2023 to USD 11.8 billion in 2024. Net sales of buildings and land primarily in Switzerland, Chile, Austria, Spain and the U.S. contributed a reduction of USD 1.3 billion. Currency translation resulted in a decrease of USD 0.8 billion.

Mortgages decreased by USD 0.7 billion from USD 4.6 billion in 2023 to USD 3.9 billion in 2024, mainly due to Chile Zurich related to the disposal of the annuities book, currency translation effects and loan maturities primarily in Switzerland and Germany.

Other investments decreased by USD 0.6 billion from USD 25.5 billion in 2023 to USD 24.9 billion in 2024, mainly due to currency translation effects. Net sales of USD 0.2 billion, driven by the U.S and Germany are offset by positive market valuations of USD 0.2 billion primarily in Switzerland across hedge funds, index funds and private equity.

E. Valuation (continued)

Loans increased by USD 0.3 billion from USD 2.7 billion in 2023 to USD 3.0 billion in 2024, mainly driven by an increase in short-term deposits aimed at investing the short-term liquidity surplus, primarily in Spain, Switzerland and Chile, partially offset by currency translation effects and reduction in finance lease receivables.

Total other assets

The market-consistent value of **Total other assets** increased by USD 8.6 billion from USD 198.1 billion in 2023 to USD 206.7 billion in 2024.

Financial investments from unit-linked life insurance increased by USD 7.2 billion from USD 141.3 billion in 2023 to USD 148.5 billion in 2024. This was driven by a significant increase in equity market value mainly from Ireland, U.S. and Isle of Man, with growth in existing funds and new business partially offset by UK net outflows and currency translation effects in Brazil Santander.

Receivables from insurance business increased by USD 1.0 billion from USD 12.7 billion in 2023 to USD 13.7 billion in 2024. The increase was observed across receivables from policyholders, agents and intermediaries and other insurance companies, mainly due to the Zurich American Insurance Company's crop business and due to the impact from the reinsurance of the in-force life insurance book of Zurich Life Insurance Japan Company Ltd.

Other receivables increased by USD 0.5 billion from USD 5.8 billion in 2023 to USD 6.3 billion in 2024, mainly driven by the reverse repo business used as an instrument for active cash management.

Deposits made under assumed reinsurance contracts increased by USD 0.2 billion from USD 1.8 billion in 2023 to USD 2.0 billion, in 2024 mainly due to the participation of Farmers Re in a quota share reinsurance agreement with Farmers Exchanges¹.

Cash and cash equivalents decreased by USD 0.6 billion from USD 7.4 billion in 2023 to USD 6.8 billion in 2024, primarily due to currency translation effects and movements in operational cash across different countries.

Fixed assets decreased by USD 0.3 billion from USD 2.5 billion in 2023 to USD 2.2 billion in 2024 mainly within commercial insurance, driven by a market value reduction mainly in Switzerland, Germany and the U.S.

The market-consistent value of **Share of technical provisions from reinsurance** increased by USD 0.6 billion from USD 20.6 billion in 2023 to USD 21.2 billion in 2024. The increase is mostly driven by the non-life business:

- **Direct insurance: non-life insurance business** decreased by USD 0.5 billion from USD 11.5 billion in 2023 to USD 11.0 billion in 2024, driven by the higher interest rates increasing the discount and currency translation effects, both explaining USD 0.3 billion, with underlying nominal reserve changes driving the remaining decrease.
- **Reinsurance: non-life insurance business** increased by USD 1.3 billion from USD 5.7 billion in 2023 to USD 7.0 billion in 2024, primarily driven by USD 0.7 billion in UPR related to auto-warranty business in Zurich North America. An increase of USD 0.5 billion is driven by claim reserves.
- **Direct insurance: life insurance business (excluding unit-linked life insurance)** decreased by USD 0.1 billion from USD 3.4 billion in 2023 to USD 3.3 billion in 2024, driven by a decrease in reinsurance assets in the U.S. mostly due to the run-off of a closed portfolio, partially offset by a model refinement in Farmers New World Life resulting in a re-classification to unit-linked with no overall AFR impact.
- **Direct insurance: unit-linked life insurance business** decreased by USD 0.2 billion from USD (0.2) billion in 2023 to USD (0.4) billion in 2024, driven by the transfer of unit-linked fees from Farmers New World Life to external reinsurer Resolution Life under a reinsurance agreement entered into on August 1, 2023, which does not involve a transfer of underlying unit-linked assets. The decrease from prior year is driven by model refinements resulting in a re-classification from non-unit linked with no overall AFR impact.

¹ Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, and certain of its subsidiaries, provide certain non-claims services and ancillary services to the Farmers Exchanges as its attorney-in-fact and receives fees for its services.

E. Valuation (continued)

E.2.2 Evolution of liabilities in 2024

Best estimate of insurance liabilities

The market-consistent value of **Best estimate of insurance liabilities (including unit-linked life insurance)** decreased by USD 0.8 billion from USD 284.3 billion in 2023, to USD 283.5 billion in 2024.

- **Direct insurance: life insurance business (excluding unit-linked life insurance)** decreased by USD 8.6 billion from USD 73.7 billion in 2023 to USD 65.1 billion in 2024, whereby the **Best estimate of insurance liabilities (life): gross** decreased by USD 8.6 billion from USD 72.1 billion in 2023 to USD 63.5 billion in 2024. The decrease is primarily driven by USD 4.0 billion of FX movements (mainly appreciation of USD against EUR and CHF). Further decreases are driven by the disposal of the annuities book in Chile by USD 2.5 billion and run-off of a closed portfolio in Germany.
- **Direct insurance: unit-linked life insurance business** increased by USD 6.8 billion from USD 136.9 billion in 2023 to USD 143.7 billion in 2024. The increase is mainly driven by Ireland, U.S. and Isle of Man, with growth in existing contract in-flows and new business growth, partially offset by UK net outflows and currency translation effects in Brazil Santander.
- **Direct insurance: non-life insurance business** increased by USD 1.2 billion from USD 66.8 billion in 2023 to USD 68.0 billion in 2024, mainly due to higher discounted reserves in the Europe and Zurich North America, growth in the auto-warranty business in Zurich North America and a new engagement with Kotak Mahindra General Insurance. These increases were partially offset by currency translation effects and higher interest rates.
- **Reinsurance: non-life insurance business** decreased by USD 0.2 billion from USD 5.4 billion in 2023 to USD 5.2 billion in 2024, primarily driven by a decrease of the assumed business in Zurich North America.

Total other liabilities

The market-consistent value of **Total other liabilities** decreased by USD 0.4 billion from USD 40.1 billion in 2023 to USD 39.7 billion in 2024. The decrease was primarily driven by **Interest-bearing liabilities** of USD 1.1 billion related to redemptions in Switzerland and market movements. **Liabilities from derivative financial instruments** decreased by USD 0.4 billion related to FX contracts impacted by the stronger position of USD and EUR against CHF and a decrease in interest rate risk derivatives due to falling interest rates. **Non-technical provisions** decreased by USD 0.5 billion, mainly driven by a decrease in the defined benefit obligation from retirement plans in the UK. This was partially offset by an increase in **Deposits retained from ceded reinsurance** of USD 0.5 billion, related to the reinsurance of the in-force life insurance book of Zurich Life Insurance Japan Company Ltd. **Subordinated debts** increased by USD 0.5 billion, mainly driven by the issuance of a new subordinated note. **Other liabilities** increased by USD 0.6 billion, mainly driven by the repo business used as an instrument for active cash management.

E. Valuation (continued)

E.2.3 Changes in MCBS valuation methodology

In 2024, there were no significant changes to the MCBS valuation methodology.

E.2.4 Market-consistent value of assets

Market-consistent value of investments

According to IFRS Accounting Standards, investments are measured at fair value, amortized cost or using the equity method. In addition, IFRS Accounting Standards require fair value disclosures for financial assets that are not measured at fair value. The MCBS value of investments reflects fair value determined in accordance with the overarching valuation principles outlined in section E.1. Therefore, valuation differences arise, specifically, from loans and other investments measured at amortized cost under IFRS Accounting Standards.

Valuation difference on investments	In USD millions, as of December 31, 2024	
Total value of investments (audited BS)		152,620
Loans	Policy loans reclassification from life insurance liabilities	375
Mortgages	Mortgage loans measured at fair value in MCBS	(151)
Other Investments	Other investments measured at fair value in MCBS	(310)
Total market-consistent value of investments (SST)		152,535

Market-consistent value of financial investments from unit-linked life insurance

The investments for unit-linked insurance are measured at fair value under both IFRS Accounting Standards and MCBS. Therefore, no measurement difference arises in MCBS.

Market-consistent value of best estimate of share of technical provisions from reinsurance

Similar to IFRS Accounting Standards, the calculation of the best estimate of share of technical provisions from reinsurance as well as best estimate insurance liabilities is performed on a gross basis in MCBS (i.e., no offsetting of assets with liabilities). However, under IFRS Accounting Standards, certain insurance and reinsurance transactions need to be combined and presented on a net basis to the extent such transactions are entered into with the same counterparty and are designed to achieve an overall commercial effect (e.g., certain captive arrangements). Such transactions are presented gross in MCBS.

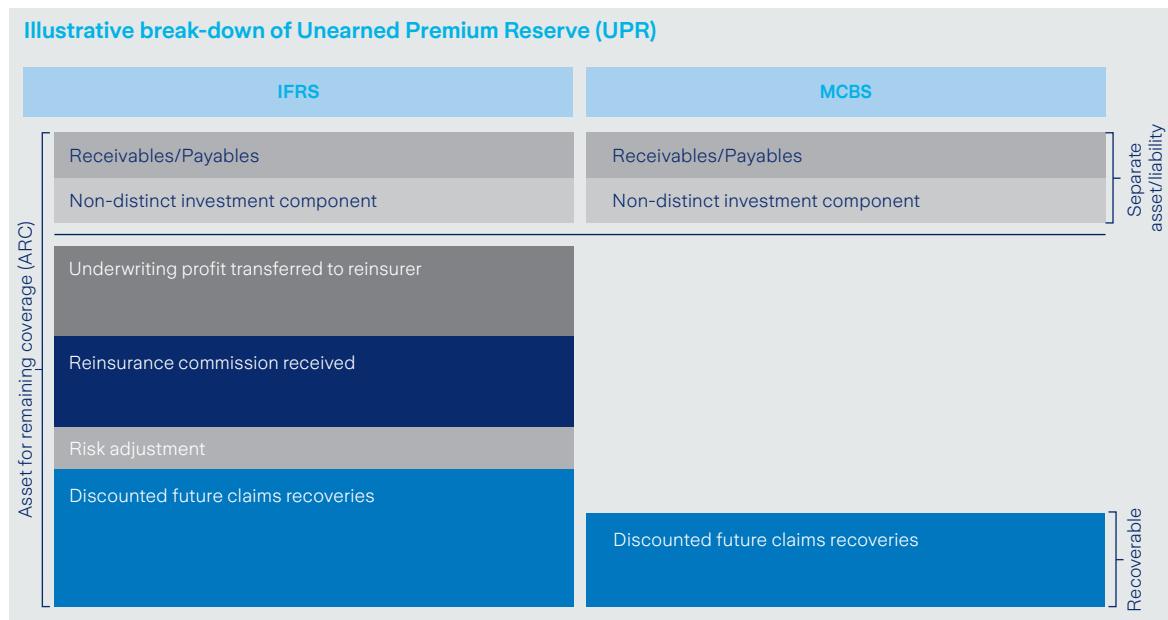
The MCBS valuation is based on the actuarial discounted best estimate of future cash flows, taking into account the lifetime expected credit losses from reinsurer non-performance. The calculation of the expected credit loss allowance considers the rating of the reinsurance counterparty, the expected timing of future recoveries and the expected value of any collateral held.

Under IFRS Accounting Standards, the actuarial best estimate is supplemented by a risk adjustment to reflect the uncertainty in the amount and timing of future cash flows. The risk adjustment is set to zero in SST.

E. Valuation (continued)

Reinsurers' share of best estimate unearned premium reserve

Under IFRS Accounting Standards, the reinsurers' share of unearned premium reserve (UPR) or asset for remaining coverage (ARC) represents the portion of the ceded premiums related to the unexpired coverage period. Under MCBS, the ceded UPR shall only reflect a market-consistent value of future claims recoveries. The illustration below provides the breakdown of ceded UPR where ceded UPR under IFRS Accounting Standards reflects the premium paid (less commission received) for the remaining bound period and the adjustments performed to arrive at the MCBS value for ceded UPR.



Reinsurers' share of property and casualty loss reserves

Under IFRS Accounting Standards, reinsurance assets for ceded loss reserves are already held at best estimate (i.e., sum of all expected future recoveries) supplemented by risk adjustment and discounted taking into account the timing of future cash flows and expected credit losses. Valuation differences compared to the audited balance sheet predominantly relate to difference in yield curves used under IFRS Accounting Standards and SST risk-free rates and risk adjustment.

Reinsurers' share of life benefits

In order to determine the SST MCBS value of best estimate ceded reserves of life insurance and investment contracts, the following generally applies:

- The best estimate of future cash flows is based on the principles discussed in the section 'Best estimate of life investment and insurance liabilities';
- The SST MCBS value for ceded reserves only reflects the market-consistent value for future claims recoveries, i.e., only the present value of future cash flows to be reimbursed by the reinsurer; and
- If the reinsurer's credit risk is not included in the best-estimate future cash flows, the expected credit loss allowance is considered.

Under IFRS Accounting Standards, the best estimate ceded reserves are supplemented by a risk adjustment and a contractual service margin (CSM). The risk adjustment and the CSM are set to zero in SST MCBS.

Valuation difference on Best estimate of share of technical provisions from reinsurance

in USD millions, as of December 31, 2024

Total Best estimate of share of technical provisions from reinsurance (audited BS)		27,009
	Valuation differences	(1,765)
	Contractual service margin (CSM)	(3,848)
Share of technical provisions from reinsurance	Risk adjustment	(1,328)
	The reclassification to held for sale is not applicable in MCBS	1,126
Total Best estimate of share of technical provisions from reinsurance (SST)		21,194

E. Valuation (continued)

Market-consistent value of other assets

Under IFRS Accounting Standards, other assets include deferred tax assets, goodwill and other intangible assets, as well as deferred origination costs for investment contracts, which are valued at zero in the MCBS. Real estate held for own use is measured at cost less depreciation and impairment, whereas the MCBS value reflects fair value. Right-of-use assets are reported at carrying value as per IFRS Accounting Standards (i.e., cost less depreciation and impairment) provided this is a reasonable proxy for fair value. Otherwise, if there is a major change in the market prices for comparable leases observed since inception, the MCBS value is determined considering current rental prices for comparable property and current interest rates for high-quality corporate bonds.

Cash and cash equivalents are presented at carrying value as per IFRS Accounting Standards because such balances are current and solely held for the purpose of meeting short-term (operational) cash commitments.

In the audited balance sheet, certain amounts related to (re-)insurance business (e.g., deposits made under assumed reinsurance contracts, receivables from policyholders) are presented as part of the best estimate liabilities or reinsurers' share of best estimate insurance liabilities. In SST MCBS, these amounts are reclassified to other assets but valued at the carrying value as per IFRS Accounting Standards, provided this is a reasonable proxy for fair value (i.e., the balances are subject to only insignificant risk of changes in value and settlement is expected to occur generally within three months and no more than twelve months). In this case, the carrying value as per IFRS Accounting Standards is reported net of credit impairment allowance. Otherwise, the value is based on fair value (including credit risk) using the IFRS Accounting Standards valuation principles.

Derivative financial instruments are measured at fair value under both IFRS Accounting Standards and MCBS.

The reclassification of assets of USD 1.2 billion as held for sale, presented within other assets under IFRS Accounting Standards, is not applicable in MCBS.

Valuation difference on other assets

in USD millions, as of December 31, 2024

Total value of other assets (audited BS) (excluding Financial investments from unit-linked life insurance & Share of technical provisions from reinsurance)		51,947
Fixed assets: Real estate held for own use is at fair value in MCBS		360
Deferred origination costs: Value set to zero in MCBS		(463)
Deferred tax assets: Value set to zero in MCBS		(1,703)
Goodwill and other intangible assets: Value set to zero in MCBS		(12,094)
The reclassification to held for sale is not applicable in MCBS		(1,119)
Other assets	Other	40
Total market-consistent value of other assets (SST) (excluding Financial investments from unit-linked life insurance & Share of technical provisions from reinsurance)		36,967

E.2.5 Market-consistent value of liabilities

Best estimate of non-life insurance liabilities

Best estimate of unearned premium reserves

Under IFRS Accounting Standards, the unearned premium reserve (UPR) or liability for remaining coverage (LRC) represents the portion of the premiums received related to the unexpired coverage period. The UPR typically relates to one year of premiums invoiced, which is also the case for multi-year contracts where only the first year of premium is recognized and not the entire contractual future premium volume due in future periods. This reserve covers expected future losses, loss adjustment and policy administration expenses as well as underwriting profits for contracts in force. To arrive at the MCBS value for UPR, the following adjustments are made:

- Expected future losses (including loss adjustment expenses) are discounted;
- Underwriting profits are not included, as these do not represent future cash flows; and
- Future administration expenses only encompass the estimated costs to administer and maintain the insurance policy over the remaining coverage period. Consequently, any deferred or non-deferred acquisition-related costs (such as marketing, customer/market research, product development, sales commission, sales and distribution management, or underwriting policy issuance related) are excluded. Furthermore, claims settlement costs are not included in administration expenses as such costs are typically part of future losses. Similarly, amortization of IACF and intangible assets is not included because IACF and intangible assets are set to zero in MCBS.

E. Valuation (continued)

The illustration below provides the breakdown of the UPR, where UPR under IFRS Accounting Standards reflects the unearned premium for the remaining bound period and the adjustments performed to arrive at the MCBS value for UPR:

Illustrative break-down of Unearned Premium Reserve (UPR)		
	IFRS	MCBS
Liability for remaining coverage (LRC)	Receivables/Payables	Receivables/Payables
	Non-distinct investment component	Non-distinct investment component
	Underwriting profit, including non-qualifying expenses	
	Significant financing component	
	Insurance acquisition cash flows	
	Risk adjustment	
	Qualifying expenses	Qualifying expenses
	Discounted future loss reserves (i.e., losses and allocated/unallocated loss adjustment expenses)	Discounted future loss reserves (i.e., losses and allocated/unallocated loss adjustment expenses)
		Cost of insurance
		Separate asset/liability

For multi-year contracts, the determination of the best estimate of UPR requires an additional adjustment to reflect the net present value of the future cash flows from the bound multi-year contracts. The adjustment is determined using all unearned premiums (invoiced and not invoiced) as a volume metric, with the best estimate of the cost of insurance discounted using a discount factor reflective of the expected cash flows over the duration of the underlying insurance contracts and the discounted future premium not yet invoiced (less attributable future acquisition expenses) included as an inflow.

Some individual accident and health products included in the non-life insurance liabilities are valued based on the same principles as life insurance liabilities under IFRS Accounting Standards as described below. Additional valuation differences in SST MCBS for these contracts arise in the liability for remaining coverage (LRC) due to the contractual service margin (CSM), which is set to zero in SST.

Best estimate of loss reserves

Reserves for losses under IFRS Accounting Standards represent estimates of future payments of reported and unreported claims for losses and related expenses, with respect to insured events that have occurred. Reserves are held at best estimate including recoverable for salvage and subrogation, supplemented by a provision for model and parameter uncertainty and risk adjustment under IFRS Accounting Standards, and discounted whereby the cash-flow pattern (i.e., timing of the estimated future cash flows) is adequately considered.

The valuation differences in SST MCBS arise due to difference in the yield curves used under IFRS Accounting Standards and SST risk-free rates, as well as the provision for model and parameter uncertainty and risk adjustment which are set to zero in SST.

Valuation difference on Best estimate of non-life insurance liabilities

in USD millions, as of December 31, 2024

Total Best estimate of non-life insurance liabilities (audited BS)	(78,661)
Valuation differences	4,395
Contractual service margin (CSM)	653
Risk adjustment	1,493
Non-life insurance liabilities	The reclassification to held for sale is not applicable in MCBS
Total Best estimate of non-life insurance liabilities (SST)	(1,126)
	(73,246)

E. Valuation (continued)

Best estimate of life investment and insurance liabilities (including unit-linked life insurance liabilities)

Generally, the SST MCBS value of all unit-linked and non-unit-linked investments, as well as life insurance liabilities, is based on a bottom-up best estimate projection of future cash flows excluding any expected non-guaranteed surpluses or discretionary benefits. Any options and guarantees provided to the policyholder are valued on a market-consistent basis. Specifically, cash flow projections are made over the estimated contract period for the in-force portfolio (i.e., current policyholder base at valuation date) subject to the contractual contract boundary and in line with the principles for best estimate:

- Economic assumptions: expected asset return, discount rate, inflation rate and stochastic economic simulations.
- Non-economic assumptions: demographic assumptions (mortality, morbidity), persistency, expense assumptions and dynamic bonus rates/profit sharing rates (where legally or contractually obligated).

Cash flow projections may vary, depending on the product. Contractually guaranteed benefits to be paid to policyholders – whether on surrender, maturity, death, morbidity or disability – increase the best estimate of life investment and insurance liabilities, as do taxes paid on behalf of policyholders, maintenance expenses and future commissions. Projected future premiums, fees and charges expected to be received from policyholders for existing business reduce the best estimate of life investment and insurance liabilities.

The Best estimate of life insurance liabilities can be negative, for example, in protection business where projected regular premiums may often exceed expected death benefits and expenses on a best-estimate basis. Because the own fulfilment value of an insurance or reinsurance obligation may be lower than the surrender values of the underlying contracts, no implicit or explicit surrender value floor is assumed for the market-consistent value.

Realistic assumptions about management's behavior are used, e.g., assuming management discretion when capital gains on invested assets are realized or changes in asset allocation are made. In cases where management actions, as considered in the scenario modelling, would be subject to regulatory approval (e.g., potential cancellation of policyholder dividends), the assumptions used when interpreting local supervisory guidance are verified by the local regulator or external audit.

The main valuation differences compared to the audited balance sheet relate to future discretionary benefits, which are included in the best estimate liabilities under IFRS Accounting Standards but contribute to AFR in SST. Additional valuation differences stem from differences in the estimated contract period for projections (contract boundary), risk adjustment and CSM, as well as differences in yield curves used under IFRS Accounting Standards and SST risk-free rates. Furthermore, under SST, the investment contract liabilities are valued in a similar way as insurance contract liabilities, which results in a positive contribution to the value of in-force investment contracts to SST AFR.

Within the IFRS Accounting Standards, policyholder loans are part of life insurance liabilities whereas these are reclassified to investments within the SST balance sheet.

Valuation difference on Total Best estimate of life insurance liabilities	in USD millions, as of December 31, 2024	
	Total Best estimate of life insurance liabilities (audited BS)	(232,746)
Life insurance liabilities	Valuation differences	(4,259)
Unit-linked life insurance business	Valuation differences	8,020
	Contractual service margin (CSM)	16,247
	Risk adjustment	2,440
	Total Best estimate of life insurance liabilities (SST)	(210,297)

Market value margin

Following the 2023 revision of the ISO, which entered into force on January 1, 2024, the Market Value Margin (MVM) forms part of the SST market-consistent valuation of insurance liabilities and thus SST AFR. Market value margin, also known as risk margin, is the cost of future regulatory risk capital stemming from the present portfolio of assets and liabilities. MVM as of December 31, 2024 was USD 3.7 billion, a decrease of USD 0.5 billion compared to prior year. The decrease is mainly driven by favorable impacts of market movements on underlying risk types, mainly from USD appreciation and favorable interest rate movements.

E. Valuation (continued)

Market-consistent value of other liabilities

Non-technical provisions include liabilities for defined benefit pension plans measured using actuarial techniques under IFRS Accounting Standards. Such liabilities are held at the carrying value as per IFRS Accounting Standards in the MCBS.

Interest-bearing liabilities are measured in the MCBS based on risk-free rates where the future cash flows are considered over the remaining period until the earliest contractual redemption date. In cases where a quoted market price is available and used, the market price is adjusted to eliminate own credit spread. Accrued interests on interest-bearing liabilities are reported as a separate position in the MCBS.

Derivative financial instruments are measured at fair value under both IFRS Accounting Standards and MCBS.

Deposits retained on ceded reinsurance are presented as part of the reinsurers' share of best estimate liabilities in the audited balance sheet but are reclassified to other liabilities in SST MCBS. Such deposits are valued at the carrying value as per IFRS Accounting Standards, provided this is a reasonable proxy for fair value (i.e., the balances are subject to only insignificant risk of changes in value and settlement is expected to occur generally within three months and no more than twelve months). Otherwise, the value is based on fair value using the IFRS Accounting Standards valuation principles, excluding own credit risk.

The market-consistent value of other liabilities is generally determined using carrying value as per IFRS Accounting Standards in accordance with the overarching valuation principles outlined in section E.1, except for the following differences:

- The market-consistent valuation of non-controlling interests is determined based on the MCBS of the underlying entities and presented separately as a liability position, whereas under IFRS Accounting Standards non-controlling interests are presented within equity.
- Lease liabilities are measured as the present value of future lease payments for the remaining lease term, discounted at risk-free rates without consideration of own credit risk.

Furthermore, the reclassification of liabilities for USD 1.2 billion as held for sale, presented within other liabilities under IFRS Accounting Standards, is not applicable in MCBS.

Accrued liabilities under IFRS Accounting Standards include deferred front-end fees and deferred taxes (other than deferred tax on Swiss real estate transfers attributable to shareholders) that are valued at zero in the MCBS.

Subordinated debt instruments eligible as risk-absorbing capital instruments under SST are measured at market-consistent value using the IFRS Accounting Standards valuation principles. In cases where a quoted market price is available and used, the market price is not adjusted to eliminate own credit spread. The accrued interest is not reported separately and is included in the MCBS carrying value.

Valuation difference on other liabilities	in USD millions, as of December 31, 2024	
	Total value of other liabilities (audited BS)	(43,233)
	Interest-bearing liabilities: Valuation differences	74
	Deposit retained on ceded reinsurance: Valuation differences	167
	Deferred taxes (other than deferred tax on Swiss real estate transfers attributable to shareholders): Value set to zero in MCBS	1,839
	The reclassification to held for sale is not applicable in MCBS	1,119
	Subordinated debts: Valuation differences	321
Other liabilities	Other	(28)
	Total market-consistent value of other liabilities (SST)	(39,739)

F. Capital management

F.1 Capital management objectives

The Group's capital management framework forms the basis for actively managing capital within Zurich. The Group uses a number of different capital models, taking into account economic, regulatory and rating agency constraints.

The Group's capital management program comprises various actions to optimize shareholders' total return and to meet capital needs, while enabling Zurich to take advantage of growth opportunities.

For additional information regarding the **Capital structure**, please see the Corporate Governance Report section in the Group's Annual Report 2024 on [pages 35–39](#).

For more details on the **Capital management framework** and **Capital management program**, see the Risk Review in the Group's Annual Report 2024 on [page 229](#).

For details on **Issuances and redemptions of debt**, see note 17 of the consolidated financial statements in the Group's Annual Report 2024 on [pages 353–354](#).

The following risk-absorbing capital instrument has a repayment option in the next twelve months and contributes to the risk-bearing capital: 4.250% USD 300 million subordinated notes, due October 2045, first callable October 2025, issued by Zurich Insurance Company Ltd with a market value of USD 300 million as of December 31, 2024.

F.2 Regulatory capital adequacy

The Group endeavors to manage its capital so that its regulated entities meet local regulatory capital requirements. In each country in which the Group operates, the local regulator specifies the minimum amount and type of capital that each of the regulated entities must hold in addition to their liabilities. In addition to the minimum capital required to comply with the solvency requirements, the Group aims to hold an adequate buffer under local solvency requirements to ensure regulated subsidiaries can absorb a level of volatility and meet local capital requirements.

For more information on regulatory solvency regimes applicable to the Group and the Group's subsidiaries, see the Risk Review in the Group's Annual Report 2024 on [page 230](#).

G. Solvency

G.1 Swiss Solvency Test ratio

The Swiss Solvency Test (SST) is a principle-based, risk-sensitive supervision framework reflecting:

- A market-consistent view of the financial resources available to meet policyholder obligations – referred to as risk-bearing capital. The risk-bearing capital consists of net assets (core capital) and Tier 2 risk-absorbing capital instruments. As of December 31, 2024, the Group did not have outstanding instruments that fulfil the definition of Tier 1 capital.
- A view of the impact of the potential risks inherent to the regulated business – referred to as target capital and defined as an expected shortfall at a 99-percent confidence level over a one-year time horizon.

The SST compares risk-bearing capital with target capital through calculation of a ratio (the 'SST ratio'). The solvency test indicates whether the level of risk-bearing capital is sufficient to reduce the probability of policyholder impairment to a level consistent with regulatory objectives.

The below table summarizes the development of the Group's risk-bearing and target capital during the annual period ending December 31, 2024. The SST ratio of 253% as of December 31, 2024, is well above the Group's target of 160%.

In 2024, the ZIG SST ratio improvement was driven by favorable market movements (+16 percentage points), economic profit (+35 percentage points, net of capital required for growth), as well as the positive impact from the disposal of an annuity book in Chile (+9 percentage points, included in capital actions) which demonstrates our proactive management of market risk. The issuance of USD 500 million of subordinated debt in October added 3 percentage points to the SST ratio (included in capital action bucket), and management actions contributed additional 7 percentage points (mostly tactical changes to the asset allocation, shown in the other bucket). These movements more than offset an unfavorable impact from model and assumption changes (-16 percentage points), the accrual of the proposed 2024 fiscal year dividend (-31 percentage points, in capital actions), as well as the impact of the acquisition of Kotak General Insurance in India and AIG's global personal travel business (-3 percentage points and -4 percentage points respectively, in capital actions).

Development SST ratio, risk-bearing capital, risk margin and target capital	in USD millions	Risk-bearing capital incl. risk		
		SST ratio	margin	Target capital
December 31, 2023		234%	34,261	14,671
Economic profit/business growth		35%	5,657	171
Market movement		16%	1,116	(577)
Assumption and model changes		(16%)	194	1,134
Capital actions		(24%)	(4,848)	(511)
Other		7%	71	(492)
December 31, 2024		253%	36,431	14,396

G. Solvency (continued)

Solvency	in USD millions	December 31,	Adjustments	December 31,
		2023	Previous year	2024
Derivation of RBC				
Market conform value of assets minus market conform value of liabilities	32,035		32,293	
Deductions	(5,770)		(4,412)	
Tier 1 risk-absorbing capital instruments (RAC) counted towards core capital	–		–	
Core capital	26,265		27,881	
Supplementary capital	7,996		8,550	
RBC	34,261		36,431	
Derivation of target capital				
Insurance risk	11,237		10,858	
Market risk	9,979		9,571	
Credit risk ¹	4,530		4,841	
Diversification effects	(5,630)		(5,677)	
Other effects on target capital ²	(5,444)		(5,197)	
Target capital	14,671		14,396	
SST ratio³	234%		253%	

1 Credit risk includes investment credit risk, reinsurance and receivables credit risk.

2 Other effects on target capital include expected business development over the forecasting horizon, and other risk models.

3 SST ratio is defined in the Swiss Insurance Supervision Ordinance as a ratio of risk-bearing capital to target capital.

Target capital by risk type	in USD millions	December 31,	Adjustments	December 31,
		2023	previous period	2024
Insurance risk derivation of target capital				
Premium and reserve risk (including UPR risk)	7,980		7,988	
Nat Cat	4,354		4,180	
Life insurance liabilities	2,934		2,377	
Business risk	3,375		3,371	
Diversification	(7,406)		(7,059)	
Total	11,237		10,858	
Market risk derivation of target capital				
Equity risk	3,589		3,733	
Interest rate risk	3,205		2,972	
Exchange rate risk	1,817		1,993	
Credit spread risk	3,757		3,284	
Other	9,712		9,331	
Diversification	(9,259)		(8,761)	
Total (including investment credit risk)	12,821		12,553	
thereof				
Market risk (excluding investment credit risk)	9,979		9,571	
Investment credit risk	4,308		4,583	
Credit risk derivation of target capital				
Investment credit risk	4,308		4,583	
Reinsurance credit risk & receivables	923		956	
Diversification	(701)		(698)	
Total	4,530		4,841	

G. Solvency (continued)

G.2 Additional information on risk-bearing capital

The risk-bearing capital under SST is comprised of the difference between the market-consistent value of assets and the market-consistent value of liabilities derived from the MCBS as described in section E.2, supplemented by deductions for proposed dividends and capital repayments and addition of the Tier 2 risk-absorbing capital instruments. The below table provides a reconciliation between the IFRS shareholders' equity and SST risk-bearing capital.

Reconciliation from audited balance sheet equity to the SST risk-bearing capital	in USD millions, as of December 31, 2024
Shareholders' equity	25,472
Dividend accrual	(4,412)
Risk-absorbing capital instruments (audited balance sheet carrying value)	8,871
Effect of intangible assets and related liabilities, including deferred tax ¹	(11,958)
Contractual service margin	13,053
Risk adjustment	2,604
Value of in-force investment contracts	2,237
Life future discretionary benefits ²	4,317
Present value non-qualifying expenses	(1,440)
Value of in-force short-term life contracts	534
Value of in-force non-life contracts	2,097
Differences contract boundary ³	(322)
Other adjustments to best estimate liabilities	(1,105)
Other valuation differences	138
Market value margin (MVM)	(3,656)
Risk-bearing capital	36,431

¹ Net effect of intangible assets and related liabilities gross of non-controlling interests.

² Includes USD 1.4 billion discretionary profit sharing from Individual Life business in Switzerland. In addition, this line item includes USD 2.6 billion from Swiss Corporate Life & Pensions business which, however, has an offset of USD 2.3 billion from differences in contract boundary.

³ Includes USD 2.0 billion contract boundary differences related to certain businesses where, under IFRS accounting standards, insurance contracts issued have short contract boundaries while reinsurance contracts held have long contract boundaries. This results in an understatement of the unearned profits from in-force business compared to using long contract boundaries for both insurance contracts issued and reinsurance contracts held. This line item further includes a negative adjustment of USD 2.3 billion from Swiss Corporate Life & Pensions business (with an offset in future discretionary benefits).

Additionally, information on **Stress scenarios and sensitivity of SST ratio** to key market and insurance risks can be found in the Risk Review in the Group's Annual Report 2024 on [pages 231–233](#).

The risk-bearing capital is allocated to the operating segments defined in accordance with IFRS. For details on the **Activities of the various businesses** refer to note 26 of the audited consolidated financial statements in the Group's Annual Report 2024 on [pages 384–398](#).

G. Solvency (continued)

The following table presents risk-bearing capital by segment and describes the major changes during 2024.

Split of SST risk-bearing capital by segment	in USD millions						Group Functions and Operations Non-Core Business Total
	Property & Casualty		Life		Farmers		
	December 31, 2023	21,738	21,272	2,170	(11,198)	278	34,261
Economic profit	3,235	1,997	1,667	(970)	(201)	5,728	
Market movement	805	(1,112)	41	1,010	(2)	742	
Assumption and model changes	183	113	(49)	–	6	254	
Capital actions ¹	(3,816)	(1,111)	(2,531)	1,934	435	(5,090)	
Change in MVM	89	380	(4)	–	1	466	
Other	71	–	–	–	–	71	
December 31, 2024	22,305	21,539	1,294	(9,224)	517	36,431	

1 Capital actions include inter-segment movements.

Appendix 1: Quantitative templates

Income statement
Group and segments
(IFRS) in USD millions, for the years ended December 31

	Total	
	2023	2024
Insurance revenue	56,099	59,507
Insurance service expenses	(47,422)	(50,456)
Net expenses from reinsurance contracts held	(2,981)	(3,031)
Insurance service result	5,696	6,020
Net investment income on Group investments	5,382	5,730
Net capital gains/(losses) on Group investments	(696)	1,084
Net investment result on Group investments	4,687	6,814
Net investment result on unit-linked investments	14,191	16,384
Change in liabilities for investment contracts and other funds	(6,378)	(8,112)
Re-/insurance finance income/(expenses)	(10,963)	(12,244)
Net investment result	1,536	2,842
Fee income	5,885	6,011
Fee business expenses	(3,583)	(3,575)
Fee result	2,303	2,436
Other revenues	210	358
Net gains/(losses) on divestment of businesses	(104)	114
Interest expense on debt	(456)	(440)
Other expenses	(2,727)	(2,864)
Other result	(3,077)	(2,832)
Net income before income taxes	6,458	8,465
Income tax expense	(1,741)	(2,261)
attributable to policyholders	(172)	(179)
attributable to shareholders	(1,568)	(2,082)
Net income after taxes	4,717	6,204
attributable to minority interests	366	390
attributable to shareholders	4,351	5,814

Appendix 1: Quantitative templates (continued)

Property & Casualty				Group Functions and Operations				Non-Core Businesses/	
2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
42,293	44,792	10,996	11,700	2,553	2,941	293	—	(37)	75
(36,454)	(38,479)	(8,458)	(9,130)	(2,190)	(2,525)	(296)	—	(24)	(323)
(2,653)	(2,812)	(256)	(161)	(131)	(209)	—	—	60	151
3,186	3,500	2,281	2,409	233	208	(2)	—	(1)	(97)
2,191	2,503	2,924	2,992	146	46	135	238	(14)	(49)
95	836	(357)	205	(472)	(5)	14	131	24	(82)
2,286	3,339	2,568	3,197	(326)	41	149	369	10	(132)
—	—	13,586	15,839	228	222	—	—	377	323
—	—	(6,369)	(8,104)	(1)	(2)	—	—	(8)	(7)
(887)	(1,233)	(9,373)	(10,460)	(196)	(205)	(2)	—	(506)	(346)
1,399	2,106	412	472	(295)	57	147	369	(127)	(162)
476	483	880	951	4,529	4,577	—	(1)	—	—
(361)	(385)	(624)	(646)	(2,586)	(2,535)	(1)	—	(9)	(9)
115	98	256	306	1,942	2,042	(1)	(1)	(9)	(9)
373	461	180	259	33	67	216	251	(592)	(679)
—	16	(116)	98	—	—	12	(1)	—	—
(71)	(80)	(36)	(53)	(2)	(7)	(721)	(736)	374	436
(1,442)	(1,471)	(689)	(701)	(242)	(152)	(671)	(850)	317	310
(1,140)	(1,075)	(660)	(396)	(211)	(92)	(1,164)	(1,336)	99	67
3,559	4,630	2,289	2,790	1,669	2,214	(1,021)	(968)	(37)	(201)
(816)	(768)	(655)	(711)	(243)	(507)	(42)	(290)	15	15
(2)	(5)	(170)	(174)	—	—	—	—	—	—
(814)	(763)	(485)	(537)	(243)	(507)	(42)	(290)	15	15
2,743	3,862	1,634	2,079	1,426	1,707	(1,063)	(1,257)	(22)	(186)
84	94	282	297	—	—	—	—	—	(1)
2,659	3,768	1,351	1,782	1,426	1,707	(1,063)	(1,257)	(22)	(185)

Appendix 1: Quantitative templates (continued)

Income statement Group and major international markets (IFRS)	in USD millions, for the years ended December 31	
	Total	
	2023	2024
Insurance revenue	56,099	59,507
Insurance service expenses	(47,422)	(50,456)
Net expenses from reinsurance contracts held	(2,981)	(3,031)
Insurance service result	5,696	6,020
Net investment income on Group investments	5,382	5,730
Net capital gains/(losses) on Group investments	(696)	1,084
Net investment result on Group investments	4,687	6,814
Net investment result on unit-linked investments	14,191	16,384
Change in liabilities for investment contracts and other funds	(6,378)	(8,112)
Re-/insurance finance income/(expenses)	(10,963)	(12,244)
Net investment result	1,536	2,842
Fee income	5,885	6,011
Fee business expenses	(3,583)	(3,575)
Fee result	2,303	2,436
Other revenues	210	358
Net gains/(losses) on divestment of businesses	(104)	114
Interest expense on debt	(456)	(440)
Other expenses	(2,727)	(2,864)
Other result	(3,077)	(2,832)
Net income before income taxes	6,458	8,465
Income tax expense	(1,741)	(2,261)
attributable to policyholders	(172)	(179)
attributable to shareholders	(1,568)	(2,082)
Net income after taxes	4,717	6,204
Attributable to minority interests	366	390
Attributable to shareholders	4,351	5,814

Appendix 1: Quantitative templates (continued)

Europe, Middle East & Africa		North America		Europe, Middle East & Africa		Farmers		Other	
Property & Casualty		Property & Casualty		Life		Farmers		Other	
2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
17,170	18,651	20,607	20,985	5,912	6,566	2,553	2,941	9,857	10,364
(15,558)	(16,426)	(16,716)	(17,886)	(4,410)	(4,999)	(2,190)	(2,525)	(8,549)	(8,621)
(852)	(905)	(1,962)	(1,421)	(169)	(113)	(131)	(209)	133	(383)
760	1,320	1,929	1,678	1,333	1,455	233	208	1,441	1,360
736	908	1,094	1,141	2,164	2,252	146	46	1,242	1,384
(96)	322	280	450	(400)	255	(472)	(5)	(8)	63
641	1,230	1,374	1,591	1,764	2,507	(326)	41	1,234	1,446
–	–	–	–	9,956	12,552	228	222	4,007	3,609
–	–	–	–	(6,261)	(7,989)	(1)	(2)	(116)	(121)
(222)	(380)	(534)	(690)	(5,295)	(6,758)	(196)	(205)	(4,717)	(4,211)
419	850	840	900	164	312	(295)	57	408	722
213	222	210	206	802	888	4,529	4,577	132	118
(162)	(170)	(131)	(134)	(594)	(624)	(2,587)	(2,535)	(110)	(111)
51	52	79	72	208	264	1,942	2,041	22	7
143	185	130	175	115	184	33	67	(212)	(252)
–	16	–	–	(113)	15	–	–	9	83
(52)	(54)	(14)	(16)	(16)	(13)	(2)	(7)	(371)	(350)
(687)	(753)	(417)	(340)	(402)	(450)	(242)	(151)	(978)	(1,170)
(596)	(606)	(301)	(181)	(416)	(264)	(211)	(92)	(1,552)	(1,689)
634	1,616	2,547	2,469	1,289	1,766	1,669	2,214	319	400
(161)	(177)	(443)	(410)	(364)	(413)	(243)	(507)	(530)	(754)
–	–	–	–	(137)	(153)	–	–	(35)	(26)
(161)	(177)	(443)	(410)	(227)	(260)	(243)	(507)	(495)	(727)
473	1,439	2,104	2,059	925	1,354	1,426	1,707	(211)	(354)
18	21	–	–	110	122	–	–	238	247
455	1,418	2,104	2,059	815	1,232	1,426	1,707	(449)	(601)

Appendix 1: Quantitative templates (continued)

Market Conform Balance Sheet	in USD millions, for the years ended December 31	Adjustments	
		2023	previous period
Market conform value of investments			
Real estate	14,045	–	11,782
Participations	135	–	146
Fixed-income securities	110,701	–	104,201
Loans	2,748	–	3,003
Mortgages	4,580	–	3,896
Equities	4,735	–	4,639
Other investments	25,480	–	24,868
Collective investment schemes	4,244	–	4,442
Alternative investments	9,600	–	9,656
Structured products	–	–	–
Other investments	11,636	–	10,770
Total investments	162,424	–	152,535
Market conform value of other assets			
Financial investments from unit-linked life insurance	141,315	–	148,535
Receivables from derivative financial instruments	960	–	885
Deposits made under assumed reinsurance contracts	1,816	–	2,030
Cash and cash equivalents	7,367	–	6,768
Share of technical provisions from reinsurance	20,646	–	21,194
Direct insurance: life insurance business (excluding unit-linked life insurance)	3,417	–	3,282
Reinsurance: life insurance business (excluding unit-linked life insurance)	315	–	382
Direct insurance: non-life insurance business	11,462	–	10,990
Reinsurance: non-life insurance business	5,677	–	6,955
Direct insurance: health insurance business	–	–	–
Reinsurance: health insurance business	–	–	–
Direct insurance: other business	–	–	–
Reinsurance: other business	–	–	–
Direct insurance: unit-linked life insurance business	(224)	–	(414)
Reinsurance: unit-linked life insurance business	–	–	–
Fixed assets	2,462	–	2,226
Deferred acquisition costs	–	–	–
Intangible assets	–	–	–
Receivables from insurance business	12,689	–	13,674
Other receivables	5,792	–	6,250
Other assets	1,053	–	1,109
Unpaid share capital	–	–	–
Accrued assets	3,986	–	4,025
Total other assets	198,086	–	206,696
Total market conform value of assets	360,510	–	359,231

Appendix 1: Quantitative templates (continued)

Market Conform Balance Sheet	in USD millions, for the years ended December 31	Adjustments	
		2023	previous period
Market conform value of liabilities (including unit-linked life insurance)			
Best estimate of insurance liabilities	(147,425)	–	(139,794)
Direct insurance: life insurance business (excluding unit-linked life insurance)	(73,714)	–	(65,116)
Reinsurance: life insurance business (excluding unit-linked life insurance)	(1,525)	–	(1,433)
Direct insurance: non-life insurance business	(66,819)	–	(68,034)
Reinsurance: non-life insurance business	(5,367)	–	(5,211)
Direct insurance: health insurance business	–	–	–
Reinsurance: health insurance business	–	–	–
Direct insurance: other business	–	–	–
Reinsurance: other business	–	–	–
Best estimate of unit-linked life insurance liabilities	(136,865)	–	(143,749)
Direct insurance: unit-linked life insurance business	(136,865)	–	(143,749)
Reinsurance: unit-linked life insurance business	–	–	–
Market value margin	(4,121)	–	(3,656)
Market conform value of other liabilities			
Non-technical provisions	(2,404)	–	(1,877)
Interest-bearing liabilities	(5,118)	–	(4,017)
Liabilities from derivative financial instruments	(1,252)	–	(840)
Deposits retained on ceded reinsurance	(686)	–	(1,212)
Liabilities from insurance business	(5,793)	–	(5,749)
Other liabilities	(11,709)	–	(12,330)
Accrued liabilities	(5,106)	–	(5,163)
Subordinated debts	(7,996)	–	(8,550)
Total market conform value of liabilities	(328,475)	–	(326,937)
Market conform value of assets minus market conform value of liabilities	32,035	–	32,293

Appendix 2: Report of the statutory auditor on the Group consolidated financial statements 2024

The Financial Condition Report is not audited.

The consolidated financial statements of Zurich Insurance Group Ltd and its subsidiaries (the Group), which comprise the consolidated income statements, consolidated statements of comprehensive income, consolidated balance sheets, consolidated statements of cash flows, consolidated statements of changes in equity and notes to the consolidated financial statements for the year ended December 31, 2024 are audited. Please refer to the report of the statutory auditor in the Group's Annual Report 2024 on [pages 422–425](#).

<https://www.zurich.com/en/investor-relations/results-and-reports>

Disclaimer and cautionary statement

Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives of Zurich Insurance Group Ltd or the Zurich Insurance Group (the Group). Forward-looking statements include statements regarding the Group's targeted profit, return on equity targets, expenses, pricing conditions, dividend policy, underwriting and claims results, business initiatives (including, but not limited to, sustainability matters), as well as statements regarding the Group's understanding of general economic, financial and insurance market conditions and expected developments. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and plans, policies, initiatives and objectives of Zurich Insurance Group Ltd or the Group to differ materially from those expressed or implied in the forward-looking statements (or from past results). Factors such as (i) general economic conditions and competitive factors, particularly in key markets; (ii) the risk of a global economic downturn, in the financial services industries in particular; (iii) performance of financial markets; (iv) levels of interest rates and currency exchange rates; (v) frequency, severity and development of insured claims events; (vi) mortality and morbidity experience; (vii) policy renewal and lapse rates; (viii) increased litigation activity and regulatory actions; and (ix) changes in laws and regulations and in the policies of regulators, and the possibility of conflict between different governmental standards and regulatory regimes may have a direct bearing on the results of operations of Zurich Insurance Group Ltd and the Group and on whether the targets will be achieved. Zurich Insurance Group Ltd undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

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It should be noted that past performance is not a guide to future performance. Please also note that interim results are not necessarily indicative of full year results.

Persons requiring advice should consult an independent adviser.

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