Half Year Report 2024

Report for the six months ended June 30, 2024

Zurich Insurance Group

Contents

Welcome

About us

Zurich Insurance Group (Zurich) is a leading multi-line insurer serving people and businesses in more than 200 countries and territories. Founded 150 years ago, Zurich is transforming insurance. In addition to providing insurance protection, Zurich is increasingly offering prevention services such as those that promote wellbeing and enhance climate resilience.

Reflecting its purpose to 'create a brighter future together,' Zurich aspires to be one of the most responsible and impactful businesses in the world. It is targeting net-zero emissions by 2050 and has the highest-possible ESG rating from MSCI. In 2020, Zurich launched the Zurich Forest project to support reforestation and biodiversity restoration in Brazil.

The Group has about 60,000 employees and is headquartered in Zurich, Switzerland. Zurich Insurance Group Ltd (ZURN) is listed on the SIX Swiss Exchange and has a level I American Depositary Receipt (ZURVY) program, which is traded over-the-counter on OTCQX. Further information is available at www.zurich.com.

Message from the Chairman and Group CEO

Dear Shareholder,

Zurich Insurance Group (Zurich) achieved record business operating profit (BOP) in the first half of 2024, and the highest ever return on equity (BOPAT ROE)[1] while making strong progress toward exceeding all of its 2023–2025 financial targets.

In the six months to June 30, 2024, business operating profit (BOP) rose 7 percent to USD 4.0 billion versus the same period in 2023. Net income attributable to shareholders after tax increased 21 percent to USD 3.0 billion, while BOP (after tax) return on common shareholders' equity (BOPAT ROE)[1] increased to 25 percent, the highest ever. The results were driven by an ongoing robust performance in Property & Casualty (P&C) and record BOP in the first six months of the year for Life and Farmers.

We are very pleased with these results which reflect excellent performance across all our businesses. This will continue to enable us to deliver strong returns for our shareholders. Market conditions have remained more favorable than anticipated and we observe today many opportunities to profitably grow the business.

The market environment for Commercial P&C remains highly attractive, with rates responding well to loss-cost trends. Retail and small and medium-sized enterprise (SME) P&C results show improvement over the second half of 2023, despite significant weather events. This was driven by strong rate increases, supported by improved customer satisfaction and retention.

Zurich's market-leading Commercial Insurance business maintained its high level of profitability with a combined ratio of 91.4 percent, including catastrophe losses of 3.0 percentage points, delivering an exceptional BOP contribution of USD 1.8 billion. The U.S. mid-market and accident & health businesses continued to show strong top-line growth.

Retail gross written premiums increased 10 percent with continued rate increases and strong new business sales in Europe, Middle East and Africa (EMEA), greater travel business in Asia Pacific (APAC), and higher property, affinities, and motor sales in Latin America. The combined ratio of 96.4 percent was 0.6 percentage points higher compared with the first half of 2023, reflecting weather and catastrophe losses. Compared with the second half of 2023, it has improved by 7.3 percentage points following lower catastrophe losses, underwriting actions and rate increases.

Zurich remains committed to its goal of strengthening customer loyalty and establishing its position as the insurer of choice. Over the past six years, the Group has consistently improved its transactional net promoter score (TNPS), a measure of customer satisfaction. That strong momentum has continued into the first half of 2024 with a 3 percentage point increase. The customer retention rate is up by 2 percentage points despite rate increases. This contributed to record growth in the Group's Retail customer base with 1.9 million net new customers.

Acquisitions

Zurich continues to secure opportunities for future retail growth. As part of these efforts, the Group successfully closed its acquisition of a 70 percent stake in India's Kotak Mahindra General Insurance, and has announced an agreement to acquire AIG's global personal travel insurance and assistance business.

Property & Casualty

P&C achieved a BOP of USD 2,224 million, a strong result that was 1 percent lower than in the previous year in U.S. dollars, but up 3 percent in local currencies. The higher insurance revenue and a strong investment result were partially offset by a higher combined ratio. The P&C combined ratio increased 0.7 percentage points year-over-year to 93.6 percent, mainly driven by catastrophe losses. The Group continues to maintain a cautious approach to reserving while implementing actions to address the profitability of the retail business.

Insurance revenue rose 6 percent in U.S. dollars, benefiting from the earn-through of growth in gross written premiums. The Group achieved price increases of 5 percent in the first half of the year, which is in line with the first quarter 2024.

Michel M. Liès
Chairman of the Board of Directors

Mario Greco
Group Chief Executive Officer

Message from the Chairman and Group CEO (continued)

Life

The Life business reported a record performance, achieving the highest ever BOP for a first half-year, up 12 percent to USD 1,048 million, primarily driven by EMEA, which benefited from higher fees, investment result, favorable experience in Switzerland, the UK and Italy, and a non-recurring benefit of approximately USD 50 million related to the non-completion of the disposal of a legacy Life back book in Germany. BOP also increased in Asia Pacific, driven by a higher contractual service margin (CSM) and more favorable claims experience.

Life insurance new business premiums[2] grew by 3 percent in U.S. dollars, driven by Zurich's preferred lines of protection and unit-linked. Bank distribution was a key driver of growth, particularly in Latin America, through the joint venture with Banco Santander, and in EMEA through the joint venture with Banco Sabadell and distribution agreement with Deutsche Bank. Growth in protection and unit-linked more than offset lower new business premiums in savings, which saw exceptional sales volumes in Spain in the prior-year period.

Farmers

Farmers reported a record BOP of USD 1,115 million for the first six months, a 12 percent increase compared with the prior-year period. The Farmers Management Services (FMS) BOP was up 10 percent, driven by continued premium growth at the Farmers Exchanges,[3] as well as a higher margin year-on-year. Farmers Re compared favorably to the prior year, reflecting the improved underwriting at the Farmers Exchanges.[3]
This was partially offset by lower BOP from Farmers Life reflecting the completion of the reinsurance agreement to cede its in-force individual life portfolio to Resolution Life in August 2023.

The Farmers Exchanges,[3] which are owned by their policyholders, reported gross written premiums 5 percent higher than the prior year, driven by continued pricing actions. Gross earned premiums increased by 6 percent over the same period. The Farmers Exchanges[3] combined ratio of 95.2 percent for the first half of the year was 16.4 percentage points lower than the prior year driven by the earn-through of higher premium rates and lower expenses, and despite significant catastrophe losses.

Capital position

Zurich's capital position remained very strong. As of June 30, 2024, Zurich's Swiss Solvency Test (SST)[4] ratio is estimated at 232 percent and remains well in excess of the Group's target level of at least 160 percent. This compares with 234 percent as of January 1, 2024.

Share buyback

Under the public share buyback program announced in February 2024, Zurich Insurance Group Ltd intends to repurchase its registered shares (Zurich shares) in the amount of up to CHF 1.1 billion purchase value. Based on the closing price of Zurich shares on the SIX Swiss Exchange on June 11, 2024, this corresponds to a maximum of 2.34 million Zurich shares, or a maximum of 1.6 percent of Zurich Insurance Group Ltd's registered share capital. The program, for the purpose of capital reduction under the capital band, began on June 17, 2024. For detailed information on the program as well as the status of transactions, please refer to www.zurich.com/en/investor-relations/our-shares/share-buyback.

We are very grateful to you and all our shareholders, as well as our colleagues, customers and partners, for contributing to our success. We thank you for your continued trust.

Yours sincerely,

Michel M. Liès
Chairman of the Board of Directors

Mario Greco
Group Chief Executive Officer

1 Shareholders' equity used to determine ROE and BOPAT ROE is adjusted for net unrealized gains/(losses).
2 Within the CSM perimeter.
3 Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as its attorney-in-fact and receives fees for its services.
4 Estimated Swiss Solvency Test (SST) ratio, calculated based on the Group's internal model approved by the Swiss Financial Market Supervisory Authority FINMA. The SST ratio has to be filed with FINMA by end of April each year and is subject to review by FINMA.

Financial overview

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The information contained within the financial overview is unaudited and is based on the consolidated results of the Group for the six months ended June 30, 2024 and 2023. All amounts are shown in U.S. dollars and rounded to the nearest million unless otherwise stated, with the consequence that the rounded amounts may not always add up to the rounded total. All ratios and variances are calculated using the underlying amounts rather than the rounded amounts. This document should be read in conjunction with the 2023 Annual Results of the Group and in particular with its consolidated financial statements for the year ended December 31, 2023.

In addition to the figures stated in accordance with IFRS Accounting Standards, the Group uses business operating profit (BOP), new business metrics and other performance indicators to enhance the understanding of its results. Details of these additional measures are set out in the glossary. These should be viewed as complementary to, and not as substitutes for, the IFRS figures.
For a reconciliation of BOP to net income attributable to shareholders (NIAS), see note 14 (table 14.4) of the unaudited consolidated financial statements for the six months ended June 30, 2024.

Financial overview (continued)

Financial highlights

in USD millions, for the six months ended June 30, unless otherwise stated	2024	2023	Change[1]
Business operating profit	**3,988**	3,720	7%
Net income attributable to shareholders	**3,026**	2,492	21%
P&C business operating profit	**2,224**	2,247	(1%)
P&C insurance revenue	**21,446**	20,163	6%
P&C combined ratio	**93.6%**	92.9%	(0.7 pts)
Life business operating profit	**1,048**	939	12%
Life contractual service margin (CSM)[2,3]	**11,415**	11,526	(1%)
Life present value of new business premiums (PVNBP)[4]	**8,510**	8,242	3%
Life new business CSM (NB CSM)[3]	**543**	536	1%
Life new business margin (as % of PVNBP)[5]	**6.4%**	6.5%	(0.1 pts)
Farmers business operating profit	**1,115**	993	12%
Managed gross earned premium margin	**7.0%**	6.7%	0.3 pts
Average Group investments[6]	**149,189**	142,494	5%
Net investment result on Group investments[6]	**3,385**	2,569	32%
Net investment return on Group investments[6,7]	**2.3%**	1.8%	0.5 pts
Total return on Group investments[6,7]	**0.9%**	2.7%	(1.8 pts)
Shareholders' equity[2]	**24,119**	24,860	(3%)
Swiss Solvency Test ratio[2,8]	**232%**	234%	(1 pts)
Return on common shareholders' equity (ROE)[9]	**25.7%**	20.3%	5.4 pts
Business operating profit (after tax) return on common shareholders' equity (BOPAT ROE)[9]	**25.0%**	22.9%	2.2 pts

1 Parentheses around numbers represent an adverse variance.
2 As of June 30, 2024 and December 31, 2023, respectively.
3 CSM is net of external reinsurance and before the effect of non-controlling interests.
4 Present value of new business premiums (PVNBP) is gross of reinsurance and before the effect of non-controlling interests.
5 Calculated as new business CSM divided by PVNBP.
6 Including investment cash and derivatives.
7 Calculated on average Group investments.
8 Estimated Swiss Solvency Test (SST) ratio, calculated based on the Group's internal model approved by the Swiss Financial Market Supervisory Authority FINMA. The SST ratio as of January 1 has to be filed with FINMA by end of April each year and is subject to review by FINMA.
9 Shareholders' equity used to determine ROE and BOPAT ROE is adjusted for net unrealized gains/(losses).

Overall Group business operating profit (BOP) increased 7 percent to USD 4.0 billion in the first half of 2024, driven by strong profit growth in Life and Farmers.

Net income attributable to shareholders (NIAS) increased 21 percent in the first half of 2024, with BOP growth supported by higher net capital gains and lower restructuring and other costs.

Operating update

Property & Casualty (P&C)

in USD millions, for the six months ended June 30	Total		
	2024	2023	Change
Insurance revenue	21,446	20,163	6%
Insurance service result	1,863	1,854	1%
Net investment result	797	765	4%
Fee result	57	51	12%
Other result	(420)	(357)	(18%)
Business operating profit	**2,224**	**2,247**	**(1%)**
Loss ratio	64.6%	64.1%	(0.5 pts)
Expense ratio	28.9%	28.8%	(0.2 pts)
Combined ratio	**93.6%**	**92.9%**	**(0.7 pts)**

Insurance revenue in P&C for the six months ended June 30, 2024 increased 6 percent, benefiting from the earn-through of growth in gross written premiums.

The insurance service result increased USD 9 million compared with the prior year period, driven by the increase in insurance revenue and partially offset by a 0.5 percentage points increase in the loss ratio.

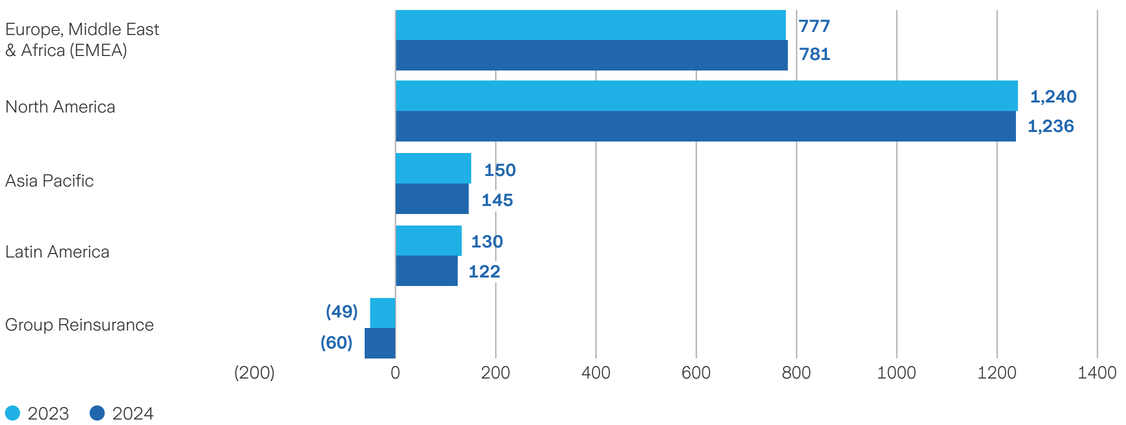
The net investment result for the first six months of 2024 was USD 33 million above the same period in the prior year, mainly driven by investment income of USD 146 million above prior year levels due to the earn-through of higher yields and additional realized capital gains of USD 79 million coming from the Group's hedge fund portfolio compared with the previous year. This was partially offset by an increase in the insurance finance expenses of USD 193 million compared with the previous year due to an increase of the unwind of discount.

The contribution of other items in the first six months of 2024, which include the other result, fee result and non-controlling interests, decreased by USD 65 million compared with the same period in the prior year, mainly due to an increase in the technical non-qualifying expenses.

Business operating profit decreased 1 percent to USD 2.2 billion for the first six months of 2024, compared with the same period in the prior year, with higher insurance revenue and increased net investment result offset by effects from a higher combined ratio.

The combined ratio of 93.6 percent for the first half of 2024 increased 0.7 percentage points compared with the prior year period, as higher losses and expenses were partially offset by a favorable discount benefit. The loss ratio deteriorated by 0.5 percentage points to 64.6 percent, mainly driven by natural catastrophe and weather losses. The expense ratio of 28.9 percent in the first half of 2024 was 0.2 percentage points higher than the same period in the previous year, mainly driven by an increase in commissions in Europe, Middle East & Africa (EMEA), Asia Pacific and Latin America.

P&C business operating profit (BOP)
in USD millions, for the six months ended June 30



Operating update (continued)

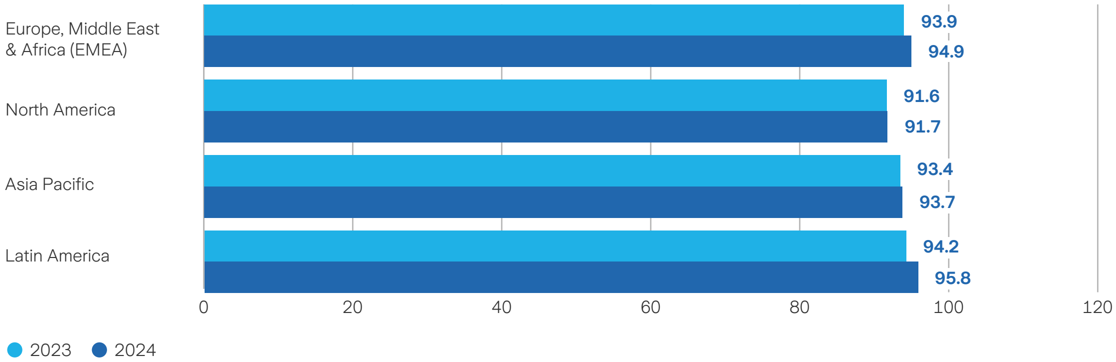
EMEA business operating profit remained stable compared with the same period in the prior year, as higher insurance revenue and a better net investment result were offset by effects from a higher combined ratio.

North America business operating profit for the first half of 2024 was consistent with the same period in the prior year as an improved technical result was offset by a weaker net investment result.

Asia Pacific business operating profit for the first half of 2024 was 3 percent below the same period in the prior year, mainly driven by an increase in the commission ratio, reflecting the impact of recovering travel business sales.

Latin America business operating profit for the first half of 2024 was down 6 percent as the result was impacted by high inflation and currency depreciation in Argentina.

P&C combined ratio
%, for the six months ended June 30



In EMEA, the combined ratio deteriorated 1.0 percentage points compared with the same period in the prior year, driven by elevated losses and an uptick in expenses.

In North America, the combined ratio deteriorated 0.1 percentage points compared with the same period in the prior year, mainly due to higher levels of catastrophe losses, partially offset by a higher discount benefit.

The Asia Pacific combined ratio deteriorated 0.3 percentage points compared with the same period in the prior year, driven by an increase in the commission ratio which reflects the impact of recovering travel business sales.

The Latin America combined ratio deteriorated 1.6 percentage points compared with the same period in the prior year, as the result was impacted by high inflation and currency depreciation in Argentina.

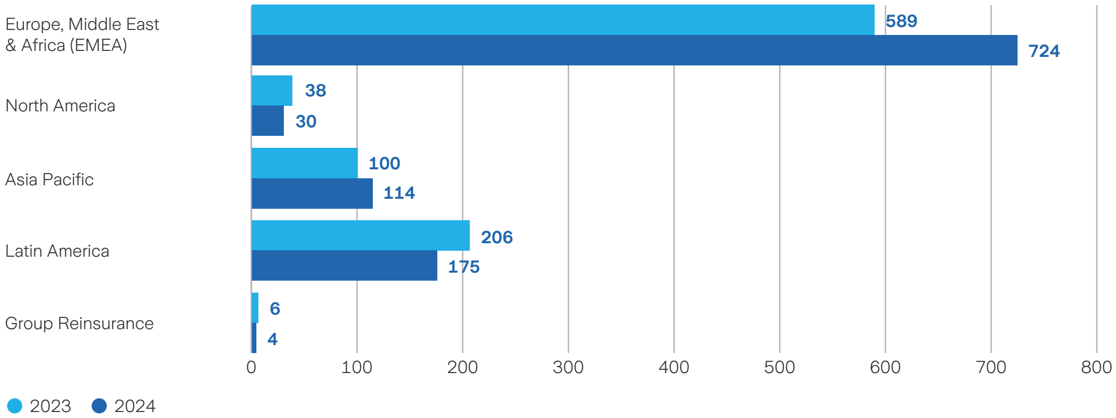
Operating update (continued)

Life

in USD millions, for the six months ended June 30, unless otherwise stated	2024	2023	Change
Insurance service result	1,172	1,060	11%
Net investment result	290	270	7%
Fee result	134	126	7%
Business operating profit	**1,048**	**939**	**12%**
Assets under management[1,2]	277,586	259,476	7%
Contractual service margin[2]	11,415	11,526	(1%)

1 Assets under management comprise balance sheet Group investments and unit-linked investments plus assets that are managed by third parties, on which fees are earned.
2 As of June 30, 2024 and December 31, 2023, respectively.

Life business operating profit (BOP)
in USD millions, for the six months ended June 30



In the first six months of 2024, the Group's Life business generated a business operating profit of USD 1.0 billion, 12 percent higher than in the same period as the prior year, supported by improvements in all key profit drivers.

In EMEA, business operating profit of USD 724 million was 23 percent higher than in the same period as the prior year, mainly driven by higher fee result, investment result and favorable experience in the UK, Switzerland and Italy, as well as approximately USD 50 million of non-recurring benefits related to the non-completion of the disposal of a legacy Life back book in Germany.

In North America, business operating profit decreased by USD 8 million to USD 30 million, due to an adverse year-on-year fluctuation of onerous contract impacts, more than offsetting improved mortality experience.

In Asia Pacific, business operating profit increased 14 percent to USD 114 million, mainly driven by more favorable experience in Australia and higher CSM amortization.

In Latin America, business operating profit decreased 15 percent from the same period in the prior year, mainly due to the adverse impact of hyperinflation in Argentina.

Assets under management (AuM) increased 7 percent in the first six months of 2024 to USD 278 billion, driven by a combination of positive net inflows and favorable market movements, which more than compensated for adverse currency movements.

The CSM decreased 1 percent to USD 11 billion on a reported basis in the first six months of 2024, with a 4 percent growth in local currencies more than offset by the effect of the U.S. dollar strengthening.

Operating update (continued)

NB CSM, PVNBP and NBM by Segment[1]

in USD millions, for the six months ended June 30	Present value of new business premiums (PVNBP)[2]		New business contractual service margin (NB CSM)[3]		New business margin (as % of PVNBP) (NBM)[4]	
	2024	2023	**2024**	2023	**2024**	2023
Europe, Middle East & Africa (EMEA)	4,392	4,779	326	317	7.4%	6.6%
North America	339	182	9	4	2.6%	2.4%
Asia Pacific	1,408	1,298	155	165	11.0%	12.7%
Latin America	2,378	1,984	53	51	2.2%	2.6%
Total	**8,510**	**8,242**	**543**	**536**	**6.4%**	**6.5%**

1 For long-term life insurance contracts. Does not include short-term life insurance contracts, which are accounted for with premium allocation approach (PAA), or investment contracts, which are accounted for with IFRS 9.
2 Present value of new business premiums (PVNBP) is gross of reinsurance and before the effect of non-controlling interests.
3 New business CSM is net of external reinsurance and before the effect of non-controlling interests.
4 Calculated as new business CSM divided by PVNBP.

PVNBP increased 3 percent on a reported basis and 5 percent on a like-for-like basis adjusting for currency movements and excluding Argentina which was impacted by inflation and currency depreciation, with growth in North America, Asia Pacific and Latin America.

In EMEA, PVNBP decreased 8 percent on a like-for-like basis, compared with the same period in 2023. Higher sales of protection and unit-linked were more than offset by a reduction in retail savings which reflects exceptional sales volumes in Spain in the prior-year period.

In North America, PVNBP was 86 percent higher on a like-for-like basis compared with the same period in the prior year, benefiting from large corporate savings schemes.

In Asia Pacific, PVNBP grew 17 percent on a like-for-like basis, primarily driven by continued growth of protection sales in Japan.

In Latin America, PVNBP increased 23 percent on a like-for-like basis, excluding Argentina which was impacted by inflation and currency depreciation. Growth was driven by strong unit-linked sales and benefited from lower discount rates.

New business written in the first six months of 2024 added USD 543 million of CSM, 1 percent more than in the same period in the prior year, reflecting higher sales volumes and a new business margin of 6.4% (compared with 6.5% in the prior year).

PVNBP and NB CSM do not include short-term life insurance and investment contracts, which are accounted for under the premium allocation approach (PAA) method and IFRS 9, respectively. Insurance revenues from short-term life insurance, which is mainly related to protection business in Latin America, grew 12 percent on a like-for-like basis. Fee revenues for investment contracts, which are mainly written in EMEA, grew 9 percent on a like-for-like basis compared with the same period in the prior year, mainly driven by higher fee revenues, which benefitted from higher investment contracts’ assets under management up 10 percent compared with the same period in the prior year.

Operating update (continued)

Farmers

in USD millions, for the six months ended June 30	**2024**	2023	Change
Farmers Management Services (FMS)	1,026	934	10%
Farmers Re	81	(30)	nm
Farmers Life	8	90	(91%)
Total business operating profit	**1,115**	**993**	**12%**

Farmers Management Services (FMS) business operating profit increased 10 percent compared with the same period in the prior year, driven by the higher gross earned premium base at the Farmers Exchanges, lower operating expenses and positive contribution from brokerage entities. The managed gross earned premium margin is 7.0 percent, which was 0.3 percentage points higher than the prior year.

Farmers Re reported a business operating profit of USD 81 million for the first half of 2024, following improved underwriting results at the Farmers Exchanges and a higher reinsurance participation percentage.

Farmers Life business operating profit was USD 81 million below the same period in the prior year. Farmers Life completed a reinsurance agreement on August 1, 2023, with Resolution Life to cede its individual life in-force book.

Farmers Exchanges

The Farmers Exchanges are owned by their policyholders. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as attorney-in-fact and receives fees for its services.

Financial information about the Farmers Exchanges is proprietary to the Farmers Exchanges, but is provided to support an understanding of the performance of Farmers Group, Inc. and Farmers Re.

in USD millions, for the six months ended June 30	**2024**	2023	Change
Gross written premiums	14,257	13,572	5%
Gross earned premiums	13,833	13,101	6%

The Farmers Exchanges reported growth in gross written premiums of 5 percent in the first half of 2024, driven by growth in most books of business due to rate actions. Gross earned premiums increased 6 percent over the same period.

Operating update (continued)

Group Functions and Operations

in USD millions, for the six months ended June 30	**2024**	2023	Change
Holding and Financing	(210)	(204)	(3%)
Headquarters	(144)	(214)	33%
Zurich Global Ventures[1]	(4)	(14)	71%
Total business operating profit	**(358)**	**(432)**	**17%**

1 Includes only central initiatives.

Group Functions and Operations reported net expenses of USD 358 million for the first half of 2024, a 17 percent decrease compared with the same period in the prior year. The improvement was driven by higher average invested assets, higher reinvestment rates and lower external debt expense in the Holding and Financing unit.

Non-Core Businesses

in USD millions, for the six months ended June 30	**2024**	2023	Change
Zurich Legacy Solutions	(22)	(6)	nm
Other run-off	(18)	(21)	13%
Total business operating profit	**(40)**	**(27)**	**(49%)**

The Group's Non-Core Businesses, which comprise run-off portfolios that are managed with the intention of proactively reducing risk and releasing capital, reported an operating loss of USD 40 million for the first half of 2024, compared with a loss of USD 27 million in the same period in 2023.

Consolidated financial statements

Contents

Consolidated financial statements (continued)

Consolidated income statements

in USD millions, for the six months ended June 30	Notes	**2024**	2023
Insurance revenue	6	28,736	26,971
Insurance service expense		(23,740)	(22,562)
Net expenses from reinsurance contracts held		(1,867)	(1,449)
Insurance service result		3,128	2,959
Net investment income on Group investments		2,862	2,698
Net capital gains/(losses) on Group investments		523	(128)
Net investment result on Group investments	4	3,385	2,569
Net investment result on unit-linked investments		9,718	7,156
Change in liabilities for investment contracts and other funds		(4,956)	(3,130)
Re-/insurance finance income/(expenses)		(6,672)	(5,454)
Net investment result		1,475	1,141
Fee income	7	2,969	2,905
Fee business expenses	7	(1,766)	(1,815)
Fee result		1,203	1,090
Other revenues		198	96
Net gains/(losses) on divestment of businesses	3	26	(28)
Interest expense on debt		(225)	(229)
Other expenses		(1,322)	(1,424)
Other result		(1,322)	(1,585)
Net income before income taxes		4,484	3,605
of which: Attributable to non-controlling interests		286	266
Income tax (expense)/benefit	10	(1,264)	(935)
attributable to policyholders		(131)	(73)
attributable to shareholders		(1,132)	(861)
of which: Attributable to non-controlling interests		(92)	(88)
Net income after taxes		**3,221**	**2,670**
attributable to non-controlling interests		194	179
attributable to shareholders		3,026	2,492
in USD			
Basic earnings per share		20.98	17.06
Diluted earnings per share		20.82	16.96
in CHF			
Basic earnings per share		18.64	15.56
Diluted earnings per share		18.50	15.47

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

Consolidated financial statements (continued)

Consolidated statements of comprehensive income

in USD millions, for the six months ended June 30

	Net income attributable to shareholders	Net unreal. gains/ (losses) on financial assets	Change in discount rate for insurance/ reinsurance contracts	Change in fair value of underlying items through OCI	Cumulative foreign currency translation adjustment
2023					
Comprehensive income for the period	2,492	819	114	(588)	(163)
Details of movements during the period					
Change (before reclassification, tax and foreign currency translation effects and after allocation to policyholders)		621	20	(797)	(163)
Reclassification to income statement (before tax, foreign currency translation effects and allocation to policyholders)		715	–	–	–
Income tax (before foreign currency translation effects)		(376)	(3)	165	–
Foreign currency translation effects		(141)	97	44	
2024					
Comprehensive income for the period	3,026	(1,402)	571	932	(320)
Details of movements during the period			–	–	
Change (before reclassification, tax and foreign currency translation effects and after allocation to policyholders)		(2,419)	828	1,326	(318)
Reclassification to income statement (before tax, foreign currency translation effects and allocation to policyholders)		277	–	–	(1)
Income tax (before foreign currency translation effects)		623	(190)	(342)	–
Foreign currency translation effects		118	(68)	(52)	–

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

Consolidated financial statements (continued)

Total other comprehensive income recycled through profit or loss	Revaluation reserve	Net actuarial gains/(losses) on pension plans	Total other comprehensive income not recycled through profit or loss	Total other comprehensive income attributable to shareholders	Total comprehensive income attributable to shareholders	Total comprehensive income attributable to non-controlling interests	Total comprehensive income
182	(2)	35	33	215	2,707	243	2,949
(318)	(3)	113	110	(208)			
715	–	–	–	715			
(215)	1	(19)	(19)	(234)			
(0)	–	(58)	(58)	(58)			
(219)	(0)	232	232	13	3,039	91	3,131
(583)	(0)	241	241	(342)			
276	–	–	–	276			
91	0	(59)	(59)	32			
(2)	–	50	50	48			

Consolidated financial statements (continued)

Consolidated balance sheets

Assets

in USD millions, as of	Notes	06/30/2024	12/31/2023
Assets			
Cash and cash equivalents		**6,585**	**7,280**
Total Group investments	4	154,116	140,966
Equity securities		14,826	13,217
Debt securities		118,727	105,924
Investment property		12,630	13,684
Mortgage loans		4,222	4,324
Other financial assets		3,576	3,682
Investments in associates and joint ventures		136	135
Investments for unit-linked contracts		146,410	141,144
Total investments		**300,526**	**282,110**
Insurance contract assets	5	653	580
Reinsurance contract assets	5	21,461	21,942
Receivables and other assets[1]		9,763	10,391
Deferred tax assets		1,787	1,700
Assets held for sale[2]	3	3,911	23,758
Property and equipment		1,957	2,092
Attorney-in-fact contracts	8	2,650	2,650
Goodwill	8	4,540	4,541
Other intangible assets	8	4,046	4,337
Total assets		**357,878**	**361,382**

1 Includes USD 657 million related to the acquisition of Kotak Mahindra General Insurance Company Limited (see note 3).
2 As of June 30, 2024, the Group had USD 3.6 billion of assets held for sale based on agreements signed to sell the annuity book of Zurich Chile Seguros de Vida S.A., the Spain Medical Malpractice portfolio and UK Employers' liability portfolio (see note 3). As of December 31, 2023, the Group had USD 23.8 billion of assets held for sale based on agreements signed to sell portfolios of Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft, Zurich Chile Seguros de Vida S.A. and Zurich Insurance Europe AG (formerly known as Zurich Insurance plc) (Spain Medical Malpractice and UK Employers' Liability portfolios) (see note 3).

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

Consolidated financial statements (continued)

Liabilities and equity

in USD millions, as of	Notes	06/30/2024	12/31/2023
Liabilities			
Liabilities for investment contracts		64,295	60,270
Insurance contract liabilities	5	231,734	216,962
Reinsurance contract liabilities	5	435	504
Obligation to repurchase securities		1,035	796
Other liabilities[1]	9, 12	15,248	16,661
Deferred tax liabilities		2,504	2,300
Liabilities held for sale[2]	3	3,610	23,860
Senior debt	11	4,992	5,190
Subordinated debt	11	8,460	8,559
Total liabilities		**332,312**	**335,102**
Equity			
Share capital		10	10
Additional paid-in capital		1,272	1,333
Net unreal. gains/(losses) on financial assets		(5,709)	(4,307)
Change in discount rate for (re)insurance contract		4,862	4,291
Change in fair value of underlying items		1,985	1,053
Cumulative foreign currency translation adjustment		(10,659)	(10,616)
Revaluation reserves		254	254
Retained earnings		32,104	32,842
Shareholders' equity		24,119	24,860
Non-controlling interests		1,446	1,419
Total equity		**25,565**	**26,280**
Total liabilities and equity		**357,878**	**361,382**

1 Includes restructuring provisions, litigation and regulatory provisions (see note 9) and other provisions.
2 As of June 30, 2024, the Group had USD 3.6 billion of liabilities held for sale based on agreements signed to sell the annuity book of Zurich Chile Seguros de Vida S.A., the Spain Medical Malpractice portfolio and UK Employers' liability portfolio (see note 3). As of December 31, 2023, the Group had USD 23.9 billion of liabilities held for sale based on agreements signed to sell portfolios of Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft and Zurich Insurance Europe AG (formerly known as Zurich Insurance plc) (Spain Medical Malpractice and UK Employers' Liability portfolios) (see note 3).

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

Consolidated financial statements (continued)

Consolidated statements of cash flows

in USD millions, for the six months ended June 30	**2024**	2023
Cash flows from operating activities		
Net income attributable to shareholders	3,026	2,492
Adjustments for:		
Net (gains)/losses on divestment of businesses	(26)	28
(Income)/expense from equity method accounted investments	(1)	–
Depreciation, amortization and impairments of fixed and intangible assets	467	434
Other non-cash items	54	433
Underwriting activities:	10,172	7,664
Insurance contracts assets/liabilities	4,548	3,861
Reinsurance contracts assets/liabilities	239	15
Liabilities for investment contracts	5,385	3,787
Investments:	(9,981)	(6,701)
Net capital (gains)/losses on total investments	(9,693)	(6,377)
Net change in derivatives	109	(66)
Net change in money market investments	(658)	(199)
Sales and maturities		
Debt securities	39,765	28,785
Equity securities	29,764	25,745
Other	1,328	3,767
Purchases		
Debt securities	(39,875)	(28,123)
Equity securities	(29,541)	(26,859)
Other	(1,180)	(3,374)
Net changes in sale and repurchase agreements	293	214
Movements in receivables and payables	1,412	773
Net changes in other operational assets and liabilities	(938)	(1,131)
Deferred income tax, net	267	(5)
Net cash provided by/(used in) operating activities	4,744	4,200

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

Consolidated financial statements (continued)

in USD millions, for the six months ended June 30	2024	2023
Cash flows from investing activities		
Additions to tangible and intangible assets	(156)	(175)
Disposals of tangible and intangible assets	6	60
(Acquisitions)/disposals of equity method accounted investments, net	(2)	(15)
Acquisitions of companies, net of cash acquired	(658)	–
Divestments of companies, net of cash divested	20	–
Dividends from equity method accounted investments	–	–
Net cash provided by/(used in) investing activities	(790)	(131)
Cash flows from financing activities		
Dividends paid	(4,244)	(3,891)
Net movement in treasury shares	(96)	(1,551)
Issuance of debt	141	306
Repayment of debt	(143)	(311)
Lease principal repayments	(106)	(105)
Net cash provided by/(used in) financing activities	(4,448)	(5,552)
Foreign currency translation effects on cash and cash equivalents	(252)	111
Change in cash and cash equivalents[1]	(746)	(1,372)
Cash and cash equivalents as of January 1	7,645	8,155
Cash and cash equivalents as of June 30	**6,899**	**6,783**
of which: Cash and cash equivalents	6,585	6,437
of which: Unit-linked[2]	314	346
Other supplementary cash flow disclosures[3]		
Other interest income received	2,521	2,591
Dividend income received	603	659
Other interest expense paid	(287)	(270)
Income taxes paid	(867)	(633)

1 Includes USD 8 million as of June 30, 2024 and USD 80 million as of June 30, 2023 of cash and cash equivalents reclassified to assets held for sale, which has been recognized in net changes in other operational assets and liabilities (see note 3).
2 These amounts are included within 'Investments for unit-linked contracts' on the balance sheet.
3 These amounts are primarily included in the operating activities of the cash flow statement.

Cash and cash equivalents

in USD millions, as of June 30	2024	2023
Cash and cash equivalents comprise the following:		
Cash at bank and in hand	6,153	5,947
Cash equivalents	746	837
Total	**6,899**	**6,783**

For the periods ended June 30, 2024 and 2023, cash and cash equivalents held to meet local regulatory requirements were USD 363 million and USD 390 million, respectively.

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

Consolidated financial statements (continued)

Consolidated statements of changes in equity

in USD millions

	Share capital	Additional paid-in capital	Net unreal. gains/ (losses) on financial assets
Balance as of December 31, 2022 after the adoption of IFRS 17	11	1,158	(7,949)
Effect of adoption IFRS 9[1]	–	–	667
Effect of adoption IAS 29 and restatement under IFRIC 7[2]	–	–	–
Balance as of January 1, 2023 after the adoption of IFRS 9, IAS 29 and restatement under IFRIC 7	11	1,158	(7,282)
Issuance of share capital	–	–	–
Dividends to shareholders	–	–	–
Share-based payment transactions	–	64	–
Treasury share transactions	–	–	–
of which: share buy-back program	–	–	–
Cumulative foreign currency translation adj. hyperinflation	–	–	–
Total comprehensive income for the period, net of tax	–	–	819
Net income	–	–	–
Net unreal. gains/(losses) on financial assets	–	–	819
Change in discount rate for insurance/reinsurance contracts	–	–	–
Change in fair value of underlying items through OCI	–	–	–
Cumulative foreign currency translation adjustment	–	–	–
Revaluation reserve	–	–	–
Net actuarial gains/(losses) on pension plans	–	–	–
Net changes in capitalization of non-controlling interests	–	–	–
Balance as of June 30, 2023	10	1,222	(6,463)
Balance as of December 31, 2023 as previously reported	10	1,333	(4,307)
Issuance of share capital	–	–	–
Dividends to shareholders[3]	–	–	–
Share-based payment transactions	–	(62)	–
Treasury share transactions	–	–	–
of which: share buy-back program[4]	–	–	–
Cumulative foreign currency translation adj. hyperinflation	–	–	–
Total comprehensive income for the period, net of tax	–	–	(1,402)
Net income	–	–	–
Net unreal. gains/(losses) on financial assets	–	–	(1,402)
Change in discount rate for insurance/reinsurance contracts	–	–	–
Change in fair value of underlying items through OCI	–	–	–
Cumulative foreign currency translation adjustment	–	–	–
Revaluation reserve	–	–	–
Net actuarial gains/(losses) on pension plans	–	–	–
Net changes in capitalization of non-controlling interests	–	–	–
Balance as of June 30, 2024	**10**	**1,272**	**(5,709)**

1 Impacts to retained earnings include the impact of deferred tax revaluations of USD 6 million, and exclude the effect of USD 522 million related to the overlay approach applied in 2022 for presentation of the comparative period balances for certain financial assets backing direct participating insurance contracts.
2 Effect of adoption of IAS 29 'Financial Reporting in Hyperinflation Economies' and Restatement under IFRIC 7 in Turkey.
3 As approved by the Annual General Meeting of shareholders on April 10, 2024, the dividend of CHF 26 per share was paid out of retained earnings on April 16, 2024.
4 On February 22, 2024, it was announced that Zurich Insurance Group Ltd intends to repurchase up to CHF 1.1 billion of its registered shares under the public share buyback program. The program will run from June 17, 2024 until December 31, 2025 at the latest. As of June 30, 2024, 114,600 shares had been bought back.

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

Consolidated financial statements (continued)

Change in discount rate for insurance/ reinsurance contracts	Change in fair value of underlying items through OCI	Cumulative foreign currency translation adjustment	Revaluation reserves	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
5,270	2,041	(10,433)	272	35,313	25,683	1,247	26,930
–	262	–	–	(553)	377	–	376
–	–	226	–	(86)	139	–	139
5,270	2,303	(10,208)	272	34,674	26,199	1,247	27,446
–	–	–	–	–	–	–	–
–	–	–	–	(3,877)	(3,877)	(14)	(3,891)
–	–	–	–	(89)	(26)	–	(26)
–	–	–	–	(1,380)	(1,380)	–	(1,380)
–	–	–	–	(1,561)	(1,561)	–	(1,561)
–	–	215	–	5	219	17	236
114	(588)	(163)	(2)	2,527	2,707	243	2,949
–	–	–	–	2,492	2,492		
–	–	–	–	–	819		
114	–	–	–	–	114		
–	(588)	–	–	–	(588)		
–	–	(163)	–	–	(163)		
–	–	–	(2)	–	(2)		
–	–	–	–	35	35		
–	–	–	–	–	–	–	–
5,384	1,716	(10,156)	270	31,860	23,843	1,492	25,335
4,291	1,053	(10,616)	254	32,842	24,860	1,419	26,280
–	–	–	–	–	–	–	–
–	–	–	–	(4,156)	(4,156)	(88)	(4,244)
–	–	–	–	(1)	(62)	–	(62)
–	–	–	–	120	121	–	121
–	–	–	–	(62)	(62)	–	(62)
–	–	277	–	40	317	23	340
571	932	(320)	–	3,258	3,039	91	3,131
–	–	–	–	3,026	3,026		
–	–	–	–	–	(1,402)		
571	–	–	–	–	571		
–	932	–	–	–	932		
–	–	(320)	–	–	(320)		
–	–	–	–	–	–		
–	–	–	–	232	232		
–	–	–	–	–	–	–	–
4,862	**1,985**	**(10,659)**	**254**	**32,104**	**24,119**	**1,446**	**25,565**

Consolidated financial statements (continued)

Zurich Insurance Group Ltd and its subsidiaries (collectively the Group) is a provider of insurance products and related services. The Group operates in Europe, Middle East & Africa (EMEA), North America, Latin America and Asia Pacific through subsidiaries, as well as branch and representative offices.

Zurich Insurance Group Ltd, a Swiss corporation, is the holding company of the Group and its shares are listed on the SIX Swiss Exchange. Zurich Insurance Group Ltd was incorporated on April 26, 2000, in Zurich, Switzerland. It is recorded in the Commercial Register of the Canton of Zurich under its registered address at Mythenquai 2, 8002 Zurich.

1. Basis of presentation

General information

The unaudited consolidated financial statements for the six months ended June 30, 2024 of the Group have been prepared in accordance with IFRS Accounting Standards (IAS 34, 'Interim Financial Reporting'). The accounting policies used to prepare the unaudited consolidated financial statements comply with IFRS Accounting Standards and are consistent with those set out in the notes to the consolidated financial statements in the 2023 Annual Report of the Group, including the adoption and implementation of new accounting standards and amendments for the financial year beginning January 1, 2024 as set out in note 2.

The accounting policies applied by the reportable segments are the same as those applied by the Group. The Group accounts for intersegment revenues and transfers as if the transactions were with third parties at current market prices. Dividends and realized capital gains and losses, as well as gains and losses on the transfer of net assets, are eliminated within the segment, whereas all other intercompany gains and losses are eliminated at Group level. In the unaudited consolidated financial statements, intersegment revenues and transfers are eliminated.

The unaudited consolidated financial statements for the six months ended June 30, 2024 should be read in conjunction with the 2023 Annual Report of the Group, noting there have been no significant changes to the risk profile of the Group since its publication.

Certain amounts recorded in the unaudited consolidated financial statements reflect estimates and assumptions made by management about insurance and reinsurance contract assets and liabilities, investment valuations, interest rates and other factors.

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

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).

Effect of regulatory frameworks

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. In addition, the Group is subject to minimum capital requirements in Switzerland.

Hyperinflation and rates

The Group considers various factors to determine whether an economy in a country where a foreign operation is situated is hyperinflationary. Any material translation adjustments resulting from initial application of hyperinflationary accounting is recognized directly in equity.

Table 1.1 summarizes the principal exchange rates used for translation purposes. Net gains/(losses) on foreign currency transactions included in the unaudited consolidated income statements were USD (112) million and USD (99) million for the six months ended June 30, 2024 and the twelve months ended December 31, 2023, respectively.
Foreign currency exchange forward and swap gains/(losses) included in these amounts were USD 178 million and USD (226) million for the six months ended June 30, 2024 and the twelve months ended December 31, 2023, respectively.

Consolidated financial statements (continued)

Table 1.1

Principal exchange rates

USD per foreign currency unit	Consolidated balance sheets at end-of-period exchange rates		Consolidated income statements and cash flows at average exchange rates	
	06/30/2024	12/31/2023	**06/30/2024**	06/30/2023
Euro	1.0715	1.1053	1.0814	1.0806
Swiss franc	1.1128	1.1874	1.1255	1.0966
British pound	1.2638	1.2737	1.2650	1.2330
Brazilian real	0.1801	0.2059	0.1972	0.1971
Australian dollar	0.6673	0.6817	0.6585	0.6759
Japanese yen	0.0062	0.0071	0.0066	0.0074

Tables 1.2 and 1.3 summarize the closing discount rates used for the measurement of the Group's (re-)insurance contract assets and liabilities as of June 30, 2024 and December 31, 2023 by major currency:

Table 1.2

Discount rates by major currency – liquid products

as of	June 30, 2024				December 31, 2023			
	U.S. dollar	**Swiss franc**	**Euro**	**British pound**	U.S. dollar	Swiss franc	Euro	British pound
1 year	5.05%	1.00%	3.43%	4.89%	4.76%	1.17%	3.36%	4.73%
5 years	4.06%	0.86%	2.77%	3.96%	3.50%	1.05%	2.32%	3.35%
10 years	3.94%	0.98%	2.73%	3.86%	3.45%	1.16%	2.39%	3.28%
20 years	3.91%	1.30%	2.66%	3.99%	3.46%	1.49%	2.41%	3.43%
40 years	3.48%	1.69%	2.78%	3.75%	3.18%	1.86%	2.69%	3.16%

Table 1.3

Discount rates by major currency – more illiquid products

as of	June 30, 2024				December 31, 2023			
	U.S. dollar	**Swiss franc**	**Euro**	**British pound**	U.S. dollar	Swiss franc	Euro	British pound
1 year	5.44%	1.35%	3.59%	5.12%	5.23%	1.53%	3.55%	5.03%
5 years	4.45%	1.22%	2.93%	4.19%	3.97%	1.41%	2.51%	3.65%
10 years	4.33%	1.33%	2.89%	4.09%	3.92%	1.52%	2.58%	3.58%
20 years	4.30%	1.64%	2.82%	4.22%	3.93%	1.83%	2.60%	3.73%
40 years	3.84%	1.92%	2.89%	3.98%	3.60%	2.09%	2.82%	3.46%

Consolidated financial statements (continued)

2. New accounting standards and amendments to published accounting standards

Standards, amendments and interpretations effective or early adopted as of January 1, 2024 and relevant for the Group's operations

Table 2.1 shows new accounting standards or amendments to, and interpretations of, standards relevant to the Group that have been implemented for the financial year beginning January 1, 2024, with no impact on the Group's unaudited consolidated financial statements.

Table 2.1

Standard/Interpretation

		Effective date
Amended standards		
IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024
IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2024
IAS 1	Non-current Liabilities with Covenants	January 1, 2024
IAS 7/IFRS 7	Supplier Finance Arrangements	January 1, 2024

Standards, amendments and interpretations issued that are not yet effective or adopted by the Group

Table 2.2 shows new accounting standards or amendments to, and interpretations of, standards relevant to the Group, which are not yet effective or adopted by the Group. These standards, amendments and interpretations are not expected to have a material impact on the Group's financial position or performance.

Table 2.2

Standard/Interpretation

		Effective date
New standards/interpretations		
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amended standards		
IAS 21	Lack of Exchangeability	January 1, 2025
IFRS 9/IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026

Consolidated financial statements (continued)

3. Acquisitions and divestments

Transactions in 2024

Acquisitions

Kotak Mahindra General Insurance Company Limited

On November 2, 2023, the Group entered into a strategic alliance with Kotak Mahindra Bank Limited to acquire a majority stake in Kotak Mahindra General Insurance Company Limited. On June 18, 2024, after obtaining all the necessary approvals, the Group completed the acquisition of a 70% stake in Kotak Mahindra General Insurance Company Limited for a consideration of approximately 657 million, through a combination of capital injections and share purchases.

Table 3.1 shows the preliminary opening balance sheet as of the acquisition date, representing the fair value of tangible and intangible assets – note the net assets are currently included within Receivables and other assets.

Table 3.1

Kotak Mahindra General Insurance Company Limited balance sheet as of the acquisition date

in USD millions, as of June 18, 2024	**Total**
Group investments	283
Reinsurance contract assets	112
Receivables and other assets	40
Goodwill	391
Intangible assets	174
Assets acquired	**1,001**
Liabilities for insurance contracts	294
Other liabilities	59
Deferred tax liabilities	52
Liabilities acquired	**405**
Net assets acquired including non-controlling interests	596
Non-controlling interest	(114)
Capital injection	176
Net assets acquired	657
Cash consideration	**657**

AIG Travel

On June 26, 2024, the Group entered into an agreement to acquire AIG's global personal travel insurance and assistance business (AIG Travel) for USD 600 million, plus a potential additional earn-out payment. The AIG Travel business will be combined with the Group's travel insurance provider Cover-More Group (Cover-More). The transaction is subject to regulatory approvals and is expected to complete in the second half of 2024.

Divestments

Held for sale

As of June 30, 2024, the total assets and liabilities reclassified to held for sale were USD 3.6 billion and USD 3.6 billion, respectively, as per transactions below.

Zurich Chile Seguros de Vida S.A. annuity book

On May 8, 2023, Inversiones Suizo-Chilena S.A. entered into an agreement to sell the annuity book of Zurich Chile Seguros de Vida S.A of approximately USD 2.6 billion in reserves to Ohio National Seguros de Vida S.A., a Chilean life insurance company and indirect subsidiary of Constellation Insurance, Inc. The transaction is subject to regulatory approvals and is expected to complete in the second half of 2024. As of June 30, 2024, assets and liabilities reclassified to held for sale were USD 2.4 billion and USD 2.4 billion, respectively.

Spain Medical Malpractice portfolio

On December 9, 2021, Zurich Insurance Europe AG (ZIE) (formerly known as Zurich Insurance plc) entered into an agreement to sell its legacy medical malpractice portfolio in Spain to RiverStone Insurance UK Limited ('Spain Medical Malpractice portfolio'). The transaction is subject to regulatory approval and is expected to be completed in 2025. As of June 30, 2024, assets and liabilities reclassified to held for sale were USD 67 million and USD 75 million, respectively.

Consolidated financial statements (continued)

UK Employers' liability portfolio

On December 14, 2018, Zurich Insurance plc entered into an agreement with Catalina Holdings (Bermuda) Ltd and certain of its subsidiaries to transfer a portfolio of pre-2007 United Kingdom legacy employers' liability policies to Catalina Worthing Insurance Limited ('UK Employers' Liability portfolio'), subject to regulatory and court approvals. With effect from January 1, 2023, the UK Employers' Liability portfolio was transferred to Zurich Insurance Company Ltd, UK Branch, under a Part VII transfer together with the rights and obligations of Zurich Insurance plc under the agreement. The transfer to Catalina Worthing Insurance Limited is expected to be completed in 2025. As of June 30, 2024, assets and liabilities reclassified to held for sale were USD 1.2 billion and USD 1.2 billion, respectively.

Other

Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft life book

On June 24, 2022, Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft agreed to sell its legacy traditional life insurance back book in Germany to Viridium Holding AG (Viridium), a leading specialist in the management of life insurance portfolios (run-off) in Germany. In preparation of the transfer, the portfolio was spun-off in 2023 to Zurich Life Legacy Versicherung AG (Deutschland). In January 2024, the Group was informed that Viridium Group will not complete the purchase of Zurich Life Legacy Versicherung AG (Deutschland) in Germany as planned. The transaction would have included the transfer of approximately USD 20 billion of net reserves, mainly related to annuity and endowment products underwritten more than five years ago, so that the respective assets and liabilities were classified as held for sale as of December 31, 2023. As of June 30, 2024, the criteria for held for sale is no longer met; therefore, assets and liabilities previously held for sale were reclassified to the individual balance sheet line items.

Transactions in 2023

Acquisitions

Agency brokerage network acquisition

On December 28, 2023, Farmers Group, Inc., a wholly owned subsidiary of the Group, acquired three brokerage entities (Kraft Lake Insurance Agency Inc., Western Star Insurance Services, Inc. and Farmers General Insurance Agency, Inc.) from the Farmers Exchanges, along with the flood servicing business of the Farmers Exchanges, for USD 760 million. The acquisition included access to the distribution networks of the Farmers Exchanges via an agency access agreement as well as the rights to renewal commissions on existing business.

Table 3.2 shows the preliminary opening balance sheet line items as of the acquisition date, representing the fair value of tangible and intangible assets.

Table 3.2

Agency brokerage network balance sheet as of the acquisition date

in USD millions, as of December 28, 2023	**Total**
Cash and cash equivalents	26
Receivables and other assets[1]	159
Deferred tax assets	8
Goodwill	26
Other intangible assets	560
Assets acquired	**780**
Other liabilities	20
Liabilities acquired	**20**
Net assets acquired	760
Cash consideration	**760**

1 Includes an asset for contingent consideration with a fair value of USD 149 million.

Consolidated financial statements (continued)

4. Group investments

Group investments are those for which the Group bears part or all of the investment risk. They include investments related to insurance and investment contracts other than unit-linked insurance and investment contracts where the investment risk is borne by the holders of such contracts. Net investment result on Group investments includes returns on investment-related cash, which is included in cash and cash equivalents in the audited consolidated balance sheets.

Table 4.1

Net investment result on Group investments

in USD millions, for the six months ended June 30	Net investment income		Net capital gains/(losses) Change of ECL allowance		Net capital gains/(losses) Other net capital gains/(losses)		Net investment result	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Investment-related cash	25	18	–	–	–	–	25	18
Equity securities at fair value through profit or loss	211	195	–	–	1,102	745	1,313	940
Debt securities:								
Fair value through profit or loss[1]	166	176	–	–	(106)	66	60	242
Fair value through comprehensive income	2,048	1,879	(9)	(3)	(208)	(677)	1,831	1,199
Amortized cost	89	98	(3)	–	1	(3)	88	96
Total debt securities	2,303	2,153	(11)	(3)	(312)	(614)	1,979	1,536
Investment property[2]	246	256	–	–	(91)	(224)	155	32
Mortgage loans at amortized cost	47	52	–	(1)	–	(2)	46	50
Other financial assets at amortized cost	119	120	1	(2)	(2)	4	119	123
Investments in associates and joint ventures	1	–	–	–	–	–	1	–
Derivative financial instruments	(1)	–	–	–	(51)	9	(52)	9
Investment result on Group investments, gross	2,951	2,795	(11)	(5)	646	(82)	3,586	2,708
Investment expenses on Group investments	(89)	(98)	–	–	–	–	(89)	(98)
Foreign currency gains/(losses)	–	–	–	–	(112)	(41)	(112)	(41)
Investment result on Group investments, net	**2,862**	**2,698**	**(11)**	**(5)**	**534**	**(123)**	**3,385**	**2,569**

1 Net capital gains/(losses) related to debt securities designated at fair value through profit and loss amounted to USD (66) million and USD (7) million for the six months ended June 30, 2024 and 2023, respectively.
2 Rental operating expenses for investment property amounted to USD (71) million and USD (64) million for the six months ended June 30, 2024 and 2023, respectively.

Table 4.2

Details of Group investments by classification category[1]

as of	06/30/2024 USD millions	06/30/2024 % of total	12/31/2023 USD millions	12/31/2023 % of total
Equity securities at fair value through profit or loss	14,826	9.6	13,217	9.4
Debt securities:				
Fair value through profit or loss[2]	8,308	5.4	8,390	6.0
Fair value through comprehensive income	105,933	68.7	92,965	65.9
Amortized cost	4,486	2.9	4,568	3.2
Total debt securities	118,727	77.0	105,924	75.1
Investment property	12,630	8.2	13,684	9.7
Mortgage loans at amortized cost	4,222	2.7	4,324	3.1
Other financial assets at amortized cost	3,576	2.3	3,682	2.6
Investments in associates and joint ventures	136	0.1	135	0.1
Total Group investments	**154,116**	**100.0**	**140,966**	**100.0**

1 Table excludes USD 283 million related to the acquisition of Kotak Mahindra General Insurance Company Limited (please see note 3).
2 Includes debt securities designated at fair value through profit and loss of USD 3.7 billion and USD 3.9 billion as of June 30, 2024 and December 31, 2023, respectively.

Consolidated financial statements (continued)

Investments with a carrying value of USD 5.3 billion and USD 5.5 billion were held to meet local regulatory requirements as of June 30, 2024 and December 31, 2023, respectively.

Net changes on financial assets and (re-)insurance contracts included in other comprehensive income[1]

Table 4.3

in USD millions, as of	Total	
	06/30/2024	12/31/2023
Debt securities:		
Fair value through comprehensive income	(5,768)	(4,373)
ECL allowance on fair value through comprehensive income	89	81
Total debt securities	(5,679)	(4,292)
Other	(30)	(16)
Total net unrealized gains/(losses) on financial assets	(5,709)	(4,307)
Less other amounts recognized in other comprehensive income attributable to:		
Net change in discount rate for (re-)insurance contracts	4,862	4,291
Net change in fair value of underlying items through OCI	1,985	1,053
Total[2]	**1,138**	**1,037**

1 Changes in financial assets and (re-)insurance contracts included in other comprehensive income are presented net of tax and non-controlling interests.
2 Net unrealized gains/(losses) on financial assets include net losses recorded in the cash flow hedge reserve of USD (4) million and USD (21) million as of June 30, 2024 and December 31, 2023, respectively.

Repurchase agreements and reverse repurchase agreements

Table 4.4

in USD millions, as of	Total	
	06/30/2024	12/31/2023
Repurchase agreements		
Securities sold under repurchase agreements[1]	1,037	802
Obligations to repurchase securities	1,035	796
Reverse repurchase agreements		
Securities purchased under reverse repurchase agreements[2]	1,232	1,729
Receivables under reverse repurchase agreements	1,228	1,716

1 Non-cash collateral pledged on repurchase agreements amounted to USD 1,037 million and USD 802 million as of June 30, 2024 and December 31, 2023, respectively. The Group's counterparties had no rights to sell or repledge, in the absence of default, assets pledged as collateral as of June 30, 2024 and December 31, 2023. The majority of these assets were debt securities.
2 Non-cash collateral held on reverse repurchase agreements amounted to USD 1,232 million and USD 1,729 million as of June 30, 2024 and December 31, 2023, respectively. The Group had the right to sell or repledge, in the absence of default by its counterparties, securities received as collateral with a fair value of USD 269 million and USD 147 million as of June 30, 2024 and December 31, 2023, respectively.

Under the terms of securities lending or repurchase agreements, the Group retains substantially all the risks and rewards of ownership of the transferred securities, and also retains contractual rights to the cash flows from these securities. These securities are therefore not derecognized from the Group's balance sheet. Cash received as collateral is recorded as an asset, and a corresponding liability is established. Interest expense is charged to profit or loss using the effective interest rate method over the life of the agreement. Securities lending was nil in 2024 and 2023.

Under a reverse repurchase agreement, the securities received are not recognized on the balance sheet, as long as the risk and rewards of ownership have not been transferred to the Group. The cash delivered by the Group is derecognized and a corresponding receivable is recorded within Receivables and other assets. Interest income is recognized in profit or loss using the effective interest rate method over the life of the agreement.

Consolidated financial statements (continued)

5. Insurance and reinsurance contracts

Insurance and reinsurance contracts presented within this note include (re-)insurance contracts issued, including investment contracts with discretionary participation features, and reinsurance contracts held.

Portfolios of (re-)insurance contracts issued are presented separately from portfolios of reinsurance contracts held. Portfolios of (re-)insurance contracts issued are presented within insurance contract liabilities, unless such portfolios are in a net asset position, in which case they are reclassified and presented as insurance contract assets. Similarly, portfolios of reinsurance contracts held are presented within reinsurance contract assets, unless such portfolios are in a net liability position, in which case they are reclassified and presented as reinsurance contract liabilities.

Unless specifically indicated, the disclosures within this note exclude the impacts of hyperinflation and are presented separately for groups of (re-)insurance contracts issued and reinsurance contracts held depending on the measurement model applied:

- Simplified or premium allocation approach (PAA) – for short-term (re-)insurance contracts issued and reinsurance contracts held that are eligible for PAA;
- General model or building block approach (BBA) – for non-participating and indirect participating (re-)insurance contracts issued and reinsurance contracts held; and
- Variable fee approach (VFA) – for direct participating insurance contracts issued.

A summary of key financial figures for (re-)insurance contracts issued and reinsurance contracts held are shown in Table 5.1a by asset and liability positions and by measurement model applied:

Table 5.1a

Overview of insurance contracts issued and reinsurance contracts held

in USD millions, as of	06/30/2024				12/31/2023			
	Measured under PAA	Measured under BBA	Measured under VFA	Total	Measured under PAA	Measured under BBA	Measured under VFA	Total
Insurance contract assets	–	(643)	(10)	(653)	–	(571)	(9)	(580)
Insurance contract liabilities	65,032	26,864	139,838	231,734	65,694	27,672	123,596	216,962
Insurance contract (assets)/liabilities	**65,032**	**26,221**	**139,828**	**231,081**	**65,694**	**27,101**	**123,587**	**216,381**
Reinsurance contract assets	(13,553)	(7,908)	–	(21,461)	(13,903)	(8,039)	–	(21,942)
Reinsurance contract liabilities	–	435	–	435	–	504	–	504
Reinsurance contract (assets)/liabilities	**(13,553)**	**(7,473)**	**–**	**(21,026)**	**(13,903)**	**(7,535)**	**–**	**(21,438)**

For (re-)insurance contracts accounted for under PAA, the decrease of USD 311 million for the six months ended June 30, 2024 is driven primarily by a decrease of USD 891 million from movements in the liability for incurred claims, driven by impact from the effects of discounting resulting from yield curve changes and the net favorable reserve development from reserves established in prior years amounting to USD 366 million, mainly related to the release of the risk adjustment and underlying favorable run-off. This is offset by an increase in the liability for remaining coverage of USD 544 million.

For insurance contracts accounted for under BBA, the decrease of USD 880 million for the six months ended June 30, 2024 is driven primarily by the USD 612 million released to the insurance service result for services provided during the period and USD 510 million decrease due to foreign currency movements, partially offset by the USD 369 million increase from net cash inflows.

For insurance contracts accounted for under VFA, the increase of USD 16.2 billion for the six months ended June 30, 2024 was mainly due to the USD 19.8 billion reversal of the amounts previously held for sale of the legacy traditional life insurance back book of Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft as well as USD 4.9 billion following the positive performance of underlying assets. This is partially offset by a USD 6.1 billion decrease due to foreign currency movements.

For reinsurance contracts accounted for under BBA, the decrease of USD 62 million for the six months ended June 30, 2024 was primarily driven by the USD 174 million released to the reinsurance service result for services received during the period and USD 43 million decrease due to foreign currency movement. This is partially offset by the USD 140 million increase from finance expenses and USD 27 million of net cash outflows.

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Overview of CSM

Table 5.1b

in USD millions, as of	06/30/2024			12/31/2023		
	Measured under BBA	**Measured under VFA**	**Total**	Measured under BBA	Measured under VFA	Total
CSM included in insurance contract assets	594	32	626	590	39	629
CSM included in insurance contract liabilities	6,466	9,331	15,798	6,825	9,283	16,108
CSM included in insurance contract (assets)/ liabilities	**7,060**	**9,364**	**16,424**	**7,415**	**9,322**	**16,737**
CSM included in reinsurance contract assets	(2,559)	–	(2,559)	(2,802)	–	(2,802)
CSM included in reinsurance contract liabilities	(1,317)	–	(1,317)	(1,428)	–	(1,428)
CSM included in reinsurance contract (assets)/ liabilities	**(3,876)**	**–**	**(3,876)**	**(4,230)**	**–**	**(4,230)**

Consolidated financial statements (continued)

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Consolidated financial statements (continued)

Reconciliation of insurance contracts issued, measured under PAA – current period[1]

Table 5.2a

in USD millions	Liability for remaining coverage: Excluding loss component	Liability for remaining coverage: Loss component	Liability for incurred claims: Estimate of the present value of future cash flows	Liability for incurred claims: Risk adjustment	Assets for insurance acquisition cash flows	Total
Insurance contract liabilities, as of January 1, 2024	9,595	259	55,176	1,310	(645)	65,694
Insurance contract assets, as of January 1, 2024	–	–	–	–	–	–
Net insurance contracts as of January 1, 2024	9,595	259	55,176	1,310	(645)	65,694
Insurance revenue	(23,588)	–	–	–	–	(23,588)
Insurance service expenses						
Incurred claims and other incurred insurance service expenses	–	–	16,643	254	–	16,897
Amortization of insurance acquisition cash flows	3,579	–	–	–	–	3,579
Changes that relate to past service	–	–	(463)	(264)	–	(728)
Losses and reversal of losses on onerous contracts	–	23	–	–	–	23
Impairment and reversal of impairment of assets for insurance acquisition cash flows	–	–	–	–	(6)	(6)
Insurance service expenses	3,579	23	16,180	(10)	(6)	19,765
Total gross insurance service result	(20,009)	23	16,180	(10)	(6)	(3,823)
Cash in/(out)flows in the period						
Premiums received	24,799	–	–	–	–	24,799
Insurance acquisition cash flows	(3,932)	–	–	–	(219)	(4,151)
Claims and other insurance service expenses paid, including investment components	–	–	(16,711)	–	–	(16,711)
Net cash inflows/(outflows)	20,867	–	(16,711)	–	(219)	3,936
Allocation from assets for insurance acquisition cash flows to insurance contracts	(224)	–	–	–	224	–
Investment components	(193)	–	193	–	–	–
Insurance finance (income)/expense recognized in P&L	65	–	735	17	–	818
Insurance finance (income)/expense recognized in OCI	–	–	(427)	(10)	–	(437)
Acquisitions/(divestments) and transfers	–	–	41	–	–	42
Foreign currency translation effects	(261)	(9)	(998)	(23)	49	(1,242)
Other changes	(13)	–	55	2	1	46
Total changes not related to provision of insurance service	(627)	(9)	(400)	(14)	274	(775)
Insurance contract liabilities, as of June 30, 2024	9,826	273	54,244	1,286	(596)	65,032
Insurance contract assets, as of June 30, 2024	–	–	–	–	–	–
Net insurance contracts as of June 30, 2024	**9,826**	**273**	**54,244**	**1,286**	**(596)**	**65,032**

1 Table excludes USD 294 million related to the acquisition of Kotak Mahindra General Insurance Company Limited (please see note 3).

Consolidated financial statements (continued)

Reconciliation of insurance contracts issued, measured under PAA – prior period

Table 5.2b

in USD millions	Liability for remaining coverage		Liability for incurred claims			
	Excluding loss component	Loss component	Estimate of the present value of future cash flows	Risk adjustment	Assets for insurance acquisition cash flows	Total
Insurance contract liabilities, as of January 1, 2023	8,658	334	51,890	1,453	(542)	61,793
Insurance contract assets, as of January 1, 2023	–	–	–	–	–	–
Net insurance contracts as of January 1, 2023	8,658	334	51,890	1,453	(542)	61,793
Insurance revenue	(45,950)	–	–	–	–	(45,950)
Insurance service expenses						
Incurred claims and other incurred insurance service expenses	–	–	33,357	398	–	33,755
Amortization of insurance acquisition cash flows	6,703	–	–	–	–	6,703
Changes that relate to past service	–	–	(36)	(635)	–	(671)
Losses and reversal of losses on onerous contracts	–	(89)	–	–	–	(89)
Impairment and reversal of impairment of assets for insurance acquisition cash flows	–	–	–	–	(19)	(19)
Insurance service expenses	6,703	(89)	33,321	(237)	(19)	39,679
Total gross insurance service result	(39,247)	(89)	33,321	(237)	(19)	(6,272)
Cash in/(out)flows in the period						
Premiums received	47,593	–	–	–	–	47,593
Insurance acquisition cash flows	(7,086)	–	–	–	(326)	(7,412)
Claims and other insurance service expenses paid, including investment components	–	–	(33,636)	–	–	(33,636)
Net cash inflows/(outflows)	40,507	–	(33,636)	–	(326)	6,545
Allocation from assets for insurance acquisition cash flows to insurance contracts	(288)	–	–	–	288	–
Investment components	(324)	–	324	–	–	–
Insurance finance (income)/expense recognized in P&L	92	–	1,138	29	–	1,258
Insurance finance (income)/expense recognized in OCI	–	–	1,318	44	–	1,362
Acquisitions/(divestments) and transfers	1	–	27	–	–	28
Foreign currency translation effects	254	13	1,045	22	(45)	1,288
Other changes[1]	(60)	1	(250)	(1)	–	(309)
Total changes not related to provision of insurance service	(324)	14	3,601	94	243	3,627
Insurance contract liabilities, as of December 31, 2023	9,595	259	55,176	1,310	(645)	65,694
Insurance contract assets, as of December 31, 2023	–	–	–	–	–	–
Net insurance contracts as of December 31, 2023	**9,595**	**259**	**55,176**	**1,310**	**(645)**	**65,694**

1 Other changes mainly driven by non-recurring IFRS 9 balance sheet transition adjustments, hyperinflation adjustments and U.S. reclassification of deductible receivables to insurance contract liabilities.

Consolidated financial statements (continued)

Reconciliation of reinsurance contracts held, measured under PAA – current period[1]

Table 5.3a

in USD millions	Assets for remaining coverage		Assets for incurred claims		
	Excluding loss-recovery component	Loss-recovery component	Estimate of the present value of the future cash flows	Risk adjustment	Total
Reinsurance contract assets, as of January 1, 2024	1,749	12	11,868	275	13,903
Reinsurance contract liabilities, as of January 1, 2024	–	–	–	–	–
Net reinsurance contracts as of January 1, 2024	1,749	12	11,868	275	13,903
Reinsurance premiums	(4,072)	–	–	–	(4,072)
Amounts recovered from reinsurance					
Recoveries of incurred claims and other insurance service expenses	–	–	2,649	49	2,698
Changes to recoveries of incurred claims that relate to past service	–	–	(289)	(73)	(362)
Changes that relate to onerous underlying contracts	–	28	–	–	28
Changes that relate to future services	14	–	–	–	14
Amounts recovered from reinsurance	14	28	2,360	(24)	2,378
Total reinsurance service result	(4,058)	28	2,360	(24)	(1,693)
Cash (in)/outflows in the period					
Reinsurance premiums paid	3,740	–	–	–	3,740
Amounts received under reinsurance contracts held, including investment components	–	–	(2,455)	–	(2,455)
Net cash (inflows)/outflows	3,740	–	(2,455)	–	1,285
Reinsurance investment components	(1)	–	1	–	–
Effect of changes in the risk of non-performance of reinsurers	–	–	2	–	2
Reinsurance finance income/(expense) recognized in P&L	24	–	180	4	209
Reinsurance finance income/(expense) recognized in OCI	–	–	(68)	(1)	(70)
Acquisitions/(divestments) and transfers	9	–	33	–	42
Foreign currency translation effects	(30)	–	(91)	(2)	(124)
Other changes	3	–	(4)	–	(2)
Total changes not related to provision of reinsurance services	5	–	53	1	58
Reinsurance contract assets, as of June 30, 2024	1,436	39	11,825	252	13,553
Reinsurance contract liabilities, as of June 30, 2024	–	–	–	–	–
Net reinsurance contracts as of June 30, 2024	**1,436**	**39**	**11,825**	**252**	**13,553**

1 Table excludes USD 112 million related to the acquisition of Kotak Mahindra General Insurance Company Limited (please see note 3).

Consolidated financial statements (continued)

Reconciliation of reinsurance contracts held, measured under PAA – prior period

Table 5.3b

in USD millions	Assets for remaining coverage		Assets for incurred claims		
	Excluding loss-recovery component	Loss-recovery component	Estimate of the present value of the future cash flows	Risk adjustment	Total
Reinsurance contract assets, as of January 1, 2023	1,773	16	10,909	290	12,988
Reinsurance contract liabilities, as of January 1, 2023	–	–	–	–	–
Net reinsurance contracts as of January 1, 2023	1,773	16	10,909	290	12,988
Reinsurance premiums	(7,886)	–	–	–	(7,886)
Amounts recovered from reinsurance					
Recoveries of incurred claims and other insurance service expenses	–	–	5,120	96	5,216
Changes to recoveries of incurred claims that relate to past service	–	–	110	(127)	(17)
Changes that relate to onerous underlying contracts	–	(5)	–	–	(5)
Changes that relate to future services	1	–	–	–	1
Amounts recovered from reinsurance	1	(5)	5,231	(31)	5,196
Total reinsurance service result	(7,885)	(5)	5,231	(31)	(2,690)
Cash (in)/outflows in the period					
Reinsurance premiums paid	7,740	–	–	–	7,740
Amounts received under reinsurance contracts held, including investment components	–	–	(4,946)	–	(4,946)
Net cash (inflows)/outflows	7,740	–	(4,946)	–	2,794
Reinsurance finance income/(expense) recognized in P&L	51	–	282	7	340
Reinsurance finance income/(expense) recognized in OCI	5	–	247	9	260
Acquisitions/(divestments) and transfers	3	–	12	–	15
Foreign currency translation effects	43	–	134	2	178
Other changes	19	–	(1)	(1)	17
Total changes not related to provision of reinsurance services	121	–	674	16	811
Reinsurance contract assets, as of December 31, 2023	1,749	12	11,868	275	13,903
Reinsurance contract liabilities, as of December 31, 2023	–	–	–	–	–
Net reinsurance contracts as of December 31, 2023	**1,749**	**12**	**11,868**	**275**	**13,903**

Consolidated financial statements (continued)

Reconciliation of insurance contracts issued, measured under BBA – current period

Table 5.4a

in USD millions	Liability for remaining coverage – Excluding loss component	Liability for remaining coverage – Loss component	Liability for incurred claims	Assets for insurance acquisition cash flows	Total
Insurance contract liabilities, as of January 1, 2024	21,278	1,491	4,908	(5)	27,672
Insurance contract assets, as of January 1, 2024	(411)	3	634	(797)	(571)
Net insurance contracts, as of January 1, 2024	20,867	1,494	5,542	(802)	27,101
Insurance revenue					
Insurance revenue	(3,212)	–	–	–	(3,212)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	–	–	2,222	–	2,222
Amortization of insurance acquisition cash flows	319	–	–	–	319
Changes that relate to past services	–	–	35	–	35
Losses on onerous contracts and reversal of those losses	–	24	–	–	24
Impairment and reversal of impairment of assets for insurance acquisition cash flows	–	–	–	–	–
Insurance service expenses	319	24	2,257	–	2,600
Total gross insurance service result	(2,893)	24	2,257	–	(612)
Cash in/(out)flows in the period					
Premiums received	4,291	–	–	–	4,291
Insurance acquisition cash flows	(472)	–	–	(64)	(537)
Claims and other insurance service expenses paid, including investment components	9	–	(3,394)	–	(3,385)
Net cash inflows/(outflows)	3,827	–	(3,394)	(64)	369
Allocation from assets for insurance acquisition cash flows	(43)	–	–	43	–
Investment components	(1,175)	–	1,175	–	–
Insurance finance (income)/expenses recognized in P&L	346	34	5	–	386
Insurance finance (income)/expenses recognized in OCI	(514)	–	(21)	–	(535)
Acquisitions/(divestments) and transfers	70	–	–	–	70
Foreign currency translation effects	(401)	(51)	(75)	17	(510)
Other changes	(19)	–	(28)	–	(47)
Total changes not related to provision of insurance services	(1,735)	(16)	1,055	60	(636)
Insurance contract liabilities, as of June 30, 2024	20,662	1,448	5,180	(425)	26,864
Insurance contract assets, as of June 30, 2024	(595)	54	280	(381)	(643)
Net insurance contracts, as of June 30, 2024	**20,066**	**1,501**	**5,460**	**(806)**	**26,221**

Consolidated financial statements (continued)

Reconciliation of insurance contracts issued, measured under BBA – prior period

Table 5.4b

in USD millions	Liability for remaining coverage – Excluding loss component	Liability for remaining coverage – Loss component	Liability for incurred claims	Assets for insurance acquisition cash flows	Total
Insurance contract liabilities, as of January 1, 2023	22,577	1,780	4,652	(2)	29,007
Insurance contract assets, as of January 1, 2023	(489)	2	586	(766)	(668)
Net insurance contracts, as of January 1, 2023	22,088	1,782	5,237	(768)	28,339
Insurance revenue					
Insurance revenue	(6,360)	–	–	–	(6,360)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	–	–	4,477	–	4,477
Amortization of insurance acquisition cash flows	629	–	–	–	629
Changes that relate to past services	–	–	166	–	166
Losses on onerous contracts and reversal of those losses	–	(205)	–	–	(205)
Impairment and reversal of impairment of assets for insurance acquisition cash flows	–	–	–	1	1
Insurance service expenses	629	(205)	4,643	1	5,067
Total gross insurance service result	(5,732)	(205)	4,643	1	(1,293)
Cash in/(out)flows in the period					
Premiums received	9,193	–	–	–	9,193
Insurance acquisition cash flows	(882)	–	–	(137)	(1,018)
Claims and other insurance service expenses paid, including investment components	13	–	(7,433)	–	(7,420)
Net cash inflows/(outflows)	8,325	–	(7,433)	(137)	755
Allocation from assets for insurance acquisition cash flows	(106)	–	–	106	–
Investment components	(2,901)	–	2,901	–	–
Insurance finance (income)/expenses recognized in P&L	634	66	91	–	791
Insurance finance (income)/expenses recognized in OCI	523	–	5	–	529
Acquisitions/(divestments) and transfers[1]	(2,463)	(164)	–	–	(2,626)
Foreign currency translation effects	462	7	99	(3)	566
Other changes	35	7	(2)	–	40
Total changes not related to provision of insurance services	(3,814)	(84)	3,094	103	(700)
Insurance contract liabilities, as of December 31, 2023	21,278	1,491	4,908	(5)	27,672
Insurance contract assets, as of December 31, 2023	(411)	3	634	(797)	(571)
Net insurance contracts, as of December 31, 2023	**20,867**	**1,494**	**5,542**	**(802)**	**27,101**

1 In 2023, the decrease related to an agreement entered into by Inversiones Suizo-Chilena S.A. to sell the annuity book of Zurich Chile Seguros de Vida S.A. (see note 3).

Consolidated financial statements (continued)

Reconciliation of measurement components of insurance contracts issued, measured under BBA – current period

Table 5.5a

in USD millions	Present value of future cash flows	Risk adjustment	Contractual service margin	Total
Insurance contract liabilities, as of January 1, 2024	19,014	1,833	6,825	27,672
Insurance contract assets, as of January 1, 2024	(1,339)	178	590	(571)
Net insurance contracts, as of January 1, 2024	17,675	2,011	7,415	27,101
Changes that relate to future services				
Changes in estimates that adjust the CSM	108	(3)	(106)	–
Changes in estimates that result in onerous contract losses or reversal of losses	76	(11)	–	65
Contracts initially recognized in the period	(570)	117	462	10
Changes that relate to current services				
CSM recognized for the services provided	–	–	(574)	(574)
Risk adjustment recognized for the risk expired	–	(87)	–	(87)
Experience adjustments	(61)	–	–	(61)
Changes that relate to past services				
Changes in fulfilment cash flows relating to incurred claims	51	(16)	–	35
Changes related to provision of insurance services	(395)	1	(218)	(612)
Cash in/(out)flows in the period				
Premiums received	4,291	–	–	4,291
Insurance acquisition cash flows	(537)	–	–	(537)
Claims and other insurance service expenses paid, including investment components	(3,385)	–	–	(3,385)
Net cash inflows/(outflows)	369	–	–	369
Insurance finance (income)/expenses	(194)	(34)	78	(149)
Foreign currency translation effects	(198)	(106)	(206)	(510)
Other changes	32	1	(9)	23
Total changes not related to provision of insurance services	(360)	(139)	(137)	(636)
Insurance contract liabilities, as of June 30, 2024	18,753	1,644	6,466	26,864
Insurance contract assets, as of June 30, 2024	(1,465)	229	594	(643)
Net insurance contracts, as of June 30, 2024	**17,288**	**1,873**	**7,060**	**26,221**

Consolidated financial statements (continued)

Reconciliation of measurement components of insurance contracts issued, measured under BBA – prior period

Table 5.5b

in USD millions	Present value of future cash flows	Risk adjustment	Contractual service margin	Total
Insurance contract liabilities, as of January 1, 2023	21,268	1,964	5,775	29,007
Insurance contract assets, as of January 1, 2023	(1,401)	163	571	(668)
Net insurance contracts, as of January 1, 2023	19,867	2,127	6,346	28,339
Changes that relate to future services				
Changes in estimates that adjust the CSM	(593)	(31)	625	–
Changes in estimates that result in onerous contract losses or reversal of losses	105	(236)	–	(131)
Contracts initially recognized in the period	(1,601)	294	1,319	12
Changes that relate to current services				
CSM recognized for the services provided	–	–	(1,071)	(1,071)
Risk adjustment recognized for the risk expired	–	(179)	–	(179)
Experience adjustments	(89)	–	–	(89)
Changes that relate to past services				
Changes in fulfilment cash flows relating to incurred claims	198	(32)	–	166
Changes related to provision of insurance services	(1,982)	(184)	873	(1,293)
Cash in/(out)flows in the period				
Premiums received	9,193	–	–	9,193
Insurance acquisition cash flows	(1,018)	–	–	(1,018)
Claims and other insurance service expenses paid, including investment components	(7,420)	–	–	(7,420)
Net cash inflows/(outflows)	755	–	–	755
Insurance finance (income)/expenses	1,079	126	115	1,319
Foreign currency translation effects	496	(25)	96	566
Other changes[1]	(2,540)	(32)	(14)	(2,586)
Total changes not related to provision of insurance services	(966)	68	197	(700)
Insurance contract liabilities, as of December 31, 2023	19,014	1,833	6,825	27,672
Insurance contract assets, as of December 31, 2023	(1,339)	178	590	(571)
Net insurance contracts, as of December 31, 2023	**17,675**	**2,011**	**7,415**	**27,101**

1 In 2023, the decrease mainly related to an agreement entered into by Inversiones Suizo-Chilena S.A. to sell the annuity book of Zurich Chile Seguros de Vida S.A. (see note 3).

Consolidated financial statements (continued)

Reconciliation of insurance contracts issued, measured under VFA – current period

Table 5.6a

in USD millions	Liability for remaining coverage			
	Excluding loss component	Loss component	Liability for incurred claims	Total
Insurance contract liabilities, as of January 1, 2024	122,167	106	1,324	123,596
Insurance contract assets, as of January 1, 2024	(9)	–	–	(9)
Net insurance contracts, as of January 1, 2024	122,157	106	1,324	123,587
Insurance revenue				
Insurance revenue	(1,932)	–	–	(1,932)
Insurance service expenses				
Incurred claims and other incurred insurance service expenses	–	–	1,102	1,102
Amortization of insurance acquisition cash flows	270	–	–	270
Changes that relate to past services	–	–	9	9
Losses on onerous contracts and reversal of those losses	–	(8)	–	(8)
Insurance service expenses	270	(8)	1,111	1,373
Total gross insurance service result	(1,662)	(8)	1,111	(559)
Cash in/(out)flows in the period				
Premiums received	5,987	–	–	5,987
Insurance acquisition cash flows	(258)	–	–	(258)
Claims and other insurance service expenses paid, including investment components	(1)	–	(7,590)	(7,591)
Net cash inflows/(outflows)	5,728	–	(7,590)	(1,862)
Investment components	(6,162)	–	6,162	–
Insurance finance (income)/expenses recognized in P&L	5,798	5	(17)	5,786
Insurance finance (income)/expenses recognized in OCI	(871)	–	–	(871)
Acquisitions/(divestments) and transfers[1]	19,898	–	(101)	19,798
Foreign currency translation effects	(6,026)	(1)	(26)	(6,054)
Other changes	155	(3)	(148)	3
Total changes not related to provision of insurance services	12,791	1	5,870	18,662
Insurance contract liabilities, as of June 30, 2024	139,024	99	715	139,838
Insurance contract assets, as of June 30, 2024	(10)	–	–	(10)
Net insurance contracts, as of June 30, 2024	**139,014**	**99**	**715**	**139,828**

1 In 2024, the increase mainly related to the reversal of the amounts previously held for sale regarding the legacy traditional life insurance book of Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft (see note 3).

Consolidated financial statements (continued)

Reconciliation of insurance contracts issued, measured under VFA – prior period

Table 5.6b

in USD millions	Liability for remaining coverage – Excluding loss component	Liability for remaining coverage – Loss component	Liability for incurred claims	Total
Insurance contract liabilities, as of January 1, 2023	111,688	107	1,215	113,011
Insurance contract assets, as of January 1, 2023	(8)	–	–	(8)
Net insurance contracts, as of January 1, 2023	111,680	107	1,215	113,002
Insurance revenue				
Insurance revenue	(3,766)	–	–	(3,766)
Insurance service expenses				
Incurred claims and other incurred insurance service expenses	–	–	2,152	2,152
Amortization of insurance acquisition cash flows	556	–	–	556
Changes that relate to past services	–	–	(30)	(30)
Losses on onerous contracts and reversal of those losses	–	(12)	–	(12)
Insurance service expenses	556	(12)	2,123	2,667
Total gross insurance service result	(3,210)	(12)	2,123	(1,099)
Cash in/(out)flows in the period				
Premiums received	11,191	–	–	11,191
Insurance acquisition cash flows	(505)	–	–	(505)
Claims and other insurance service expenses paid, including investment components	(33)	–	(15,958)	(15,991)
Net cash inflows/(outflows)	10,654	–	(15,958)	(5,305)
Investment components	(13,910)	–	13,910	–
Insurance finance (income)/expenses recognized in P&L	9,320	11	7	9,337
Insurance finance (income)/expenses recognized in OCI	2,362	–	–	2,362
Acquisitions/(divestments) and transfers	374	–	(14)	360
Foreign currency translation effects	5,102	–	28	5,130
Other changes	(214)	–	13	(201)
Total changes not related to provision of insurance services	3,034	11	13,944	16,989
Insurance contract liabilities, as of December 31, 2023	122,167	106	1,324	123,596
Insurance contract assets, as of December 31, 2023	(9)	–	–	(9)
Net insurance contracts, as of December 31, 2023	**122,157**	**106**	**1,324**	**123,587**

Consolidated financial statements (continued)

Reconciliation of measurement components of insurance contracts issued, measured under VFA – current period

Table 5.7a

in USD millions	Present value of future cash flows	Risk adjustment	Contractual service margin	Total
Insurance contract liabilities, as of January 1, 2024	113,624	689	9,283	123,596
Insurance contract assets, as of January 1, 2024	(49)	1	39	(9)
Net insurance contracts, as of January 1, 2024	113,575	690	9,322	123,587
Changes that relate to future services				
Changes in estimates that adjust the CSM	(509)	4	505	–
Changes in estimates that result in onerous contract losses or reversal of losses	(2)	(1)	–	(3)
Contracts initially recognized in the period	(194)	17	178	1
Changes that relate to current services				
CSM recognized for the services provided	–	–	(400)	(400)
Risk adjustment recognized for the risk expired	–	(27)	–	(27)
Experience adjustments	(138)	–	–	(138)
Changes that relate to past services				
Changes in fulfilment cash flows relating to incurred claims	9	–	–	9
Changes related to provision of insurance services	(834)	(8)	283	(559)
Cash in/(out)flows in the period				
Premiums received	5,987	–	–	5,987
Insurance acquisition cash flows	(258)	–	–	(258)
Claims and other insurance service expenses paid, including investment components	(7,591)	–	–	(7,591)
Net cash inflows/(outflows)	(1,862)	–	–	(1,862)
Insurance finance (income)/expenses	4,905	10	–	4,915
Foreign currency translation effects	(5,612)	(29)	(413)	(6,054)
Other changes[1]	19,542	88	171	19,801
Total changes not related to provision of insurance services	18,834	69	(242)	18,662
Insurance contract liabilities, as of June 30, 2024	129,756	750	9,331	139,838
Insurance contract assets, as of June 30, 2024	(43)	1	32	(10)
Net insurance contracts, as of June 30, 2024	**129,713**	**751**	**9,364**	**139,828**

1 In 2024, the increase mainly related to the reversal of the amounts previously held for sale regarding the legacy traditional life insurance book of Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft (see note 3).

Consolidated financial statements (continued)

Reconciliation of measurement components of insurance contracts issued, measured under VFA – prior period

Table 5.7b

in USD millions	Present value of future cash flows	Risk adjustment	Contractual service margin	Total
Insurance contract liabilities, as of January 1, 2023	103,755	517	8,739	113,011
Insurance contract assets, as of January 1, 2023	(42)	1	32	(8)
Net insurance contracts, as of January 1, 2023	103,713	518	8,771	113,002
Changes that relate to future services				
Changes in estimates that adjust the CSM	(553)	119	434	–
Changes in estimates that result in onerous contract losses or reversal of losses	(7)	2	–	(5)
Contracts initially recognized in the period	(342)	23	324	5
Changes that relate to current services				
CSM recognized for the services provided	–	–	(824)	(824)
Risk adjustment recognized for the risk expired	–	(43)	–	(43)
Experience adjustments	(203)	–	–	(203)
Changes that relate to past services				
Changes in fulfilment cash flows relating to incurred claims	(29)	–	–	(30)
Changes related to provision of insurance services	(1,134)	101	(66)	(1,099)
Cash in/(out)flows in the period				
Premiums received	11,191	–	–	11,191
Insurance acquisition cash flows	(505)	–	–	(505)
Claims and other insurance service expenses paid, including investment components	(15,991)	–	–	(15,991)
Net cash inflows/(outflows)	(5,305)	–	–	(5,305)
Insurance finance (income)/expenses	11,682	17	–	11,699
Foreign currency translation effects	4,517	40	574	5,130
Other changes	102	14	43	159
Total changes not related to provision of insurance services	16,301	71	617	16,989
Insurance contract liabilities, as of December 31, 2023	113,624	689	9,283	123,596
Insurance contract assets, as of December 31, 2023	(49)	1	39	(9)
Net insurance contracts, as of December 31, 2023	**113,575**	**690**	**9,322**	**123,587**

Consolidated financial statements (continued)

Reconciliation of reinsurance contracts held, measured under BBA – current period

Table 5.8a

in USD millions	Assets for remaining coverage: Excluding loss-recovery component	Assets for remaining coverage: Loss-recovery component	Assets for incurred claims	Total
Reinsurance contract assets, as of January 1, 2024	6,112	174	1,753	8,039
Reinsurance contract liabilities, as of January 1, 2024	(650)	–	146	(504)
Net reinsurance contracts, as of January 1, 2024	5,462	174	1,899	7,535
Reinsurance premiums	(870)	–	–	(870)
Amounts recovered from reinsurance				
Recoveries of incurred claims and other insurance service expense	6	–	662	668
Changes to recoveries of incurred claims that relate to past services	–	–	(9)	(9)
Changes that relate to onerous underlying contracts	–	37	–	37
Amounts recovered from reinsurance	6	37	652	696
Total reinsurance service result	(864)	37	652	(174)
Cash (in)/outflows in the period				
Reinsurance premiums paid	949	–	–	949
Amounts received under reinsurance contracts held, including investment components	(51)	–	(870)	(921)
Net cash (inflows)/outflows	898	–	(870)	27
Reinsurance investment components	(302)	–	302	–
Effect of changes in the risk of non-performance of reinsurers	2	–	–	2
Reinsurance finance income/(expenses) recognized in P&L	98	4	1	102
Reinsurance finance income/(expenses) recognized in OCI	38	–	(1)	38
Acquisitions/(divestments) and transfers	(2)	–	–	(2)
Foreign currency translation effects	(24)	(3)	(16)	(43)
Other changes	32	–	(44)	(12)
Total changes not related to reinsurance services received	(158)	1	242	85
Reinsurance contract assets, as of June 30, 2024	5,926	212	1,770	7,908
Reinsurance contract liabilities, as of June 30, 2024	(588)	–	153	(435)
Net reinsurance contracts, as of June 30, 2024	**5,338**	**212**	**1,923**	**7,473**

Consolidated financial statements (continued)

Reconciliation of reinsurance contracts held, measured under BBA – prior period

Table 5.8b

in USD millions	Assets for remaining coverage: Excluding loss-recovery component	Assets for remaining coverage: Loss-recovery component	Assets for incurred claims	Total
Reinsurance contract assets, as of January 1, 2023	5,158	171	1,561	6,890
Reinsurance contract liabilities, as of January 1, 2023	(436)	–	70	(367)
Net reinsurance contracts, as of January 1, 2023	4,722	171	1,631	6,524
Reinsurance premiums	(1,349)	–	–	(1,349)
Amounts recovered from reinsurance				
Recoveries of incurred claims and other insurance service expense	3	–	1,039	1,042
Changes to recoveries of incurred claims that relate to past services	–	–	21	21
Changes that relate to onerous underlying contracts	–	(4)	–	(4)
Amounts recovered from reinsurance	3	(4)	1,060	1,059
Total reinsurance service result	(1,347)	(4)	1,060	(291)
Cash (in)/outflows in the period				
Reinsurance premiums paid	2,412	–	–	2,412
Amounts received under reinsurance contracts held, including investment components	5	–	(1,382)	(1,378)
Net cash (inflows)/outflows	2,417	–	(1,382)	1,035
Reinsurance investment components	(458)	–	458	–
Effect of changes in the risk of non-performance of reinsurers	5	–	(4)	1
Reinsurance finance income/(expenses) recognized in P&L	125	5	8	138
Reinsurance finance income/(expenses) recognized in OCI	(19)	–	–	(19)
Acquisitions/(divestments) and transfers	(6)	–	–	(6)
Foreign currency translation effects	27	2	11	40
Other changes	(5)	–	118	114
Total changes not related to reinsurance services received	(331)	7	591	267
Reinsurance contract assets, as of December 31, 2023	6,112	174	1,753	8,039
Reinsurance contract liabilities, as of December 31, 2023	(650)	–	146	(504)
Net reinsurance contracts, as of December 31, 2023	**5,462**	**174**	**1,899**	**7,535**

Consolidated financial statements (continued)

Reconciliation of measurement components of reinsurance contracts held, measured under BBA – current period

Table 5.9a

in USD millions	Estimate of the present value of the future cash flows	Risk adjustment	Contractual service margin	Total
Reinsurance contract assets, as of January 1, 2024	4,803	434	2,802	8,039
Reinsurance contract liabilities, as of January 1, 2024	(2,334)	402	1,428	(504)
Net reinsurance contracts, as of January 1, 2024	2,469	836	4,230	7,535
Changes that relate to future services				
Changes in estimates that adjust the CSM	305	(8)	(297)	–
Changes in estimates that relates to loss-recovery and reversal of loss-recovery on onerous underlying contracts	46	(1)	–	45
Contracts initially recognized in the period	(113)	33	81	1
Changes that relate to current services				
CSM recognized in P&L for services received	–	–	(184)	(184)
Changes in the risk adjustment for non-financial risk	–	(34)	–	(34)
Experience adjustments	8	–	–	8
Changes that relate to past services				
Changes that relate to assets for incurred claims	(6)	(4)	–	(9)
Changes related to reinsurance services received	241	(14)	(401)	(174)
Cash (in)/outflows in the period				
Reinsurance premiums paid	949	–	–	949
Amounts received under reinsurance contracts held, including investment components	(921)	–	–	(921)
Net cash (inflows)/outflows	27	–	–	27
Effect of changes in the risk of non-performance of reinsurers	2	–	–	2
Reinsurance finance income/(expenses)	83	(12)	70	140
Foreign currency translation effects	–	(10)	(33)	(43)
Other changes	(25)	–	10	(14)
Total changes not related to reinsurance services received	60	(23)	47	85
Reinsurance contract assets, as of June 30, 2024	4,933	416	2,559	7,908
Reinsurance contract liabilities, as of June 30, 2024	(2,135)	383	1,317	(435)
Net reinsurance contracts, as of June 30, 2024	**2,798**	**799**	**3,876**	**7,473**

Consolidated financial statements (continued)

Reconciliation of measurement components of reinsurance contracts held, measured under BBA – prior period

Table 5.9b

in USD millions	Estimate of the present value of the future cash flows	Risk adjustment	Contractual service margin	Total
Reinsurance contract assets, as of January 1, 2023	4,451	376	2,064	6,890
Reinsurance contract liabilities, as of January 1, 2023	(625)	24	235	(367)
Net reinsurance contracts, as of January 1, 2023	3,825	400	2,299	6,524
Changes that relate to future services				
Changes in estimates that adjust the CSM	277	(10)	(267)	–
Changes in estimates that relates to loss-recovery and reversal of loss-recovery on onerous underlying contracts	21	(9)	–	11
Contracts initially recognized in the period[1]	(2,755)	450	2,305	–
Changes that relate to current services				
CSM recognized in P&L for services received	–	–	(262)	(262)
Changes in the risk adjustment for non-financial risk	–	(40)	–	(40)
Experience adjustments	(22)	–	–	(22)
Changes that relate to past services				
Changes that relate to assets for incurred claims	31	(11)	–	21
Changes related to reinsurance services received	(2,448)	380	1,777	(291)
Cash (in)/outflows in the period				
Reinsurance premiums paid	2,412	–	–	2,412
Amounts received under reinsurance contracts held, including investment components	(1,378)	–	–	(1,378)
Net cash (inflows)/outflows	1,035	–	–	1,035
Effect of changes in the risk of non-performance of reinsurers	1	–	–	1
Reinsurance finance income/(expenses)	(16)	47	88	118
Foreign currency translation effects	(32)	8	63	40
Other changes	104	–	3	108
Total changes not related to reinsurance services received	57	56	154	267
Reinsurance contract assets, as of December 31, 2023	4,803	434	2,802	8,039
Reinsurance contract liabilities, as of December 31, 2023	(2,334)	402	1,428	(504)
Net reinsurance contracts, as of December 31, 2023	**2,469**	**836**	**4,230**	**7,535**

Consolidated financial statements (continued)

6. Insurance revenue

Table 6

Analysis of insurance revenue recognized

in USD millions, for the six months ended June 30	**2024**	2023
Insurance revenue recognized in the period – PAA	23,588	21,912
Change in the liability for remaining coverage, consisting of:		
Amortization of CSM	975	977
Release of risk adjustment for non-financial risk	131	126
Release of expected insurance service expenses	3,377	3,314
Allocation of insurance acquisition cash flows	590	584
Premium experience adjustments	76	65
Other	(1)	(7)
Insurance revenue recognized in the period – BBA and VFA	5,148	5,058
Total insurance revenue	**28,736**	**26,971**

Consolidated financial statements (continued)

7. Fee result

Table 7

Fee result

in USD millions, for the six months ended June 30	**2024**	2023
Fee income		
Farmers management fees and other related revenues	2,174	2,251
Investment contracts related fee income	345	316
Risk engineering and other related fee income	450	338
Total fee income	2,969	2,905
Fee business expenses		
Fee related expenses	(1,766)	(1,815)
Fee result	**1,203**	**1,090**

Consolidated financial statements (continued)

8. Attorney-in-fact contracts, goodwill and other intangible assets

Table 8.1

Intangible assets by business – current period

in USD millions, as of June 30, 2024	Attorney-in-fact contracts	Goodwill	Distribution agreements	Software	Other	Total
Property & Casualty	–	1,890	408	771	146	3,214
Life	–	1,377	1,314	53	150	2,893
Farmers	2,650	1,264	–	346	809	5,069
Group Functions and Operations	–	10	–	50	–	60
Net carrying value	**2,650**	**4,540**	**1,722**	**1,219**	**1,105**	**11,236**

Table 8.2

Intangible assets by business – prior period

in USD millions, as of December 31, 2023	Attorney-in-fact contracts	Goodwill	Distribution agreements	Software	Other	Total
Property & Casualty	–	1,855	435	866	151	3,308
Life	–	1,412	1,384	53	160	3,009
Farmers	2,650	1,264	–	400	832	5,146
Group Functions and Operations	–	10	–	55	–	65
Net carrying value	**2,650**	**4,541**	**1,820**	**1,374**	**1,143**	**11,529**

Table 8.3

Intangible assets – current period

in USD millions	Attorney-in-fact contracts	Goodwill	Distribution agreements	Software[1]	Other	Total
Gross carrying value as of January 1, 2024	2,650	4,807	3,836	5,764	1,417	18,474
Less: accumulated amortization/impairments	–	(265)	(2,016)	(4,390)	(274)	(6,945)
Net carrying value as of January 1, 2024	2,650	4,541	1,820	1,374	1,143	11,529
Additions and acquisitions	–	–	–	123	(1)	122
Divestments and transfers	–	(11)	–	(6)	(1)	(17)
Amortization[2]	–	–	(29)	(181)	(33)	(243)
Impairments	–	–	(4)	(66)	–	(70)
Foreign currency translation effects	–	9	(65)	(26)	(3)	(84)
Net carrying value as of June 30, 2024	**2,650**	**4,540**	**1,722**	**1,219**	**1,105**	**11,236**
Plus: accumulated amortization/impairments	–	257	1,905	4,477	299	6,938
Gross carrying value as of June 30, 2024	2,650	4,797	3,627	5,696	1,404	18,174

1 For the six months ended June 30, 2024 Farmers Group, Inc. had USD 1.4 billion of fully amortized software, which is still in use.
2 Amortization of distribution agreements is included within underwriting and policy acquisition costs.

As of June 30, 2024, distribution agreements related to non-controlling interests were USD 806 million.

The table above excludes USD 565 million, of which USD 391 million relates to goodwill and USD 174 million relates to intangible assets, related to the acquisition of Kotak Mahindra General Insurance Company Limited (please see note 3).

Consolidated financial statements (continued)

Intangible assets – prior period

Table 8.4

`	Attorney-in-fact contracts	Goodwill	Distribution agreements	Software[1]	Other	Total
Gross carrying value as of January 1, 2023	2,650	4,794	3,673	5,430	894	17,441
Less: accumulated amortization/impairments	–	(256)	(1,858)	(4,046)	(257)	(6,417)
Net carrying value as of January 1, 2023	2,650	4,538	1,815	1,384	638	11,025
Additions and acquisitions	–	18	6	317	569	911
Divestments and transfers	–	–	–	–	(3)	(3)
Amortization[2]	–	–	(59)	(347)	(57)	(464)
Impairments	–	–	–	(9)	(2)	(11)
Foreign currency translation effects	–	(15)	58	29	(2)	70
Net carrying value as of December 31, 2023	**2,650**	**4,541**	**1,820**	**1,374**	**1,143**	**11,529**
Plus: accumulated amortization/impairments	–	265	2,016	4,390	274	6,945
Gross carrying value as of December 31, 2023	2,650	4,807	3,836	5,764	1,417	18,474

1 For the year ended December 31, 2023 Farmers Group, Inc. had USD 1.3 billion of fully amortized software, which is still in use.
2 Amortization of distribution agreements is included within underwriting and policy acquisition costs.

As of December 31, 2023, distribution agreements related to non-controlling interests were USD 850 million.

In 2023, as a result of the acquisition by Farmers Group, Inc. of Kraft Lake Insurance Agency Inc., Western Star Insurance Services, Inc. and Farmers General Insurance Agency, Inc., intangible assets increased by USD 586 million, of which USD 26 million is goodwill and USD 560 million is other intangible assets (please see note 3).

The Group performs quantitative tests of recoverability of goodwill and intangible assets with indefinite useful lives annually during the third quarter unless there is an indication that goodwill or an intangible asset with an indefinite useful life is impaired. As of June 30, 2024, the Group had not identified any triggers impacting the carrying value of the goodwill and intangible assets with indefinite useful lives.

Consolidated financial statements (continued)

9. Provisions

Table 9a

Provisions – current period

in USD millions	Restructuring provisions	Litigation and regulatory provisions[1]	Other provisions	Total
As of January 1, 2024	194	102	415	711
Provisions made during the period	25	18	110	154
Increase of provisions set up in prior years	38	3	14	55
Provisions used during the period	(75)	(8)	(91)	(173)
Provisions reversed during the period	(13)	(2)	(68)	(84)
Foreign currency translation effects	(3)	(7)	(21)	(31)
Net changes due to acquisitions/divestments	–	2	58	60
Other changes	–	–	–	–
As of June 30, 2024	**166**	**108**	**418**	**692**

1 Please see note 12 for further information on legal, compliance and regulatory developments.

Table 9b

Provisions – prior period

in USD millions	Restructuring provisions	Litigation and regulatory provisions[1]	Other provisions	Total
As of January 1, 2023	115	198	443	755
Provisions made during the period	128	72	316	516
Increase of provisions set up in prior years	96	3	19	118
Provisions used during the period	(131)	(163)	(249)	(543)
Provisions reversed during the period	(18)	(10)	(66)	(94)
Foreign currency translation effects	4	1	16	22
Net changes due to acquisitions/divestments	–	1	(60)	(59)
Other changes	–	–	(4)	(4)
As of December 31, 2023	**194**	**102**	**415**	**711**

1 Please see note 12 for further information on legal, compliance and regulatory developments.

Consolidated financial statements (continued)

10. Income taxes

Table 10.1

Income tax expense – current/deferred split

in USD millions, for the six months ended June 30	2024	2023
Current	997	940
Deferred	267	(5)
Total income tax expense/(benefit)	**1,264**	**935**

Table 10.2

Expected and actual income tax expense

in USD millions, for the six months ended June 30	Rate	2024	Rate	2023
Net income before income taxes		4,484		3,605
less: income tax (expense)/benefit attributable to policyholders		(131)		(73)
Net income before income taxes attributable to shareholders		4,353		3,532
Expected income tax expense attributable to shareholders computed at the Swiss statutory tax rate	20.0%	871	20.0%	706
Increase/(reduction) in taxes resulting from:				
Tax rate differential in foreign jurisdictions		*129*		*124*
Tax exempt and lower taxed income		*(139)*		*(92)*
Non-recoverable withholding taxes		*33*		*93*
Non-deductible expenses		*120*		*71*
Tax losses not recognized		*(27)*		*(12)*
Prior year adjustments and other		*146*		*(29)*
Actual income tax expense attributable to shareholders	**26.0%**	**1,132**	**24.4%**	**861**
plus: income tax expense/(benefit) attributable to policyholders		131		73
Actual income tax expense	28.2%	1,264	25.9%	935

Table 10.2 sets out the factors that cause the actual income tax expense to differ from the expected expense computed by applying the Swiss statutory tax rate of 20.0 percent, which is the rate applicable in the jurisdiction where the ultimate parent company is resident.

The Group is required to record taxes on policyholder earnings for life insurance policyholders in certain jurisdictions. Accordingly, the income tax expense or benefit attributable to these life insurance policyholder earnings is included in income tax expense. The income tax specifically chargeable to the policyholders under the terms of the insurance contracts is included in insurance contract liabilities and recognized as insurance revenue.

Taxes paid by certain of the Group's life insurance businesses are based on the investment result, and it is normal practice for certain of the Group's businesses to recover from policyholders the taxes attributable to their share of the investment result. While the relevant insurance businesses have the contractual right to charge policyholders for the taxes attributable to their share of the investment result, the obligation to pay the tax authority rests with the company and therefore the full amount of tax, including the portion attributable to policyholders, is accounted for as income tax. Income tax expense, therefore, includes an element attributable to policyholders.

The Group has adopted the amendments to IAS 12 'Income Taxes' for the financial year beginning January 1, 2023, and has applied the exception to recognize and disclose information about deferred tax assets and liabilities related to Pillar II minimum income taxes proposed by the Economic Co-operation and Development (OECD) Framework on Base Erosion and Profit Shifting (BEPS).

The model rules and other documents issued by the OECD on the Pillar II of BEPS (BEPS-Pillar II) aim to ensure that large multinational groups pay a minimum amount of tax on income in each jurisdiction they operate. The minimum effective tax of 15 percent is based on a pre-defined tax basis (GloBE income) and the so-called covered tax, using IFRS Accounting Standards as a starting point with defined adjustments to achieve a uniform basis to derive the effective tax rate.

BEPS-Pillar II legislations have been enacted or are in the process of being enacted by the various jurisdictions in which the Group operates. Switzerland, the jurisdiction in which Zurich Insurance Group Ltd as the ultimate parent entity of the Group is incorporated, has implemented the Qualified Domestic Minimum Top-up Tax (QDMTT), but not yet the Income Inclusion Rule (IIR). As a result, the Group's current income tax expense considers the impact of BEPS-Pillar II top-up taxes for the QDMTTs in the various implementing countries as well as the impacts related to IIRs implemented at the level of intermediate holding companies with ownerships in jurisdictions where a QDMTT has not been enacted in 2024.

Consolidated financial statements (continued)

As of June 30, 2024, the amount of top-up tax included in the current income tax expense in the Group's unaudited consolidated financial statement arising in jurisdictions in which local legislations have enacted the QDMTT or are subject to IIR was not material to the Group. The Group expects, based on its analysis to date, that the Group's exposure to Pillar II income taxes will not have a material adverse impact on the Group's financial position or performance. The Group will continue to monitor the BEPS-Pillar II legislative developments for the jurisdictions in which the Group operates.

Consolidated financial statements (continued)

11. Senior and subordinated debt

Senior and subordinated debt

Table 11

in USD millions, as of		06/30/2024	12/31/2023
Senior debt			
Zurich Insurance Company Ltd	1.750% EUR 500 million notes, due September 2024[1,2]	537	555
	0.500% CHF 350 million notes, due December 2024[1]	390	416
	1.500% CHF 150 million notes, due July 2026[1]	174	187
	0.750% CHF 200 million notes, due October 2027[1]	223	237
	1.000% CHF 200 million notes, due October 2028[1]	223	238
	1.500% EUR 500 million notes, due December 2028[1,2]	534	550
	1.125% CHF 400 million notes, due July 2029[1]	446	476
	0.000% CHF 200 million notes, due August 2031[1]	222	237
	0.100% CHF 250 million notes, due August 2032[1]	279	297
Zurich Holding Comp. of America Inc	2.300% USD 400 million notes, due February 2030[1]	400	400
Zurich Finance (Australia) Limited	4.770% AUD 200 million loan, due July 2027	139	143
	5.324% AUD 200 million notes, due September 2029[1]	133	136
	4.500% AUD 375 million notes, due July 2038[1]	264	270
Zurich Finance (Ireland) DAC	2.250% USD 200 million notes, due December 2031[1,2]	200	200
	1.625% EUR 500 million notes, due June 2039[1,2]	534	551
	Euro Commercial Paper Notes, due in less than 12 months	297	297
Senior debt		4,992	5,190
Subordinated debt			
Zurich Insurance Company Ltd	4.250% USD 300 million notes, due October 2045, first callable October 2025[1,2]	300	300
	5.625% USD 1 billion notes, due June 2046, first callable June 2026[1,2]	999	999
	3.500% EUR 750 million notes, due October 2046, first callable October 2026[1,2]	785	805
	5.125% USD 500 million notes, due June 2048, first callable June 2028[1,2]	499	499
	4.875% USD 500 million notes, due October 2048, first callable October 2028[1,2]	499	499
	2.750% EUR 500 million notes, due February 2049, first callable February 2029[1,2]	533	549
	1.500% CHF 300 million notes, due May 2052, first callable May 2032[1]	333	355
Zurich Finance (Ireland) DAC	1.875% EUR 750 million notes, due September 2050, first callable June 2030[1,2]	801	826
	3.000% USD 1.75 billion notes, due April 2051, first callable January 2031[1,2]	1,747	1,747
	3.500% USD 500 million notes, due May 2052, first callable February 2032[1,2]	499	499
	5.125% GBP 1 billion notes, due November 2052, first callable August 2032[1,2]	1,252	1,261
	1.600% EUR 200 million notes, due December 2052, first callable September 2032[1,2]	214	221
Subordinated debt		8,460	8,559
Total senior and subordinated debt		**13,452**	**13,749**

1 Issued under the Group's Euro Medium Term Note Programme (EMTN Programme).
2 These bonds are part of a qualifying net investment hedge to hedge the foreign currency exposure.

None of the debt instruments listed in table 11 were in default as of June 30, 2024 or December 31, 2023.

Consolidated financial statements (continued)

12. Commitments and contingencies, legal proceedings and regulatory investigations

The Group has provided contractual commitments and financial guarantees to external parties, associates and joint ventures as well as partnerships. These arrangements include commitments under certain conditions to make liquidity advances to investment managers to enable investments in private debt, private equity or real estate; to cover default principal and interest payments; make capital contributions; or provide equity financing.

Table 12

Quantifiable commitments and contingencies

in USD millions as of	**06/30/2024**	12/31/2023
Remaining commitments under investment agreements	922	832
Guarantees and letters of credit[1]	858	864
Undrawn loan commitments	1	1
Other commitments and contingent liabilities[2]	514	447

1 Guarantee features embedded in life insurance products are not included.
2 Includes USD 103 million and USD 94 million future cash outflows in 2024 and 2023, respectively, that the Group as a lessee is potentially exposed to which are not reflected in the measurement of lease liabilities in the balance sheet.

Legal, compliance and regulatory developments

The Group's business is subject to extensive supervision, and the Group is in regular contact with various regulatory authorities. The Group is also involved in legal and arbitration proceedings and regulatory investigations arising, for the most part, in the ordinary course of its business operations in various jurisdictions where it operates. In addition, the Group and/or its subsidiaries are involved in legal matters arising out of transactions involving the transfer of portfolios or businesses. These legal matters can include claims brought by purchasers or other parties asserting claims for damages on various theories, including failure to disclose material information, failure to perform contractual duties or otherwise seeking to impose liability on the Group and/or its subsidiaries. With respect to significant legal or regulatory matters, the Group considers the likelihood of a negative outcome, and when the likelihood of a negative outcome is probable and the amount of the loss can be reliably estimated, a reserve or provision is established to record the estimated loss for the expected outcome. While the Group believes that it is not a party to, nor are any of its subsidiaries the subject of, any unresolved current legal proceedings, claims, litigation and investigations that will have a material adverse effect on the Group's consolidated financial condition, proceedings are inherently unpredictable, and it is possible that the outcome of any proceeding could have a material impact on results of operations in the particular reporting period in which it is resolved. Specifically:

- Several of the Group's subsidiaries as well as other insurance companies are involved in litigation relating to the extent to which COVID-19 was intended to be covered under Property Damage Business Interruption policies. A limited number of class actions have also been initiated. Most of the litigation has been filed in U.S. courts in addition to test cases filed in Australia and some in the UK. The final determination of outcomes may take many years as appeals are pursued by the plaintiffs and insurers, including the Group or its subsidiaries.
- In 2016, the Group, on its own initiative, undertook an internal review of the life insurance, savings and pension business sold by its non-U.S. operating companies with relevant cross-border business to customers with a nexus to the U.S. The review confirmed that the Group's cross-border business with U.S. persons was very limited and of a legacy nature, with the large majority of sales having occurred more than a decade ago. The review also confirmed that the Group's U.S. operating companies were not involved in or connected to those activities. The Group voluntarily disclosed the results of the review and the regulatory issues presented by sales to U.S. residents to the Swiss Financial Market Supervisory Authority (FINMA), the U.S. Department of Justice (DOJ) and other authorities. The Group continues to cooperate with these authorities. In April 2019, the DOJ announced that Zurich Life Insurance Company Ltd (ZLIC) and Zurich International Life Limited (ZILL) entered into a non-prosecution agreement (NPA) with the DOJ, which memorializes the DOJ's decision not to prosecute these entities for any U.S. tax-related offenses in connection with legacy cross-border sales to U.S. persons. Under the terms of the NPA, ZLIC and ZILL have agreed to comply with certain specified conditions during the four-year term of the NPA. This resolution has not had, and will not have, an adverse effect on the Group's business or consolidated financial position.

Consolidated financial statements (continued)

- In April 2023, a putative nationwide class action complaint was filed in the Superior Court for the County of Los Angeles, California (the 'Superior Court'), against Farmers Group Inc., and its subsidiaries, Fire Underwriters Association and Truck Underwriters Association (collectively, 'FGI'). The case, captioned Paul Lim, et al v. Farmers Group, Inc., et al., alleges that FGI breached its fiduciary duty by accepting excessive compensation for their services and failing to disclose certain information about their fees, calculation methods and relationship to Zurich. In May 2023, FGI removed the action to the U.S. District Court for the Central District of California under the Class Action Fairness Act, and subsequently filed a motion to dismiss. On May 26, 2023, plaintiffs filed a motion to remand the action to the Superior Court, which was granted on November 13, 2023. In light of the remand, the U.S. District Court did not rule on the substance of FGI's motion to dismiss. On January 2, 2024, with the Superior Court's permission, plaintiffs filed a first amended complaint. On March 22, 2024, FGI filed a motion for judgment on the pleadings. On May 28, 2024, the Superior Court granted FGI's motion for judgment as to the first amended complaint, granting plaintiffs leave until July 31, 2024 to file a second amended complaint. FGI will then have until September 30, 2024 to respond. Discovery remains stayed during this time. FGI continues to believe it has numerous and substantial defenses to the claims raised and will vigorously contest the action.
- In July and August 2023, the administrators of Greensill Bank AG (GBAG) served two Particulars of Claim on Zurich Insurance plc (ZIP) issued in the London Commercial Court, alleging non-payment of claims presented under a trade credit policy written by ZIP. Subsequently, Zurich Insurance Company Ltd (ZIC) was substituted in the actions for ZIP. ZIC's defense to both actions was filed on January 26, 2024. In the defense, ZIC also filed counterclaims against GBAG and other third parties. ZIC believes that it has meritorious defenses to the policy and the claims raised and will vigorously contest the actions.

Consolidated financial statements (continued)

13. Fair value measurement

Table 13.1 compares the fair value with the carrying value of financial assets and financial liabilities. Certain financial instruments are not included in this table as their carrying value is a reasonable approximation of their fair value. Such instruments include cash and cash equivalents, obligations to repurchase securities, and other financial assets and liabilities. This note excludes financial assets and financial liabilities relating to unit-linked contracts.

For details on the fair value measurement framework and sensitivities of level 3 instruments, refer to note 22 of the 2023 Annual Report of the Group.

Table 13.1

Fair value and carrying value of financial assets and financial liabilities

in USD millions, as of	Total fair value		Total carrying value	
	06/30/2024	12/31/2023	**06/30/2024**	12/31/2023
Securities at fair value through comprehensive income				
Debt securities	105,933	92,965	105,933	92,965
Total securities at FV through comprehensive income	105,933	92,965	105,933	92,965
Securities at FV through profit or loss				
Equity securities	14,826	13,217	14,826	13,217
Debt securities	8,308	8,390	8,308	8,390
Total securities at FV through profit or loss	23,134	21,607	23,134	21,607
Derivative assets	698	947	698	947
Debt securities at amortized cost	4,147	4,252	4,486	4,568
Mortgage loans at amortized cost	3,977	4,080	4,222	4,324
Other financial assets at amortized cost	3,520	3,392	3,576	3,682
Total financial assets	**141,409**	**127,242**	**142,048**	**128,094**
Derivative liabilities	(942)	(1,252)	(942)	(1,252)
Financial liabilities held at amortized cost				
Liabilities related to investment contracts	(542)	(463)	(542)	(463)
Senior debt	(4,581)	(4,775)	(4,992)	(5,190)
Subordinated debt	(7,812)	(7,859)	(8,460)	(8,559)
Total financial liabilities held at amortized cost	(12,935)	(13,096)	(13,994)	(14,212)
Total financial liabilities	**(13,877)**	**(14,349)**	**(14,936)**	**(15,465)**

Table 13.2a

Fair value hierarchy – non-unit-linked – current period

in USD millions, as of June 30, 2024	Level 1	Level 2	Level 3	Total
Securities at fair value through comprehensive income				
Debt securities	–	105,395	537	105,933
Total securities at FV through comprehensive income	–	105,395	537	105,933
Securities at FV through profit or loss				
Equity securities	7,847	2,756	4,223	14,826
Debt securities	–	8,084	225	8,308
Total securities at FV through profit or loss	7,847	10,840	4,448	23,134
Derivative assets	–	666	31	698
Investment property	–	–	12,630	12,630
Total assets	**7,847**	**116,901**	**17,646**	**142,395**
Derivative liabilities	(1)	(377)	(564)	(942)
Total liabilities	**(1)**	**(377)**	**(564)**	**(942)**

For the six months ended June 30, 2024, no material transfers between level 1 and level 2 occurred.

Consolidated financial statements (continued)

Fair value hierarchy – non-unit-linked – prior period

Table 13.2b

in USD millions, as of December 31, 2023	Level 1	Level 2	Level 3	Total
Securities at fair value through comprehensive income				
Debt securities	–	92,518	448	92,965
Total securities at FV through comprehensive income	–	92,518	448	92,965
Securities at FV through profit or loss				
Equity securities	7,355	1,958	3,904	13,217
Debt securities	–	8,163	227	8,390
Total securities at FV through profit or loss	7,355	10,122	4,131	21,607
Derivative assets	1	921	25	947
Investment property	–	–	13,684	13,684
Total assets	**7,356**	**103,560**	**18,287**	**129,203**
Derivative liabilities	(9)	(739)	(504)	(1,252)
Total liabilities	**(9)**	**(739)**	**(504)**	**(1,252)**

For the six months ended June 30, 2023, no material transfers between level 1 and level 2 occurred.

Development of assets and liabilities classified within level 3 – non-unit-linked – current period

Table 13.3a

in USD millions		Fair value through profit or loss securities				
	Debt securities	Equity securities	Debt securities	Derivative assets	Derivative liabilities	Investment property
As of January 1, 2024	448	3,904	227	25	(504)	13,684
Realized gain/(losses) recognized in income[1]	2	57	–	–	–	(6)
Unrealized gain/(losses) recognized in income[1,2]	2	255	3	(5)	(76)	(91)
Unrealized gain/(losses) recognized in other comprehensive income	8	–	–	–	–	–
Purchases	219	316	36	1	–	42
Settlements/sales/redemptions	(90)	(240)	(35)	–	–	(118)
Transfer to assets held for sale[3]	–	–	–	–	–	(319)
Transfers into level 3	7	–	–	–	–	–
Transfers out of level 3	(50)	–	(5)	–	–	–
Acquisitions and divestments[4]	–	25	–	10	–	(21)
Foreign currency translation effects	(6)	(92)	(2)	–	15	(542)
As of June 30, 2024	**537**	**4,223**	**225**	**31**	**(564)**	**12,630**

1 Presented as net capital gains/(losses) on Group investments in the consolidated income statements (see note 4).
2 Unrealized gains/(losses) recognized in income for debt securities measured at fair value through comprehensive income relate to impairments.
3 Movement relates to transfer of investment property to assets held for sale primarily in Switzerland and Austria.
4 Related to an agreement entered into by Inversiones Suizo-Chilena S.A. to sell the annuity book of Zurich Chile Seguros de Vida S.A. (see note 3).

For the six months ended June 30, 2024, the Group transferred USD 50 million of fair value through comprehensive income debt securities from level 3 to level 2 corresponding to private debt instruments with a higher reliance on observable inputs, and non-agency ABS and MBS whose credit rating has been upgraded to AAA. The reverse condition triggered the transfer of USD 7 million of fair value through comprehensive income debt securities from level 2 to level 3 for non-agency ABS and MBS with a credit rating downgrade from AAA. The Group transferred USD 5 million of fair value through profit or loss debt securities from level 3 to level 2 attributable to non-agency ABS and MBS whose credit rating has been upgraded to AAA.

Consolidated financial statements (continued)

Table 13.3b

Development of assets and liabilities classified within level 3 – non-unit-linked – prior period

in USD millions	Debt securities	Fair value through profit or loss securities: Equity securities	Fair value through profit or loss securities: Debt securities	Derivative assets	Derivative liabilities	Investment property
As of January 1, 2023	575	3,590	287	46	(717)	11,900
Realized gain/(losses) recognized in income[1]	(3)	108	–	(4)	(107)	194
Unrealized gain/(losses) recognized in income[1,2]	(6)	53	6	(6)	233	(889)
Unrealized gain/(losses) recognized in other comprehensive income	18	–	–	3	–	–
Purchases	117	827	92	7	–	197
Settlements/sales/redemptions	(188)	(737)	(170)	(1)	107	(1,026)
Transfers into level 3	87	–	–	–	–	2,930
Transfers out of level 3	(158)	(1)	–	–	–	–
Acquisitions and divestments[3]	(15)	(71)	–	(9)	–	(376)
Foreign currency translation effects	20	135	12	(12)	(19)	753
As of December 31, 2023	**448**	**3,904**	**227**	**25**	**(504)**	**13,684**

1 Presented as net capital gains/(losses) on Group investments in the consolidated income statements (see note 4).
2 Unrealized gains/(losses) recognized in income for debt securities measured at fair value through comprehensive income related to impairments.
3 Related to an agreements entered into by Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft to sell its legacy traditional life insurance book and Inversiones Suizo-Chilena S.A. to sell the annuity book of Zurich Chile Seguros de Vida S.A. (see note 3).

For the year ended December 31, 2023, the Group transferred USD 87 million of debt securities held at fair value through comprehensive income from level 2 into level 3 corresponding to private debt instruments that exhibit higher reliance on unobservable valuation inputs, and non-agency ABS and MBS with a credit rating downgrade from AAA. The Group transferred USD 158 million of debt securities held at fair value through comprehensive income out of level 3 into level 2 attributable to private debt instruments with a higher reliance on observable inputs and non-agency ABS and MBS whose credit rating has been upgraded to AAA.

For the year ended December 31, 2023, the Group transferred USD 3 billion of investment property from level 2 to level 3. During 2023, the Group reviewed the fair value hierarchy classification of investment properties primarily located in Germany. The sharp increase in interest rates, coupled with rising inflation and uncertainty around future interest rate development, resulted in significantly fewer transactions in the real estate market. Therefore, reliable market information was not available in sufficient quantity to substantiate some of the input parameters used by independent external appraisers in their valuations.

Consolidated financial statements (continued)

14. Segment information

The Group pursues a customer-centric strategy, where the Property & Casualty (P&C) and Life businesses are managed on a regional basis. The Group's reportable segments have been identified on the basis of the businesses operated by the Group and how these are strategically managed to offer different products and services to specific customer groups. The Group has identified 13 reportable segments in accordance with IFRS 8 and segment information is presented accordingly as follows:

- P&C regions
- Life regions
- Farmers
- Group Functions and Operations
- Non-Core Businesses

The Group's reportable segments comprise the following:

P&C and Life regions

- Europe, Middle East & Africa
- North America
- Asia Pacific
- Latin America
- Group Reinsurance

P&C regions provide a variety of motor, home and commercial products and services for individuals, as well as small and large businesses on both a local and global basis. Products are sold through multiple distribution channels including agents, brokers and bank distribution.

Life regions provide a comprehensive range of life and health insurance products on both an individual and a group basis, including annuities, endowment and term insurance, unit-linked and investment-oriented products, as well as full private health, supplemental health and long-term care insurance. In addition to the agent distribution channel, certain of these products are offered via bank distribution channels.

Farmers, through Farmers Group, Inc. and its subsidiaries (FGI), provides certain non-claims administrative and management services to the Farmers Exchanges, which are owned by their policyholders. This segment also includes all reinsurance assumed from the Farmers Exchanges by the Group. Farmers Exchanges are prominent writers of personal and small commercial lines of business in the U.S. In addition, this segment includes the activities of Farmers Life, a writer of individual life insurance business in the U.S.

Group Functions and Operations comprise the Group´s Holding and Financing and Headquarters activities, including central initiatives in Zurich Global Ventures. Certain alternative investment positions not allocated to business operating segments are included within Holding and Financing. In addition, this segment includes operational technical governance activities relating to technology, underwriting, claims, actuarial and pricing.

Non-Core Businesses include insurance and reinsurance businesses that the Group does not consider core to its operations and that are therefore mostly managed to achieve a beneficial run-off. Non-core businesses are mainly situated in the U.S., Bermuda and in Europe.

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Aggregations and additional information

Regional P&C and Life results are further aggregated to show a total P&C and total Life business view.

– P&C – Total
– Life – Total

For additional informational purposes, the Group also discloses income statement information for P&C Commercial Insurance and P&C Retail and Other Insurance results. Other Insurance includes SME, direct market and other program business.

– P&C Commercial Insurance
– P&C Retail and Other Insurance

Business operating profit

The segment information includes business operating profit, which is the Group's key performance measure. Business operating profit (BOP) indicates the underlying performance of the Group's businesses, after non-controlling interests, by eliminating the impact of financial market volatility and other non-operating variables. This measure is the basis on which the Group manages its business units. BOP reflects adjustments for shareholders' taxes, net capital gains/(losses) and expected credit losses on investments (except investments in hedge funds as at fair value through profit or loss and certain securities held for specific economic hedging purposes) after considering the effect of changes in fair value of underlying items held for direct participating contracts and effects of hyperinflation. Significant items arising from special circumstances, including restructuring charges, legal matters outside the ordinary course of business, amortization of intangible assets acquired as part of a business combination, gains and losses on divestment of businesses and impairments of goodwill are also excluded from BOP.

Consolidated financial statements (continued)

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Consolidated financial statements (continued)

Property & Casualty – Overview by segment

Table 14.1

in USD millions, for the six months ended June 30	Europe, Middle East & Africa		North America	
	2024	2023	**2024**	2023
Insurance revenue	8,989	8,267	9,970	9,559
Insurance service expense	(7,524)	(7,160)	(7,974)	(7,646)
Net expenses from reinsurance contracts held	(749)	(404)	(1,085)	(1,012)
Insurance service result	716	702	912	900
Net investment income on Group investments	444	345	564	537
Net capital gains/(losses) on Group investments	53	12	88	66
Net investment result on Group investments	497	357	652	603
Re-/Insurance finance income/(expenses)	(184)	(86)	(321)	(236)
Net investment result	313	271	331	366
Fee income	109	98	104	100
Fee business expenses	(83)	(74)	(65)	(65)
Fee result	26	24	39	35
Other revenues	83	72	73	60
Interest expense on debt	(28)	(23)	(8)	(6)
Other expenses	(388)	(287)	(164)	(297)
Restructuring costs and other items not included in BOP	71	30	53	181
Other result	(263)	(208)	(46)	(61)
Income tax (expense)/benefit attributable to policyholders (BOP relevant)	–	–	–	–
Business operating profit before non-controlling interests	792	789	1,236	1,240
Non-controlling interests	12	12	–	–
Business operating profit	**781**	**777**	**1,236**	**1,240**

Consolidated financial statements (continued)

Asia Pacific		Latin America		Group Reinsurance		Eliminations		Total	
2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
1,746	1,702	1,573	1,461	398	380	(1,232)	(1,205)	21,446	20,163
(1,350)	(1,376)	(1,248)	(1,141)	(219)	(240)	485	595	(17,830)	(16,968)
(231)	(162)	(197)	(177)	(238)	(196)	746	610	(1,753)	(1,341)
165	164	129	143	(59)	(56)	–	–	1,863	1,854
75	63	149	137	1	5	–	–	1,233	1,087
(2)	–	12	(9)	1	4	–	–	152	73
73	63	161	128	2	9	–	–	1,386	1,160
(27)	(23)	(45)	(39)	(11)	(11)	–	–	(588)	(396)
46	40	115	89	(9)	(2)	–	–	797	765
30	25	–	–	–	–	–	–	243	224
(37)	(32)	–	–	–	1	(1)	(2)	(186)	(172)
(7)	(6)	–	–	–	1	(1)	(2)	57	51
10	12	11	16	32	29	(3)	(6)	206	183
(1)	(1)	(1)	(2)	(3)	(6)	–	6	(42)	(33)
(73)	(60)	(67)	(75)	(21)	(14)	3	2	(710)	(731)
9	2	(7)	12	–	–	–	–	126	224
(55)	(47)	(64)	(50)	8	8	1	2	(420)	(357)
(2)	–	–	–	–	–	–	–	(2)	–
147	151	180	182	(60)	(49)	–	–	2,296	2,313
2	1	58	52	–	–	–	–	71	65
145	**150**	**122**	**130**	**(60)**	**(49)**	**–**	**–**	**2,224**	**2,247**

Consolidated financial statements (continued)

Life – Overview by segment

Table 14.2

in USD millions, for the six months ended June 30	Europe, Middle East & Africa		North America	
	2024	2023	**2024**	2023
Insurance revenue	3,219	2,874	81	100
Insurance service expense	(2,495)	(2,144)	(47)	(62)
Net expenses from reinsurance contracts held	(25)	(83)	(13)	(16)
Insurance service result	698	647	21	22
Net investment income on Group investments	1,135	1,073	31	26
Net capital gains/(losses) on Group investments	(34)	(72)	13	17
Net investment result on Group investments	1,100	1,000	44	43
Net investment income on unit-linked investments	588	631	–	–
Change in liabilities for investment contracts and other funds	(423)	(416)	–	–
Re-/Insurance finance income/(expenses)	(1,073)	(1,099)	(50)	(43)
Net investment result	193	116	(6)	–
Fee income	426	397	–	–
Fee business expenses	(315)	(295)	–	–
Fee result	112	102	–	–
Other revenues	118	42	16	12
Interest expense on debt	(10)	–	–	–
Other expenses	(205)	(189)	(1)	4
Restructuring costs and other items not included in BOP	19	2	–	–
Other result	(78)	(145)	15	16
Income tax (expense)/benefit attributable to policyholders (BOP relevant)	(116)	(60)	–	–
Business operating profit before non-controlling interests	809	660	30	38
Non-controlling interests	86	71	–	–
Business operating profit	**724**	**589**	**30**	**38**

Consolidated financial statements (continued)

Asia Pacific		Latin America		Group Reinsurance		Eliminations		Total	
2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
1,138	1,119	1,366	1,306	13	15	(21)	(15)	5,797	5,398
(947)	(987)	(1,062)	(1,012)	(4)	(4)	15	4	(4,541)	(4,205)
(39)	(25)	(8)	(16)	(5)	(5)	6	11	(85)	(133)
152	108	296	278	4	6	–	–	1,172	1,060
113	113	243	259	–	–	–	–	1,521	1,471
(2)	(9)	(23)	32	(2)	–	–	–	(48)	(33)
111	104	219	291	(2)	–	–	–	1,473	1,438
30	30	23	19	–	–	–	–	641	679
(21)	(18)	–	–	–	–	–	–	(444)	(434)
(96)	(70)	(161)	(201)	–	–	–	–	(1,380)	(1,414)
24	46	81	108	(2)	–	–	–	290	270
25	25	9	9	–	–	–	–	460	430
(4)	(3)	(7)	(7)	–	–	–	–	(326)	(305)
20	21	2	2	–	–	–	–	134	126
10	8	13	13	2	1	–	–	159	75
(20)	(4)	(2)	(1)	–	–	–	–	(31)	(5)
(64)	(84)	(63)	(79)	–	–	–	–	(333)	(348)
4	17	2	32	–	–	–	–	26	51
(69)	(63)	(49)	(35)	2	1	–	–	(179)	(226)
(14)	(12)	(1)	(2)	–	–	–	–	(130)	(74)
114	100	330	352	4	6	–	–	1,287	1,156
(1)	–	154	146	–	–	–	–	239	217
114	**100**	**175**	**206**	**4**	**6**	**–**	**–**	**1,048**	**939**

Consolidated financial statements (continued)

Business operating profit by business

Table 14.3

in USD millions, for the six months ended June 30

	Property & Casualty		Life	
	2024	2023	**2024**	2023
Insurance revenue	21,446	20,163	5,797	5,398
Insurance service expense	(17,830)	(16,968)	(4,541)	(4,205)
Net expenses from reinsurance contracts held	(1,753)	(1,341)	(85)	(133)
Insurance service result	1,863	1,854	1,172	1,060
Net investment income on Group investments	1,233	1,087	1,521	1,471
Net capital gains/(losses) on Group investments	152	73	(48)	(33)
Net investment result on Group investments	1,386	1,160	1,473	1,438
Net investment income on unit-linked investments	–	–	641	679
Change in liabilities for investment contracts and other funds	–	–	(444)	(434)
Re-/Insurance finance income/(expenses)	(588)	(396)	(1,380)	(1,414)
Net investment result	797	765	290	270
Fee income	243	224	460	430
Fee business expenses	(186)	(172)	(326)	(305)
Fee result	57	51	134	126
Other revenues	206	183	159	75
Interest expense on debt	(42)	(33)	(31)	(5)
Other expenses	(710)	(731)	(333)	(348)
Restructuring costs and other items not included in BOP	126	224	26	51
Other result	(420)	(357)	(179)	(226)
Income tax (expense)/benefit attributable to policyholders (BOP relevant)	(2)	–	(130)	(74)
Business operating profit before non-controlling interests	2,296	2,313	1,287	1,156
Non-controlling interests	71	65	239	217
Business operating profit	**2,224**	**2,247**	**1,048**	**939**

Consolidated financial statements (continued)

	Farmers		Group Functions and Operations		Non-Core Businesses		Eliminations		Total
2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
1,456	1,269	–	170	45	50	(8)	(79)	28,736	26,971
(1,305)	(1,218)	–	(185)	(70)	(49)	5	63	(23,740)	(22,562)
(64)	(1)	–	13	31	(2)	3	16	(1,867)	(1,449)
88	50	–	(2)	6	(2)	–	–	3,128	2,959
23	88	128	51	68	71	(111)	(71)	2,862	2,698
(3)	5	74	90	(53)	(6)	–	–	122	130
20	93	202	141	15	65	(111)	(71)	2,984	2,827
19	12	–	–	–	–	–	–	660	691
(1)	(1)	–	–	(4)	(4)	–	–	(448)	(438)
(9)	(13)	–	(1)	(10)	(52)	–	–	(1,988)	(1,876)
29	92	202	140	1	9	(111)	(71)	1,208	1,204
2,266	2,251	–	–	–	–	–	–	2,969	2,905
(1,250)	(1,333)	–	(1)	–	–	(4)	(5)	(1,766)	(1,815)
1,016	918	–	(1)	–	–	(4)	(5)	1,203	1,090
29	(3)	128	110	12	10	(335)	(279)	198	96
(7)	–	(371)	(350)	(32)	(25)	258	184	(225)	(229)
(75)	(106)	(369)	(390)	(27)	(19)	193	171	(1,322)	(1,424)
35	42	53	61	–	–	–	–	240	378
(17)	(67)	(559)	(569)	(47)	(34)	115	75	(1,108)	(1,178)
–	–	–	–	–	–	–	–	(132)	(74)
1,115	993	(358)	(432)	(40)	(27)	–	–	4,299	4,002
–	–	–	–	–	–	–	–	311	282
1,115	**993**	**(358)**	**(432)**	**(40)**	**(27)**	**–**	**–**	**3,988**	**3,720**

Consolidated financial statements (continued)

Reconciliation of BOP to net income after income taxes

Table 14.4

in USD millions, for the six months ended June 30

	Property & Casualty		Life	
	2024	2023	**2024**	2023
Business operating profit net	**2,224**	**2,247**	**1,048**	**939**
Revenues/(expenses) not included in BOP:				
Net capital gains/(losses) on Group investments	414	170	32	(280)
Net capital gains/(losses) on unit-linked investments	–	–	8,752	6,153
Change in liabilities for investment contracts and other funds	–	–	(4,508)	(2,692)
Re-/insurance finance income/(expenses)	–	–	(4,397)	(3,260)
Net gains/(losses) on divestment of businesses[1]	13	–	14	(28)
Restructuring costs	(118)	(137)	(10)	(12)
Other adjustments[2]	(7)	(88)	(16)	(39)
Add back:				
Business operating profit attributable to non-controlling interests	71	65	239	217
Net income before shareholders' taxes	2,596	2,258	1,154	997
Income tax expense/(benefit) attributable to policyholders (BOP relevant)	2	–	130	74
Net income before income taxes	**2,599**	**2,258**	**1,285**	**1,070**
Income tax (expense)/benefit				
attributable to policyholders				
attributable to shareholders				
Net income after taxes				
attributable to non-controlling interests				
attributable to shareholders				

1 In 2024, Life included gains of USD 27 million related to the reversal of the amounts previously held for sale regarding the legacy traditional life insurance book of Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft, losses of USD 11 million as Zurich Investments Life S.p.A. agreed to sell part of its life and pension back book and losses of USD 2 million as Inversiones Suizo-Chilena S.A. agreed to sell the annuity book of Zurich Chile Seguros de Vida S.A. (see note 3). In 2023, Life included losses of USD 8 million as Zurich Investments Life S.p.A. agreed to sell part of its life and pension back book, gains of USD 9 million as Inversiones Suizo-Chilena S.A. agreed to sell the annuity book of Zurich Chile Seguros de Vida S.A. and transaction costs of USD 30 million as Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft agreed to sell its legacy traditional life insurance back book (see note 3).

2 Other adjustments in 2024 include amortization of intangibles from business combinations and charitable contributions. Other adjustments in 2023 include charges related to the implementation of IFRS 17, charitable contributions and litigation costs.

Consolidated financial statements (continued)

Farmers		Group Functions and Operations		Non-Core Businesses		Total	
2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
1,115	**993**	**(358)**	**(432)**	**(40)**	**(27)**	**3,988**	**3,720**
(2)	(36)	(20)	(117)	(23)	5	402	(258)
116	126	–	–	190	185	9,058	6,464
–	–	–	–	–	–	(4,508)	(2,692)
(114)	(126)	–	–	(173)	(192)	(4,685)	(3,578)
–	–	(1)	–	–	–	26	(28)
(1)	–	(4)	(2)	–	–	(133)	(151)
(34)	(42)	(49)	(59)	–	–	(107)	(228)
–	–	–	–	–	–	311	282
1,080	915	(432)	(610)	(47)	(28)	4,352	3,532
–	–	–	–	–	–	132	74
1,080	**915**	**(432)**	**(610)**	**(47)**	**(28)**	**4,484**	**3,605**
						(1,264)	(935)
						(131)	(73)
						(1,132)	(861)
						3,221	**2,670**
						194	179
						3,026	2,492

Consolidated financial statements

Table 14.5

Property & Casualty – Commercial and Retail Insurance overview[1]

in USD millions, for the six months ended June 30	Commercial Insurance		Retail and Other Insurance	
	2024	2023	**2024**	2023
Insurance revenue	14,544	13,849	7,734	7,142
Insurance service expense	(11,076)	(10,948)	(7,011)	(6,354)
Net expenses from reinsurance contracts held	(2,102)	(1,580)	(168)	(200)
Insurance service result	1,367	1,322	555	588
Net investment income on Group investments	819	737	413	346
Net capital gains/(losses) on Group investments	142	96	10	(27)
Net investment result on Group investments	961	833	423	319
Re-/insurance finance income/(expenses)	(452)	(316)	(125)	(68)
Net investment result	508	517	298	250
Fee result	48	43	9	50
Other result	(142)	(114)	(285)	(294)
Income tax (expense)/benefit attributable to policyholders (BOP relevant)	–	–	(2)	–
Business operating profit before non-controlling interests	1,781	1,768	574	594
Non-controlling interests	–	–	71	65
Business operating profit	**1,781**	**1,767**	**502**	**529**

[1] Commercial and Retail Insurance overview exclude Group Reinsurance and Eliminations.

Consolidated financial statements (continued)

15. Events after the balance sheet date

No events after the balance sheet date.

Review report of the auditors

Building a better working world

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To the Board of Directors of
Zurich Insurance Group Ltd, Zurich

Zurich, August 7, 2024

Report on the review of interim condensed consolidated financial statements

Introduction

We have reviewed the interim condensed consolidated financial statements (consolidated statement of income, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of cash flows, consolidated statement of changes in equity and notes), pages 13 to 73, of Zurich Insurance Group Ltd for the period from January 1, 2024 to June 30, 2024. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 “Interim Financial Reporting”.

Ernst & Young Ltd

Isabelle Santenac
Licensed audit expert

(Auditor in charge)

David Jewell
Fellow of Chartered Accountants
Australia and New Zealand

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Additional information

Contents

Shareholder information

Zurich Insurance Group Ltd registered share data

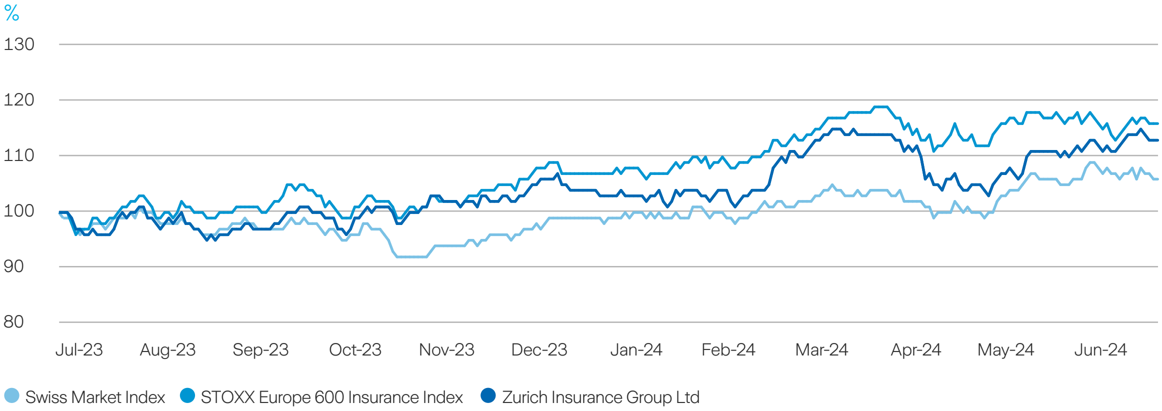
Zurich shares

Zurich had a market capitalization of CHF 70 billion on June 30, 2024. The shares are listed on the SIX Swiss Exchange and traded on the SIX Swiss Exchange Blue Chip Segment; ticker symbol: ZURN; the Swiss security number (Valorennummer) is 1107539. Trading in Zurich Insurance Group Ltd shares on the Blue Chip Segment is conducted in Swiss francs.

Share price performance

In terms of share price performance, the closing price at the end of June 2024 was CHF 479.10. The lowest closing price recorded during the first half of 2024 was CHF 429.90 on February 9, and the highest closing price was CHF 488.10 on March 20.

Zurich share performance (indexed) over one year, ending June 2024



Source: Refinitiv Datastream

Dividend

Financial Year	Payment date as from	Total dividend per registered share in CHF	Paid from available earnings[1] in CHF	Paid from capital contribution reserve in CHF
2023	April 16, 2024	26.00	26.00	–
2022	April 14, 2023	24.00	24.00	–
2021	April 12, 2022	22.00	20.35	1.65
2020	April 13, 2021	20.00	20.00	–
2019	April 7, 2020	20.00	20.00	–
2018	April 9, 2019	19.00	19.00	–
2017	April 10, 2018	18.00	16.60	1.40
2016	April 4, 2017	17.00	11.30	5.70
2015	April 5, 2016	17.00	–	17.00
2014	April 9, 2015	17.00	–	17.00

1 Gross dividend, subject to 35% Swiss withholding tax

Glossary

Group

Book value per share

is a measure that is calculated by dividing shareholders' equity by the number of shares issued less the number of treasury shares as of the period end.

Business operating profit (BOP)

is the Group's internal performance measure, on which the Group manages all of its business units. It indicates the underlying performance, after non-controlling interests, by eliminating the impact of financial market volatility and other non-operational variables. BOP reflects adjustments for shareholders' taxes, net capital gains/(losses) and change in expected credit loss (ECL) allowance on investments (except for certain non-insurance operations included in Non-Core Businesses, investments in hedge funds as at fair value through profit or loss, certain securities held for specific economic hedging purposes, policyholders' share of investment results for the life businesses), amortization of intangible assets acquired in a business combination and non-operational foreign exchange movements. Significant items arising from special circumstances, including restructuring charges, legal matters or large one-off regulatory projects outside the ordinary course of business, gains and losses on divestment of businesses, certain business combination integration costs, impacts from hyperinflation and impairments of goodwill are also excluded from BOP. Please refer to the 'consolidated financial statements, Note 14. Segment information, Table 14.4' for further information.

Business operating profit (after-tax) return on shareholders' equity (BOPAT ROE)

indicates the level of BOP relative to resources provided by shareholders. It is calculated as BOP, annualized on a linear basis and adjusted for taxes, divided by the average value of shareholders' equity, adjusted for net unrealized gains/(losses) on insurance liabilities and on investments classified as fair value through comprehensive income and cash flow hedges, using the value at the beginning and end of each quarter within the period. The average shareholders' equity for each quarter is then added together and divided by the number of quarters. If the dividend is approved at the Annual General Meeting within the first ten working days in April, then the dividend is deducted from the shareholders' equity at the start of the second quarter. Please refer to the 'supplementary information (unaudited)/ROE, EPS and BVPS' for further information.

Cash remittances

is the net extraction of capital from each of the business units (P&C, Life, Farmers and Non-Core Business) to Group Functions & Operations (GF&O) and after all central costs in GF&O. Cash remittances are typically extracted from subsidiaries by way of dividends, capital reductions, repayment of intragroup debt and reinsurance profits.

Investments

Total investments in the consolidated balance sheets include **Group investments** and investments for unit-linked contracts. Group investments are those for which the Group bears part or all of the investment risk. Average Group investments include investment cash and derivative financial instruments. The Group manages its diversified investment portfolio to optimize benefits for both shareholders and policyholders while ensuring compliance with local regulatory and business requirements under the guidance of the Group's Asset/Liability Management and Investment Committee. **Investments for unit-linked contracts** include investments where the policyholder bears the investment risk, and are held for liabilities related to unit-linked investment contracts and reserves for unit-linked contracts. They are managed in accordance with the investment objectives of each unit-linked fund.

Like-for-like

is the change in the underlying metric over a period of time and after removing the impact of foreign exchange movements and the impact of acquisitions and disposals.

Return on shareholders' equity (ROE)

is a measure that indicates the level of profit or loss relative to resources provided by shareholders. It is calculated as net income after taxes attributable to shareholders, annualized on a linear basis, divided by the average value of shareholders' equity, adjusted for net unrealized gains/(losses) on insurance liabilities and on investments classified as fair value through comprehensive income and cash flow hedges, using the value at the beginning and end of each quarter within the period. The average shareholders' equity for each quarter is then added together and divided by the number of quarters. If the dividend is approved at the Annual General Meeting within the first ten working days in April, then the dividend is deducted from the shareholders' equity at the start of the second quarter. Please refer to the 'supplementary information (unaudited)/ROE, EPS and BVPS' for further information.

Glossary (continued)

Property & Casualty

Gross written premiums (GWP)

is defined as the premium charged to a policyholder for an insurance contract. It is the total direct and assumed written premium excluding single parent captives before deductions for reinsurance and ceding commissions.

The following Property & Casualty (P&C) measures are net of reinsurance.

Insurance service result

is calculated as the difference between insurance revenue and the sum of net insurance service expenses and net expenses from reinsurance contracts held. Please refer to the 'supplementary information (unaudited)/P&C by segment' and 'supplementary information (unaudited)/P&C by country & customer unit' for further information.

Total net technical expenses

includes the total insurance services expenses for expenses for insurance contracts within the scope of IFRS 17, including the impact of discounting. It also includes other expenses which do not qualify for inclusion within IFRS 17 (reported under Other result) but are considered technical elements of administrative and other operating expenses. Please refer to the 'supplementary information (unaudited)/P&C by segment' for further information.

Combined ratio

is a measure that indicates the level of claims and net technical expenses during the period, relative to insurance revenues. It is calculated as the sum of the loss ratio and the expense ratio. Please refer to the 'supplementary information (unaudited)/P&C by segment' and 'supplementary information (unaudited)/P&C by country & customer unit' for further information.

Loss ratio

is a measure that indicates the level of claims during the period relative to insurance revenue. It is calculated as the sum of insurance services expenses for losses, including the impact of discounting and risk adjustment, and net expenses for reinsurance contracts held, divided by insurance revenue. Please refer to the 'supplementary information (unaudited)/P&C by segment' and 'supplementary information (unaudited)/P&C by country & customer unit' for further information.

Expense ratio

is a measure that indicates the level of the Total net technical expenses during the period relative to insurance revenue. It is calculated as the sum of the Total net technical expenses, divided by insurance revenue. Please refer to the 'Supplementary information (unaudited)/P&C by segment' and 'Supplementary information (unaudited)/P&C by country & customer unit' for further information.

Life

Present value of new business premiums (PVNBP)

is calculated as the present value of new business premiums gross of reinsurance discounted at the risk-free rate, before the effect of non-controlling interests.

New business contractual service margin (NB CSM)

represents the expected margin on the volume of business generated in the current period. It is calculated net of external reinsurance and before the effect of non-controlling interests.

New business margin (NBM)

is a measure that reflects the profitability of new business and is calculated as the new business CSM divided by PVNBP.

Farmers

Gross management result

is a measure of Farmers Management Services calculated as fee income minus fee business expenses, including amortization and impairments of intangible assets. Please refer to the 'supplementary information (unaudited)/Farmers' for further information.

Managed gross earned premium (MGEP) margin

is a measure calculated as the gross management result of Farmers Management Services divided by the gross earned premiums of the Farmers Exchanges, which are owned by their policyholders. Farmers Group, Inc., a wholly owned subsidiary of the Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as its attorney-in-fact and receives fees for its services.

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Financial calendar

Information on our website:
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