Financial Condition Report 2025

Zurich Insurance Company Ltd

Zurich Insurance Company Ltd

Contents

The information published in this report is consistent with the information published in the Annual Reports 2025 of Zurich Insurance Group and Zurich Insurance Company Group, as well as the regulatory reporting of Zurich Insurance Company Ltd for the year 2025, including the regulatory reporting to the Swiss Financial Market Supervisory Authority FINMA (FINMA) on the Swiss Solvency Test, in accordance with Art. 25 ISA and Art. 50 ISO. While the financial statements and the information therein were subject to audit by the statutory auditor of Zurich Insurance Company Ltd, Ernst & Young Ltd (see Appendix 2), there was no external audit or review of this report.

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

Zurich Insurance Company Ltd (continued)

Overview

Business profile

Zurich Insurance Company Ltd (ZIC or the Company) is the main operating carrier of Zurich Insurance Group (Zurich or the Group). Zurich is a global multi-line insurer serving people and businesses in more than 200 countries and territories. With more than 65,000 employees, it provides a wide range of property and casualty and life insurance products and services.

The results of ZIC include the direct Property & Casualty (P&C) and assumed P&C and Life insurance business in Switzerland. ZIC operates in Europe, Middle East & Africa, North America and Asia Pacific through its main branches located in United Kingdom, Canada, Japan and Hong Kong as well as assumes P&C and Life reinsurance business from its subsidiaries and the Farmers Exchanges[1].

Total gross written premiums and policy fees

CHF 28.5bn

Net income after taxes

CHF 8.4bn

Net investment result

CHF 8.9bn

System of governance and enterprise risk management

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

Zurich's Enterprise Risk Management framework supports the achievement of Zurich's strategy and helps protect capital, liquidity, earnings, and reputation across all of its entities, including ZIC.

Risk profile

Zurich identifies, assesses, manages, monitors and reports risks that have an impact on the achievement of its business strategy and objectives by applying its proprietary Total Risk Profiling™ methodology.

The methodology allows Zurich to assess risks in terms of severity and likelihood and supports the definition and implementation of mitigating actions.

Financial condition

ZIC's balance sheet remains very strong. As of December 31, 2025, the insurance financial strength rating of ZIC was 'AA/Stable' by Standard and Poor's Global Ratings, 'Aa2/stable' by Moody's, and 'A+(Superior)/Stable' by A.M. Best.

Shareholder's equity (statutory accounts) as of December 31, 2025

CHF 24.0bn

Swiss Solvency Test (SST) ratio for ZIC Group as of December 31, 2025

SST 241%

Standard and Poor's financial strength rating as of December 31, 2025

AA/Stable

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

Acronyms

AG	Aktiengesellschaft (stock company)
AGM	Annual General Meeting
APAC	Asia Pacific
Board	Board of Directors
BEL	best estimate liability
bn	billion
BS	Balance sheet
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHF	Swiss franc
CRO	Chief Risk Officer
CSM	contractual service margin
EMEA	Europe, Middle East & Africa
ERM	Enterprise Risk Management
ExCo	Executive Committee
EY	Ernst & Young Ltd
FCR	Financial Condition Report
FINMA	Swiss Financial Market Supervisory Authority FINMA
Group	Zurich Insurance Group Ltd and its subsidiaries
IACF	insurance acquisition cash flows
ICR	issuer credit rating
ISA	Swiss Insurance Supervision Act
ISO	Swiss Insurance Supervision Ordinance
LRC	liability for remaining coverage
Ltd	company limited by shares
MCBS	market-consistent balance sheet
MVM	market value margin
Nat Cat	natural catastrophes
NIAT	net income after taxes
P&C	property and casualty
SFCR	Solvency and Financial Condition Report
SR	Sustainability Report
SST	Swiss Solvency Test
TRP	Total Risk Profiling™
TCFD	Financial Stability Board’s Taskforce on Climate-related Financial Disclosure
UK	United Kingdom
UPR	unearned premium reserve
U.S.	United States
USD	United States dollar
WAQS	Whole Account Quota Share
Z-ECM	Zurich Economic Capital Model
ZIC Group	Zurich Insurance Company Ltd and its subsidiaries
ZIC	Zurich Insurance Company Ltd
Zurich	Zurich Insurance Group Ltd and its subsidiaries

Introduction

How to read the report

The financial condition report of ZIC is prepared in compliance with Art. 25 ISA and FINMA's Circular 2016/2 'Disclosure – insurers' (FINMA circular).

The report focuses on the 2025 financial year, and should be read in conjunction with the ZIC Group's Annual Report 2025 (available on www.zurich.com/investor-relations/results-and-reports/other-statutory-filings). Wherever applicable, this report also makes reference to the Zurich Insurance Group's Annual Report (available on www.zurich.com/investor-relations) or the ZIC Group's Annual Report for more information.

This report is prepared on a consolidated basis, using a look-through approach that captures the entire ZIC Group. With this approach:

- ZIC evaluates assets and liabilities of subsidiaries and participations by 'looking through' to their balance sheets. This view is possible as subsidiaries are wholly owned and deliver detailed information about the risk profile and valuation of these assets and liabilities (e.g., an equity exposure held in the balance sheet of a subsidiary is presented in the 'equity securities' line in the consolidated ZIC Group balance sheet, and therefore subsidiaries are not presented under 'investments in subsidiaries'),
- ZIC aggregates assets and liabilities by type or line items to create a consolidated view.

The consolidated, look-through approach results, in particular under the Swiss Solvency Test (SST), in an equivalent level of protection of policyholders and equivalent prudential outcome. Only the presentation differs, as it focuses on a ZIC Group view, rather than a ZIC legal entity view. This approach is consistent with our regulatory SST submissions to FINMA. See section E.2 for more information.

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

- 'Business activities' information is presented for the consolidated ZIC Group based on IFRS Accounting Standards.
- 'Performance results' are presented for ZIC stand-alone based on Swiss statutory reporting standards. The disclosure is complemented with information in the quantitative reporting templates (see Appendix 1) based on the Swiss statutory reporting standards applicable to ZIC.
- The 'Risk profile' section presents information for the ZIC Group under IFRS Accounting Standards for insurance and credit risk, and a net economic asset value-based analysis of the market risk.
- 'Valuation' presents the market-consistent balance sheet (MCBS) of the ZIC Group following the SST principles. The SST MCBS is compared with the balance sheet prepared in accordance with IFRS Accounting Standards of the ZIC Group as of December 31, 2025.
- Finally, the 'solvency' section shows the regulatory capital adequacy of the Company, supported by the results of the SST.

In accordance with the ZIC Group's Annual Report 2025, the reference currency is the U.S. dollar, except for disclosures presented in accordance with Swiss statutory reporting standards for which CHF is the reference currency (i.e., section on 'Performance overview of ZIC' and related quantitative reporting templates in Appendix 1).

Risk and capital are managed at the Group, region and business unit level according to Zurich's risk and capital management framework. The principles of the Zurich's Enterprise Risk Management described in the section 'Corporate governance and risk management' and in the section 'Risk profile' are equally applicable to ZIC Group. There is no material difference between how risk and capital are managed at the Group and the ZIC Group. The same applies to the approach to sustainability and climate-related financial risks, which is very closely aligned between the Group and ZIC Group.

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

Introduction (continued)

1 Executive summary

Business activities

ZIC Group is the main operating carrier of Zurich. Zurich is a leading multi-line insurer that serves its customers in global and local markets. With more than 65,000 employees, it provides a wide range of property and casualty and life insurance products and services in more than 200 countries and territories. Zurich's customers include individuals, small businesses, and mid-sized and large companies, as well as multinational corporations. The Group is headquartered in Zurich, Switzerland, where it was founded in 1872. The holding company, Zurich Insurance Group Ltd (ZURN), is listed on the SIX Swiss Exchange and has a Level I American Depositary Receipt (ZURVY) program, which is traded over-the-counter on OTCQX.

Performance: ZIC's financial results overview in 2025

ZIC reported a net income after taxes (NIAT) of CHF 8.4 billion in 2025, a 179 percent increase compared to 2024. The main reasons for this increase were the higher net investment result, the positive impact of the foreign currency transactions and derivatives as well as the improvement in the underwriting result.

Corporate governance and risk management

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

The members of the Zurich Insurance Group Ltd Board of Directors (Board) and Executive Committee (ExCo) equally serve as members of the Board of Directors and Executive Committee of Zurich Insurance Company Ltd.

Throughout 2025, the risk landscape continued to evolve in sometimes unexpected ways. Despite the uncertain geopolitical environment, Zurich continued to deliver on its strategic objectives while maintaining both financial and operational resilience.

The Group's track record is underpinned by its ability to make targeted investments in core risk management capabilities, such as advanced risk modeling, enabling Zurich to prepare for external shocks. With Zurich Resilience Solutions, the Group is able to extend this expertise to its customers, equipping them with the capacity to strengthen their own resilience.

Cultivating a holistic view of the risk landscape and targeting the areas that matter most enable Zurich to proactively manage risks which could otherwise impact achieving its strategic objectives and ambitious financial targets. By applying its Total Risk Profiling™ methodology – a cornerstone of the Group's Enterprise Risk Management framework – Zurich can draw on collective knowledge to support management in identifying, assessing, and managing risks.

By taking these additional risks and trends into account, Zurich reinforces its commitment to enabling stakeholders to navigate uncertainty – whether driven by geopolitical instability, digital transformation, economic challenges, critical infrastructure vulnerabilities, or societal shocks. The Group's efforts in identifying and mitigating risks, and building resilience, will continue to set it apart in an ever-evolving world.

Sustainability and climate-related financial risks

While environmental topics beyond climate are considered as part of the Group's approach to sustainability, understanding and managing climate change impacts remains a particular focus. The Group's business strategy calls on the Group to deliver in its various roles as an insurer:

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

The Group continues to report in line with the recommendations of the Financial Stability Board's Taskforce on Climate-Related Financial Disclosures (TCFD). The Sustainability Report (SR), which is part of the Annual Report, outlines the Group's understanding of potential climate risk impacts to its insurance and investment activities as well as its own operations including supply chain and an assessment of the resilience of its strategy (see Group's Annual Report on pages 141–175). In line with previous cycles, analysis concludes that the Group's customer-focused approach and diversified portfolios, supported by strong risk management practices, continue to provide the resilience and flexibility necessary to be able to adapt to the climate change impacts observed. Analysis outcomes do not suggest impacts to access to capital over the medium term.

Introduction (continued)

Risk profile

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

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

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

ZIC's solvency position is disclosed on the basis of the SST ratio. ZIC uses the Group's SST internal model which is approved by the Swiss Financial Supervisory Authority (FINMA).

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

Valuation for SST purposes

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

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

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

During 2025, the ZIC Group's SST risk-bearing capital (also referred to as available financial resources (AFR)) increased by USD 6.8 billion to USD 40.8 billion as of December 31, 2025, compared to USD 34.1 billion as of December 31, 2024.

Capital management

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

As of December 31, 2025, shareholders' equity based on IFRS Accounting Standards of USD 28.8 billion and subordinated debt of USD 9.8 billion were part of the capital available in the ZIC SST available financial resources (AFR). Further adjustments to derive SST AFR typically include deductions for proposed dividends and share buybacks, goodwill and intangible assets, deferred tax assets and liabilities, as well as the market-consistent valuation of insurance liabilities, which includes market value margin (MVM) and the value of in-force business. The MVM, also known as risk margin, is the cost of future regulatory risk capital stemming from the present portfolio of assets and liabilities.

Zurich is at the top of the league table of European peers for its financial strength rating with the three rating agencies with which it has interactive relations.

The insurance financial strength rating (IFSR) of the Group's main operating entity, Zurich Insurance Company Ltd (ZIC), is an important element of Zurich's competitive position, while the Group's credit ratings also affect the cost of debt capital. ZIC's financial strength ratings remained stable in 2025.

According to AM Best in its rating affirmation press release on October 1, 2025, "the ratings reflect Zurich's balance sheet strength, which AM Best assesses as very strong, as well as its strong operating performance, very favorable business profile and very strong enterprise risk management."

As of January 2025, the IFSR of ZIC was 'AA/Stable' by S&P Global Ratings, 'Aa2/stable' by Moody's, and 'A+ (Superior)/Stable' by AM Best. The AM Best Issuer Credit Rating (ICR) was 'aa/stable'.

Introduction (continued)

Solvency

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

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

The SST ratio as of December 31, 2025, stands at 241 percent (unaudited). It is filed with FINMA at the end of April 2026 and is subject to review by FINMA. ZIC met the regulatory solvency requirements in Switzerland throughout 2025.

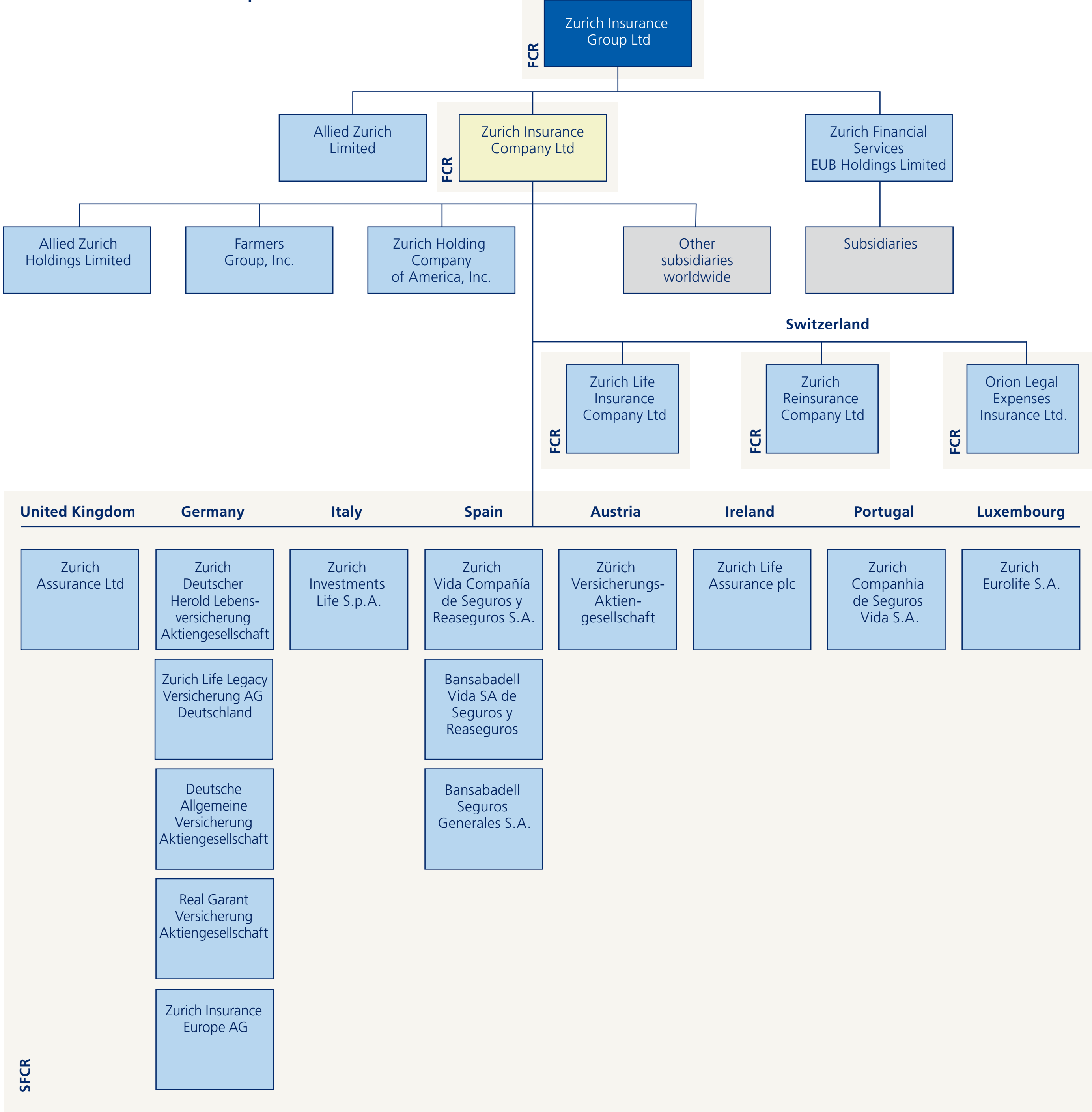
2 Approval of the Financial Condition Report

This Report was reviewed and signed off by the Board of Directors of ZIC on April 9, 2026.

A. Business activities

A.1 Company structure and major subsidiaries

Public reporting on solvency and financial condition within Zurich Insurance Group



SFCR: Solvency and Financial Condition Report (local regulation based on Solvency II; from 01.01.2016 except Zurich Assurance Ltd whose SFCR is based on Solvency UK since 31.12.2024)
FCR: Financial Condition Report (Swiss regulation; from 2017)

☐ Subsidiary ☐ Group of subsidiaries ☐ Current disclosure

Note: The purpose of the chart above is to provide a simplified overview of the Group's major subsidiaries (as of December 31, 2025), with special focus on the public reporting of their solvency and financial condition. Please note that this is a simplified representation showing entities that must publish such a report and therefore it may not comprehensively reflect the detailed legal ownership structure of the entities included in the overview. The ordering of the legal entities under each country is not indicative of ownership; these are independent legal entities.

A. Business activities (continued)

ZIC Group is a corporation domiciled in Zurich, Switzerland and is the principal operating insurance company of Zurich. With more than 65,000 employees, Zurich provides a wide range of property and casualty and life insurance products and services in more than 200 countries and territories. Zurich's customers include individuals, small businesses, and mid-sized and large companies, as well as multinational corporations.

As well as being an insurance company, ZIC also acts as the holding company for the majority of subsidiaries of the Group. ZIC pools internal reinsurance and ensures pooling of capital within Zurich. In addition, it is Zurich's main issuer and guarantor of debt. Its main subsidiaries include Zurich Holding Company of America, Inc., Farmers Group, Inc., Zurich Holding SE (Deutschland), Allied Zurich Holdings Limited, Zurich Financial Services Australia Limited and Zurich Holding Ireland Limited (Ireland).

The ZIC subsidiaries regulated in Switzerland produce their own Financial Condition Reports:

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

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

Significant acquisition and divestment transactions in 2025 impacting the ZIC Group structure are detailed in the note 4 of the audited consolidated financial statements in ZIC Group's Annual report 2025 on pages 64–65.

Also, a list of the **significant subsidiaries of ZIC Group** can be found in note 27 of the audited consolidated financial statements of ZIC Group's Annual Report 2025 on pages 154–156.

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

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

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

Zurich is on track to deliver on the 2025–2027 three-year plan, which sets out the most ambitious targets in Zurich's history. It comprises new business priorities that have raised the bar across the Commercial, Retail, Life and Farmers businesses, and focuses on strong results, building a resilient business, and positioning Zurich for long-term success in a changing world. With disciplined strategic execution, structural growth has been prioritized in Specialty, Middle Market, and Life Protection, which will help capture new opportunities, enhance cash generation capabilities, and deliver strong returns for shareholders.

For additional information on the Group's strategy and 2025–2027 financial targets, see pages 7–11 of the Group's Annual Report 2025.

The results of ZIC include the direct Property & Casualty (P&C) and assumed P&C and Life insurance business in Switzerland. ZIC operates in Europe, Middle East & Africa, North America and Asia Pacific through its main branches located in United Kingdom, Canada, Japan and Hong Kong as well as assumes P&C and Life reinsurance business from its subsidiaries and the Farmers Exchanges[1].

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

A. Business activities (continued)

Group structure

ZIC Group consists of ZIC and its subsidiaries.

The operational group structure reflects both ZIC Group's businesses and geographical regions. ZIC Group pursues a customer-centric strategy, with the P&C and Life businesses which are managed through a regional structure. For details on the activities of the various businesses, refer to note 26 of the ZIC Group's audited consolidated financial statements on pages 139–153 of ZIC Group's Annual Report 2025.

ZIC Group further divides its P&C business into Retail and Commercial customer units. ZIC Group has identified the following 13 reportable segments.

Group structure

Businesses	Property & Casualty (P&C)	Life	Farmers	Non-Core Businesses	Group Functions and Operations
Reportable segments	Europe, Middle East & Africa (EMEA) North America Asia Pacific (APAC) Latin America (LatAm) Group Reinsurance	Europe, Middle East & Africa (EMEA) North America Asia Pacific (APAC) Latin America (LatAm) Group Reinsurance	Farmers	Non-Core Businesses	Group Functions and Operations
Customer units	Commercial Retail				

Operating insurance branches of ZIC

as of December 31, 2025		Segment
Bahrain		
Zurich Insurance Company Ltd (Bahrain Branch)	Bahrain	Property & Casualty
Canada		
Zurich Insurance Company Ltd, Canadian Branch	Canada	Property & Casualty
Hong Kong		
Zurich Insurance Company Ltd, Hong Kong Branch	Hong Kong	Property & Casualty
Israel		
Zurich Insurance Company Ltd, Israel Branch	Israel	Property & Casualty
Italy		
Zurich Insurance Company Limited – Rappresentanza Generale per l'Italia	Italy	Property & Casualty
Japan		
Zurich Insurance Company Limited	Japan	Property & Casualty
Qatar		
Zurich Insurance Company Ltd. QFC Branch	Qatar	Property & Casualty
Singapore		
Zurich Insurance Company Ltd, Singapore Branch	Singapore	Property & Casualty
Switzerland		
Zürich Versicherungs-Gesellschaft AG, Regionalsitz Zürich	Switzerland	Property & Casualty
Zürich Versicherungs-Gesellschaft AG, Regionalsitz Bern/Mittelland	Switzerland	Property & Casualty
Zürich Versicherungs-Gesellschaft AG, Regionalsitz Zentral- und Nordwestschweiz	Switzerland	Property & Casualty
Zurigo Compagnia di Assicurazioni SA, Sede regionale per il Ticino	Switzerland	Property & Casualty
Zurich Compagnie d'Assurances SA, siège régional pour la Suisse romande	Switzerland	Property & Casualty
United Arab Emirates		
Zurich Insurance Company Ltd. (DIFC Branch)	United Arab Emirates	Property & Casualty
United Kingdom		
Zurich Insurance Company Ltd, UK Branch	United Kingdom	Property & Casualty

A. Business activities (continued)

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

Ernst & Young Ltd (EY), Maagplatz 1, in 8005 Zurich, were re-elected as ZIG's external auditors for the financial year 2025 by the AGM on April 9, 2025.

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

For additional information on the Group's external auditors, refer to pages 79–80 of the Group's Annual Report 2025.

A.4 Significant unusual events

For significant events during 2025 and thereafter until March 20, 2026, please refer to the ZIC Group's Annual Report 2025 page 157, as well as to the news releases available at https://www.zurich.com/en/media/news-releases.

B. Performance

B.1 Most important markets

In 2025, the most important markets for ZIC according to premium income (direct business, excluding subsidiaries) were United Kingdom, Switzerland, Canada and Japan.

B.2 Performance overview of ZIC (legal entity)

As complementary to the consolidated, look-through perspective presented for ZIC Group, FINMA and the Swiss statutory accounting standards mandate the disclosure of statutory information prepared from ZIC stand-alone perspective, under local reporting requirements (Swiss Code of Obligations and relevant supervisory law) in Swiss francs (CHF). Based on this perspective, ZIC presents performance information, differentiating between the direct Property & Casualty business written by ZIC in Switzerland and its branches located mainly in United Kingdom, Canada, Japan and Hong Kong as well as assumed reinsurance business, reflecting primarily business assumed from ZIC's subsidiaries. ZIC provides this information in Appendix 1. The main factors affecting performance are outlined below.

As of January 1, 2025, Group internal U.S. reinsurance treaties with Zurich American Life Insurance Company (ZALICO) have been recaptured after ZALICO has received the regulatory approval to cede run-off life portfolios to an external party, resulting in a net profit of CHF 70 million. Furthermore, the All Lines Quota Share (ALQS) reinsurance treaty with Farmers Reinsurance Company for the accident years 2023 and 2024 was novated from the Group's Bermuda-based entity Zurich Global, Ltd. to the Company as of January 1, 2025, with a minor impact on the Company's result in 2025. In 2024, the Whole Account Quota Share (WAQS) reinsurance treaty for the accident years 2018 to 2022 with Zurich American Insurance Company (ZAIC) was novated to ZIC and had a negative net impact of CHF 479 million on the Company's result 2024.

ZIC reported a net income after taxes (NIAT) of CHF 8.4 billion in 2025, a 179 percent increase compared to 2024. The main reasons for this increase were the higher net investment result, the positive impact of the foreign currency transactions and derivatives as well as the improvement in the underwriting result. Total gross written premiums and policy fees increased by CHF 1.0 billion or 4 percent to CHF 28.5 billion for the year ended December 31, 2025. Direct gross written premiums and policy fees increased by CHF 174 million to CHF 9.5 billion mainly due to the ongoing growth in Switzerland and Canada. Assumed gross written premiums and policy fees increased by CHF 842 million to CHF 19.0 billion mainly due to additional Group internal U.S. business.

Net investment result increased by CHF 4.1 billion to CHF 8.9 billion for the year ended December 31, 2025, mainly due to higher dividend income from subsidiaries and associates, lower write-downs on investments in subsidiaries and associates and higher net write-ups on equity securities due to the positive performance in the financial markets during 2025. The increase was partially offset by higher net realized capital losses as well as higher write-downs on debt securities, both following the negative impact of the foreign currency translation, in particular the U.S. dollar depreciation against the Swiss franc.

Net insurance reserves decreased by CHF 651 million compared with the year ended December 31, 2024, mainly due to the impact of foreign currency translation, in particular the depreciation of the U.S. dollar and British pound against the Swiss franc, as well as the recapture of Group internal U.S. life reinsurance treaties. Excluding foreign currency effects, the net insurance reserves would have increased by CHF 1.8 billion, reflecting the growth of the Group internal U.S. reinsurance business and the continued overall growth of the Group reinsurance business in 2025.

Shareholder's equity increased by CHF 4.5 billion to CHF 24.0 billion for the year ended December 31, 2025. The increase was driven by net income after taxes of CHF 8.4 billion, partially offset by the dividend payment of CHF 3.9 billion to Zurich Insurance Group Ltd in 2025, as approved at the Annual General Meeting on April 9, 2025.

B. Performance (continued)

Direct Swiss Business

The underwriting result for the direct business in Switzerland increased by CHF 461 million to an underwriting profit of CHF 403 million in 2025. The gross written premiums and policy fees increased by CHF 108 million. The underwriting result increase is driven by the fire, natural hazards and property damage, the accident and the motor business, mainly due to lower large claims.

Direct Non-Swiss Business

The net underwriting result increased by CHF 327 million to a profit of CHF 331 million in 2025. Net earned premiums and policy fees decreased by CHF 14 million, whereas the net technical expenses decreased by CHF 316 million, with the following contribution from the ZIC branches:

United Kingdom

The ZIC UK branch includes direct as well as assumed business with third parties. In 2025, ZIC UK branch reported an underwriting profit of CHF 104 million compared to an underwriting loss of CHF 172 million in 2024. The increase was mainly driven by the casualty and the fire, natural hazards and property damage business.

Japan

The underwriting result in Japan decreased slightly by CHF 1 million, whereas the gross written premiums and policy fees increased by CHF 40 million in local currency.

Canada

The underwriting result in Canada increased from a loss of CHF 6 million in 2024 to a profit of CHF 65 million in 2025. The net earned premiums increased by CHF 29 million to CHF 501 million in 2025. The net insurance benefits and losses decreased by CHF 32 million, most notably in the fire, natural hazards and property damage as well as the general third-party liability business, partially offset by an increase in the motor business.

Italy

The underwriting result in ZIC’s Italy branch decreased by CHF 8 million, resulting in a profit of CHF 6 million.

Hong Kong

The underwriting result in Hong Kong increased by CHF 7 million to CHF 38 million in 2025 driven by the business growth.

Other branches

In Liechtenstein, the underwriting result decreased by CHF 20 million compared to 2024 mainly driven by a positive run-off result in 2024 in the general liability and accident business. ZIC’s business in Singapore improved slightly to an underwriting loss of CHF 4 million in 2025 compared to a loss of CHF 7 million in 2024.

Indirect Business

ZIC acts as an internal reinsurer to the other subsidiaries of the Group. Reinsurance programs are structured to support and enable the Group’s risk management, capital management, underwriting and customer strategy. In the indirect business, the underwriting result improved significantly by CHF 630 million in 2025, from a net loss of CHF 524 million in 2024 to a net profit of CHF 106 million in 2025, mainly due to the improved underwriting result in the motor and the property business, partially offset by an increase in the confidence level for the insurance reserves in the casualty business.

Detailed financial results are disclosed in ZIC Group’s Annual Report 2025. In particular, additional information on **Overall performance** of ZIC is provided in the Management report section in ZIC Group’s Annual Report 2025 on page 168.

For information on **Investment performance** of ZIC Group, please see notes 5 and 6 of ZIC Group’s Annual Report 2025 on page 175.

C. Corporate governance and risk management

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

ZIC Group's and ZIC's corporate governance follows the principles of the Group.

The **Board of Directors** (Board), under the leadership of the Chairman, is responsible for determining the Group's overall strategy and supervising senior management. It holds the ultimate decision-making authority for ZIC and ZIC Group.

All Directors of Zurich Insurance Group Ltd equally serve as members of the ZIC Board. Michel M. Liès has served as Chairman of that Board since the Annual General Meeting (AGM) of April 4, 2018. Further information about the composition of the Board, as well as changes during 2025 and since January 1, 2026, are disclosed in the Corporate Governance Report section in the Group's Annual Report on pages 48–63.

The ZIC **Executive Committee** (ExCo) is headed by Mario Greco who also serves as Group CEO for Zurich Insurance Group Ltd. The ZIC ExCo composition is equivalent to Zurich Insurance Group Ltd ExCo. Information about the composition of the ExCo, as well as changes during 2025 and since January 1, 2026, are disclosed in the Corporate Governance Report section in the Group's Annual Report on pages 64–75.

C.2 Corporate governance and risk management

To achieve its risk management objectives, the Group manages risk according to an established Enterprise Risk Management (ERM) framework. The principles of corporate governance and risk management described in the Group's Annual Report are equally applicable to the ZIC Group.

All information in relation to the ZIC corporate governance and risk management is available in the Risk Review of ZIC Group's Annual Report 2025 and include notably the following information:

- The major **risk management objectives** at ZIC Group are described in the Risk Review in ZIC Group's Annual Report 2025 on page 3.
- The **Group's ERM framework** is the structure to manage risks within the organization. It is comprised of six components: risk governance and risk culture, risk appetite and tolerance, risk identification and risk assessment, risk response, risk monitoring, and risk reporting, as further detailed in ZIC Group's Annual Report 2025 on page 3.
- The **internal control system** implemented by the Group is considered essential for managing operational risk. The Board has overall responsibility for the Group's risk management and internal control frameworks. The objectives of the Group's internal control system are to provide reasonable assurance that Zurich's consolidated financial statements and disclosures are materially correct, support reliable operations, and ensure legal and regulatory compliance. The internal control system is designed to mitigate rather than eliminate risks that could impact the achievement of business objectives. For additional information on risk management and internal controls, please see page 252 of the Group's Annual Report 2025.
- The **Group compliance function** is a control function responsible for enabling the business to manage its compliance risks, being a trusted advisor, providing independent challenge, monitoring and assurance and assisting management to promote compliance culture and ethics. For additional information on Group Compliance and its operational controls, please see page 77 of the Group's Annual Report 2025.
- The Group's **internal audit function**, Group Audit, is tasked with providing independent and objective assurance on the adequacy and effectiveness of the Group's risk management, internal control and governance processes to the Board, the Audit Committee, the Group CEO and management, and to the boards and audit committees of subsidiary companies. For additional information on Group Audit, please see page 78 of the Group's Annual Report 2025.

C. Corporate governance and risk management (continued)

C.3 Management of climate-related risks and opportunities

Zurich has implemented an integrated approach, where sustainability, including climate-related risks and opportunities, is embedded in the existing governance framework, where both on the Board and management level, accountability for different areas, including sustainability aspects related to each of these areas, is assigned according to the respective field of expertise. As part of its strategic responsibility, the Board approves the sustainability strategy and objectives, with the support from the Board Committees according to their respective core mandates. In particular, the GNSC has been mandated by the Board to oversee the Group's approach and conduct with regards to sustainability. The GNSC was engaged on several strategic topics throughout 2025, including a deep dive into the execution of the responsible investment targets and the climate transition plan following the first year of its release. This update focused on progress in the delivery of targeted growth in sustainable revenues, targeted reductions in operational emissions and delivery of the customer engagement plan. Outcomes of scenario-based climate risk assessments inform Group's assessment of strategic resilience, with the Group Chief Sustainability Officer reporting the consolidated set of material actions arising from the scenario-based climate risk analysis to the GNSC after confirming with the ExCo for Group CEO approval.

Further information on sustainability risk and its governance is set out in the Risk Review (see Group's Annual Report on page 255), the Corporate Governance Report (see Group's Annual Report on pages 40–81) and the Sustainability Report (see Group's Annual Report on pages 125–222). On the reporting side, the procedures and governance of the Sustainability Report are aligned with the financial reporting processes and governance.

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

FINMA Circular reference		Disclosure details/splits	Disclosure reference
The main features of the governance structure at the insurance company to enable it to identify, evaluate, manage, monitor and report on climate-related financial risks	13.3	Overall governance	Group Annual Report pages 36–81
		Sustainability related governance	Group Annual Report pages 138–140
		Climate-risk related governance	Group Annual Report pages 139–140
Description of the short-, medium- and long-term climate-related financial risks and their impact on the insurance company's business and risk strategy and any effects on existing risk categories	13.4	Approach & Scenario used Conclusion	Group Annual Report pages 143–144 and 147–161
		Underwriting	Group Annual Report pages 149–152 and 159–161
		Investment Management	Group Annual Report pages 153–157 and 159–161
		Own operations and supply chain	Group Annual Report pages 158–159 and 159–161
Risk management structures and processes in place to identify, evaluate and manage climate-related financial risks	13.5		Group Annual Report pages 143–144, 147–148, 159–161 and page 255
Quantitative information (targets and key data) on climate-related financial risks including the methodology used	13.6	Roadmap	Group Annual Report pages 162–163
		Underwriting	Group Annual Report pages 163–165
		Investment management	Group Annual Report pages 166–172
		Own operations and supply chain	Group Annual Report pages 173–175
Insurance companies must disclose the criteria and methods used to evaluate the materiality of climate-related financial risks	13.7		Group Annual Report pages 150, 155–156, and 159–161

D. Risk profile

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

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

Additional qualitative and quantitative information about ZIC Group's risk profile can be found in the Risk Review in the ZIC Group's Annual Report 2025, for each of the following risk categories:

- Insurance risk, see pages 9–15;
- Market risk, including investment credit risk, see pages 16–19;
- Other credit risk including credit risk related to reinsurance assets and receivables, see pages 19–21;
- Operational risk, see page 21;
- Liquidity risk, see pages 21–22;
- Strategic risk and risks to the Group's reputation, see page 22;

For additional information on sustainability risk, please see page 255 of the Group's Annual Report 2025.

E. Valuation

E.1 Overarching market-consistent valuation principle

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

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

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

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

MCBS valuation principles

Mark-to-market	Highest priority for third-party assets, equities and risk-absorbing capital instruments	Fair value as defined under IFRS Accounting Standards.
Mark-to-model	If mark-to-market cannot be applied	Fair value as defined under IFRS Accounting Standards; or
		Best estimate valuation using parameter or assumptions explicitly stipulated by FINMA (e.g., liabilities valued at discounted cash flows using risk-free rate, thus without consideration of own credit risk).
Same carrying value as under IFRS Accounting Standards		As a practical expedient, a carrying value other than fair value is used as proxy to market-consistent valuation provided such measurement can be considered reasonable. For example, same carrying value as under IFRS Accounting Standards may be considered as a reasonable proxy based on the following considerations: – It represents current balances (e.g., cash accounts); or – It involves high-frequency turnover with daily settlements (e.g., operational clearing accounts); or – It is expected to be settled/realized within relatively short period after origination (generally, within three months and always less than twelve months) and is exposed to only insignificant risk of changes in value.

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

For more information on fair value measurement, see notes 5, 6 and 22 of the consolidated financial statements in the ZIC Group's Annual Report 2025, pages 66–68, 69–72, and 126–132, respectively. The summary of accounting policies underlying IFRS Accounting Standards valuations, as well as significant judgments and assumptions, are included in note 3 of the consolidated financial statements in the ZIC Group's Annual Report 2025, pages 45–63.

E. Valuation (continued)

E.2 Market-consistent balance sheet following SST principles

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

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

As of December 31, 2025, the ZIC Group had USD 1.3 billion of assets held for sale and USD 1.3 billion of liabilities held for sale based on agreements signed to sell portfolios of Zurich Insurance Europe AG and Zurich Insurance Company Ltd, UK Branch. These assets and liabilities are presented separately in the audited balance sheet and shown under Other assets and Other Liabilities. This reclassification is not applicable in the SST MCBS; therefore, presentation differences arise in multiple line items (e.g., Best estimate of non-life insurance liabilities and Share of technical provisions from reinsurance).

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

E. Valuation (continued)

Assets MCBS vs audited balance sheet

In USD millions, as of December 31	2024 (SST)	**2025 (SST)**	Evolution 2024–2025 (SST)	**2025 (audited BS)**	Difference 2025 (audited BS – SST)
Market conform value of investments					
Real estate	11,782	12,724	943	12,724	0
Participations	146	243	98	243	(0)
Fixed-income securities	104,201	114,806	10,605	114,789	17
Loans	3,003	3,115	112	2,809	306
Mortgages	3,896	4,082	186	4,262	(180)
Equities	4,639	6,308	1,669	7,716	(1,408)
Other investments	24,868	27,660	2,792	27,908	(249)
Collective investment schemes	4,442	4,070	(372)	4,070	(0)
Alternative investments	9,656	12,531	2,875	12,780	(249)
Structured products	–	–	–	–	–
Other investments	10,770	11,059	289	11,059	0
Total investments	**152,535**	**168,939**	**16,404**	**170,452**	**(1,513)**
Market conform value of other assets					
Financial investments from unit-linked life insurance	148,535	176,054	27,519	176,054	0
Receivables from derivative financial instruments	885	774	(111)	774	–
Deposits made under assumed reinsurance contracts	2,030	2,255	226	2,271	(15)
Cash and cash equivalents	6,762	7,079	317	7,079	0
Share of technical provisions from reinsurance	21,194	24,225	3,031	29,949	(5,724)
Direct insurance: life insurance business (excluding unit-linked life insurance)	3,282	4,256	974	6,939	(2,683)
Reinsurance: life insurance business (excluding unit-linked life insurance)	382	520	138	605	(85)
Direct insurance: non-life insurance business	10,990	11,817	827	11,866	(50)
Reinsurance: non-life insurance business	6,955	8,188	1,234	9,477	(1,288)
Direct insurance: health insurance business	–	–	–	–	–
Reinsurance: health insurance business	–	–	–	–	–
Direct insurance: other business	–	–	–	–	–
Reinsurance: other business	–	–	–	–	–
Direct insurance: unit-linked life insurance business	(414)	(556)	(142)	1,062	(1,619)
Reinsurance: unit-linked life insurance business	–	–	–	–	–
Fixed assets	2,226	2,540	314	2,115	426
Deferred acquisition costs	–	–	–	–	–
Intangible assets	–	–	–	12,445	(12,445)
Receivables from insurance business	13,674	14,599	925	14,579	20
Other receivables	6,245	7,401	1,156	7,401	(0)
Other assets	1,109	1,151	42	3,059	(1,908)
Unpaid share capital	–	–	–	–	–
Accrued assets	4,025	4,397	372	5,998	(1,601)
Total other assets	**206,685**	**240,476**	**33,790**	**261,724**	**(21,248)**
Total market conform value of assets	**359,220**	**409,415**	**50,194**	**432,176**	**(22,761)**

E. Valuation (continued)

Best estimate liabilities and risk-bearing capital MCBS vs audited balance sheet

In USD millions, as of December 31	2024 (SST)	**2025 (SST)**	Evolution 2024–2025 (SST)	**2025 (audited BS)**	Difference 2025 (audited BS – SST)
Market conform value of liabilities (including unit-linked life insurance)					
Best estimate of insurance liabilities	**(139,794)**	**(153,877)**	**(14,083)**	**(165,714)**	**11,837**
Direct insurance: life insurance business (excluding unit-linked life insurance)	(65,116)	(71,790)	(6,674)	(77,875)	6,085
Reinsurance: life insurance business (excluding unit-linked life insurance)	(1,433)	(1,493)	(60)	(1,458)	(35)
Direct insurance: non-life insurance business	(68,034)	(74,567)	(6,533)	(79,355)	4,787
Reinsurance: non-life insurance business	(5,211)	(6,027)	(816)	(7,027)	1,000
Direct insurance: health insurance business	–	–	–	–	–
Reinsurance: health insurance business	–	–	–	–	–
Direct insurance: other business	–	–	–	–	–
Reinsurance: other business	–	–	–	–	–
Best estimate of unit-linked life insurance liabilities	**(143,749)**	**(170,023)**	**(26,274)**	**(188,964)**	**18,942**
Direct insurance: unit-linked life insurance business	(143,749)	(170,023)	(26,274)	(188,964)	18,942
Reinsurance: unit-linked life insurance business	–	–	–	–	–
Market value margin	**(5,890)**	**(5,851)**	**39**	**–**	**(5,851)**
Market conform value of other liabilities					
Non-technical provisions	(1,877)	(1,816)	61	(2,634)	818
Interest-bearing liabilities	(4,099)	(4,310)	(210)	(4,416)	106
Liabilities from derivative financial instruments	(840)	(679)	162	(679)	–
Deposits retained on ceded reinsurance	(1,212)	(703)	509	(850)	147
Liabilities from insurance business	(5,749)	(5,901)	(152)	(5,881)	(20)
Other liabilities	(12,377)	(14,191)	(1,813)	(15,548)	1,357
Accrued liabilities	(5,162)	(5,942)	(780)	(8,939)	2,997
Subordinated debts	(11,075)	(12,614)	(1,540)	(9,775)	(2,839)
Total market conform value of liabilities	(331,825)	(375,907)	(44,082)	(403,400)	27,493
Market conform value of assets minus market conform value of liabilities	**27,395**	**33,508**	**6,113**	**28,776**	**4,732**

E. Valuation (continued)

E.2.1 Evolution of assets in 2025

Total investments

The market-consistent value of **Total investments** increased by USD 16.4 billion from USD 152.5 billion in 2024 to USD 168.9 billion in 2025.

This is mostly driven by an increase of USD 10.6 billion in **Fixed-income securities** from USD 104.2 billion in 2024 to USD 114.8 billion in 2025. Currency translation resulted in an increase of USD 10.0 billion due to U.S. dollar weakening against other major currencies. Regionally, the rise was led by Spain, Switzerland, and Italy partially offset by the U.S. Furthermore, corporate bonds delivered strong results, supported by generally higher net additions during the year, partially offset by market revaluations in government bonds. Performance benefited from tight investment grade credit spreads and elevated yields, which supported valuations and carry. While some yield curves flattened in 2025 as central banks cautiously approached monetary easing, duration effects varied by region.

Other investments increased by USD 2.8 billion from USD 24.9 billion in 2024 to USD 27.7 billion in 2025. Currency translation resulted in an increase of USD 1.4 billion due to U.S. dollar weakening against other major currencies. Private debt mandates mainly in Switzerland benefited from persistently high base rates and attractive lending terms, with senior secured mid-market loans delivering robust yields and private equity performing well. Attractive spreads and solid investor demand supported deployment and valuations.

Equities increased by USD 1.7 billion from USD 4.6 billion in 2024 to USD 6.3 billion in 2025. Currency translation resulted in an increase of USD 0.4 billion. Regionally, growth was strongest in Switzerland and the U.S., driven by positive market valuations and net additions. The increase follows a strong equity performance in 2025, despite increased volatility and regional differentiation as global monetary easing was more measured.

Real estate increased by USD 0.9 billion from USD 11.8 billion in 2024 to USD 12.7 billion in 2025, mainly driven by positive currency translation effects, partially offset by net sales mainly in Switzerland, Luxembourg, Italy and Germany. These net sales reflect profit realization in an improved European property market.

Mortgages increased by USD 0.2 billion from USD 3.9 billion in 2024 to USD 4.1 billion in 2025, mainly driven by currency translation effects, partially offset by loan maturities aligned with the strategy to reduce the mortgage portfolio.

Total other assets

The market-consistent value of **total other assets** increased by USD 33.8 billion from USD 206.7 billion in 2024 to USD 240.5 billion in 2025.

Financial investments from unit-linked life insurance increased by USD 27.5 billion from USD 148.5 billion in 2024 to USD 176.1 billion in 2025. The increase was partly driven by positive currency translation effects of USD 15.7 billion due to the U.S. dollar weakening against other major currencies. In addition, improved market conditions together with underlying investment performance and portfolio growth mainly in Ireland, Brazil Santander, the U.S., the Isle of Man and Germany contributed to the increase.

Other receivables increased by USD 1.2 billion from USD 6.2 billion in 2024 to USD 7.4 billion in 2025, mainly driven by the reverse repo business used as an instrument for active cash management, as well as positive currency translation effects.

Receivables from insurance business increased by USD 0.9 billion from USD 13.7 billion in 2024 to USD 14.6 billion in 2025. The increase was mainly driven by positive currency translation effects of USD 0.6 billion and higher receivables from policyholders and intermediaries, partially offset by lower balances from insurance and reinsurance companies.

Accrued assets increased by USD 0.4 billion from USD 4.0 billion in 2024 to USD 4.4 billion in 2025, mainly driven by higher accrued interest and premiums across various European countries.

Cash and cash equivalents increased by USD 0.3 billion from USD 6.8 billion in 2024 to USD 7.1 billion in 2025, mainly due to currency translation effects.

Fixed assets increased by USD 0.3 billion from USD 2.2 billion in 2024 to USD 2.5 billion in 2025, mainly in real estate held for own use, driven by currency translation effects in Switzerland and a new lease in Italy.

E. Valuation (continued)

The market-consistent value of **Share of technical provisions from reinsurance** increased by USD 3.0 billion from USD 21.2 billion in 2024 to USD 24.2 billion in 2025. The increase is mostly driven by the non-life business:

- **Direct insurance: non-life insurance business** increased by USD 0.8 billion from USD 11.0 billion in 2024 to USD 11.8 billion in 2025, driven by increases of the underlying nominal reserves, mostly in the U.S., in liability and motor. Lower interest rates decrease the discount, and currency translation effects explain the remaining increase.
- **Reinsurance: non-life insurance business** increased by USD 1.2 billion from USD 7.0 billion in 2024 to USD 8.2 billion in 2025, primarily driven by underlying nominal reserve increases, mostly in property and liability. Lower interest rates decrease the discount, and currency translation effects explain the remaining increase.
- **Direct insurance: life insurance business (excluding unit-linked life insurance)** increased by USD 1.0 billion from USD 3.3 billion in 2024 to USD 4.3 billion in 2025, driven by an increase from a new external reinsurance agreement in the U.S. and model refinements in Farmers New World Life.

E.2.2 Evolution of liabilities in 2025

Best estimate of insurance liabilities

The market-consistent value of **Best estimate of insurance liabilities** increased by USD 40.4 billion from USD 283.5 billion in 2024, to USD 323.9 billion in 2025.

- **Direct insurance: life insurance business (excluding unit-linked life insurance)** increased by USD 6.7 billion from USD 65.1 billion in 2024 to USD 71.8 billion in 2025, whereby the **Best estimate of insurance liabilities (life): gross** increased by USD 6.5 billion from USD 63.5 billion in 2024 to USD 70.0 billion in 2025. The increase was mainly driven by currency translation effects of USD 7.5 billion due to the U.S. dollar weakening against other major currencies. Additional increases were driven by the successful launch of a capital efficient savings product in Spain partially offset by in force portfolio run-offs in Germany and Switzerland.
- **Direct insurance: unit-linked life insurance business** increased by USD 26.3 billion from USD 143.7 billion in 2024 to USD 170.0 billion in 2025. The increase was mainly driven by currency translation effects of USD 15.3 billion due to the U.S. dollar weakening against other major currencies. Further increases are driven by Ireland, Brazil Santander, the U.S., the Isle of Man and Germany, due to strong market performance and new business growth.
- **Direct insurance: non-life insurance business** increased by USD 6.5 billion from USD 68.0 billion in 2024 to USD 74.6 billion in 2025. The increase is mainly driven by currency translation effects, higher discounted reserves and business growth across several lines of business in the U.S. and Europe.
- **Reinsurance: non-life insurance business** increased by USD 0.8 billion from USD 5.2 billion in 2024 to USD 6.0 billion in 2025, primarily driven by USD 0.4 billion increase in liability in Europe and the new travel assumed business in the U.S., and USD 0.3 billion due to currency translation effects.

Total other liabilities

The market-consistent value of **Total other liabilities** has increased by USD 3.8 billion from USD 42.4 billion in 2024 to USD 46.2 billion in 2025. The increase was primarily driven by **Other liabilities** of USD 1.8 billion, mainly due to currency translation effects and the repo business used as an instrument for active cash management. Subordinated debts increased by USD 1.5 billion, mainly driven by the issuance of USD 750m subordinated debt as well as currency translation effects, partially offset by a redemption of USD 300m. **Accrued liabilities** increased by USD 0.8 billion. This increase was mainly driven by premium prepayments for insurance services and currency translation effects. **Interest-bearing liabilities** increased by USD 0.2 billion, mainly driven by repayments in Switzerland, currency translation effects and market movements. This was partially offset by a decrease in **Deposit retained on ceded reinsurance** of USD 0.5 billion, mainly due to lower deposits held under reinsurance treaties in Japan.

E.2.3 Changes in MCBS valuation methodology

In 2025, the MCBS valuation methodology for some individual accident and health products within the non-life insurance liabilities was aligned more closely to the valuation under IFRS Accounting Standards. Here these are valued based on the same principles as life insurance liabilities (see section E.2.5). This change did not have a material effect on the ZIC Group AFR.

E. Valuation (continued)

E.2.4 Market-consistent value of assets

Market-consistent value of investments

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

Valuation difference on investments

in USD millions, as of December 31, 2025

Total value of investments (audited BS)		**170,452**
Loans	Policy loans reclassification from life insurance liabilities	308
Mortgages	Mortgage loans measured at fair value in MCBS	(180)
Equities	Own shares are not recognised in SST	(1,408)
Other Investments	Other investments measured at fair value in MCBS	(234)
Total market-consistent value of investments (SST)		**168,939**

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

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

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

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

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

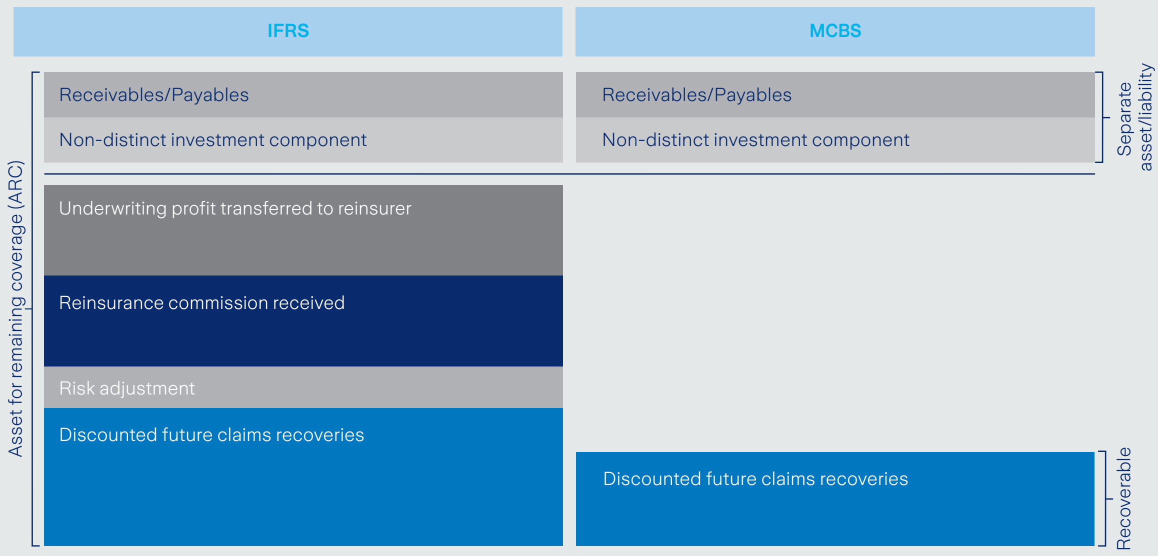
Under IFRS Accounting Standards, the actuarial best estimate is supplemented by a risk adjustment to reflect the uncertainty in the amount and timing of future cash flows. The risk adjustment is set to zero in SST.

Reinsurers' share of best estimate unearned premium reserve

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

E. Valuation (continued)

Illustrative break-down of Unearned Premium Reserve (UPR)



Reinsurers' share of property and casualty loss reserves

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

Reinsurers' share of life benefits

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

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

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

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

in USD millions, as of December 31, 2025

Total Best estimate of share of technical provisions from reinsurance (audited BS)		**29,949**
Share of technical provisions from reinsurance	Valuation differences	(1,954)
	Contractual service margin (CSM)	(3,687)
	Risk adjustment	(1,363)
	The reclassification to held for sale is not applicable in MCBS	1,280
Total Best estimate of share of technical provisions from reinsurance (SST)		**24,225**

E. Valuation (continued)

Market-consistent value of other assets

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

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

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

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

The reclassification of assets of USD 1.3 billion as held for sale, presented within other assets under IFRS Accounting Standards, is not applicable in MCBS.

Valuation difference on other assets

in USD millions, as of December 31, 2025

Total value of other assets (audited BS) (excluding Financial investments from unit-linked life insurance & Share of technical provisions from reinsurance)		**55,721**
	Fixed assets: Real estate held for own use is at fair value in MCBS	426
	Deferred origination costs: Value set to zero in MCBS	(568)
	Deferred tax assets: Value set to zero in MCBS	(1,601)
	Goodwill and other intangible assets: Value set to zero in MCBS	(12,445)
	The reclassification to held for sale is not applicable in MCBS	(1,280)
Other assets	Other	(55)
Total market-consistent value of other assets (SST) (excluding Financial investments from unit-linked life insurance & Share of technical provisions from reinsurance)		**40,197**

E. Valuation (continued)

E.2.5 Market-consistent value of liabilities

Best estimate of non-life insurance liabilities

Best estimate of unearned premium reserves

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

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

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

Illustrative break-down of Unearned Premium Reserve (UPR)

Some individual accident and health products included in the non-life insurance liabilities are valued based on the same principles as life insurance liabilities under IFRS Accounting Standards as described below. From 2025, the same approach is used for SST MSBC valuation, except that additional valuation differences in SST MCBS for these contracts arise in the liability for remaining coverage (LRC) due to the contractual service margin (CSM), which is set to zero in SST.

E. Valuation (continued)

Best estimate of loss reserves

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

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

Valuation difference on Best estimate of non-life insurance liabilities

in USD millions, as of December 31, 2025

Total Best estimate of non-life insurance liabilities (audited BS)		**(86,381)**
	Valuation differences	4,815
	Contractual service margin (CSM)	672
	Risk adjustment	1,577
Non-Life insurance liabilities	The reclassification to held for sale is not applicable in MCBS	(1,277)
Total Best estimate of non-life insurance liabilities (SST)		**(80,594)**

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

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

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

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

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

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

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

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

E. Valuation (continued)

Valuation difference on Total Best estimate of life insurance liabilities

in USD millions, as of December 31, 2025

Total Best estimate of life insurance liabilities (audited BS)		**(268,297)**
Life insurance liabilities (excluding unit-linked)	Valuation differences	2,424
	Reclassification from unit-linked	(10,573)
Unit-linked life insurance business	Valuation differences	1,811
	Reclassification to non unit-linked	10,573
Contractual service margin (CSM)		18,247
Risk adjustment		2,509
Total Best estimate of life insurance liabilities (SST)		**(243,305)**

Market value margin

Following the 2023 revision of the ISO, which entered into force on January 1, 2024, the Market Value Margin (MVM) forms part of the SST market-consistent valuation of insurance liabilities and thus SST AFR. Market value margin, also known as risk margin, is the cost of future regulatory risk capital stemming from the present portfolio of assets and liabilities. MVM as of December 31, 2025, was USD 5.9 billion, unchanged compared to prior year. Favorable impacts of market movements on underlying risk types, mainly from favorable interest rate movements, were offset by growth in underlying Life and P&C insurance risks.

Market-consistent value of other liabilities

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

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

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

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

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

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

Furthermore, the reclassification of liabilities for USD 1.3 billion as held for sale, presented within other liabilities under IFRS Accounting Standards, is not applicable in MCBS.

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

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

E. Valuation (continued)

Valuation difference on other liabilities

in USD millions, as of December 31, 2025

Total value of other liabilities (audited BS)		**(48,722)**
	Non-technical provisions: Long-term incentive plan	818
	Interest-bearing liabilities: Valuation differences	106
	Deposit retained on ceded reinsurance: Valuation differences	169
	Deferred taxes (other than deferred tax on Swiss real estate transfers attributable to shareholders): Value set to zero in MCBS	2,872
	The reclassification to held for sale is not applicable in MCBS	1,277
	Subordinated debts: Valuation differences	50
	Subordinated debts: Presented within equity in the audited balance sheet	(2,889)
Other liabilities	Other	163
Total market-consistent value of other liabilities (SST)		**(46,156)**

F. Capital management

F.1 Capital management objectives

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

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

For additional information regarding the **Capital structure,** please see the Corporate Governance Report section in the Group's Annual Report 2025 on pages 43–46.

For more details on the **Capital management framework** and **Capital management program,** see the Risk Review in the ZIC Group's Annual Report 2025 on page 5.

For details on **issuances and redemptions of debt,** see note 17 of the ZIC Group consolidated financial statements on pages 112–113.

The following risk-absorbing capital instruments have a repayment option in the next twelve months and contribute to the risk-bearing capital:

- 5.625% USD 1,000 million subordinated notes, due June 2046, first callable June 2026, issued by Zurich Insurance Company Ltd with a market value[1] of USD 1,035 million as of December 31, 2025 and;
- 3.500% EUR 750 million subordinated notes, due October 2046, first callable October 2026, issued by Zurich Insurance Company Ltd with a market value[1] of USD 891 million as of December 31, 2025.

F.2 Regulatory capital adequacy

The Group endeavors to manage its capital so that its regulated entities meet local regulatory capital requirements. In each country in which the Group operates, the local regulator specifies the minimum amount and type of capital that each of the regulated entities must hold. In addition to 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.

Additional information related to regulatory solvency regimes is disclosed in ZIC Group's Annual Report 2025 on page 6.

1 As described in section E.2.5, the value of risk-absorbing capital instruments is presented including accrued interest.

G. Solvency

G.1 Swiss Solvency Test ratio

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

- A market-consistent view of the financial resources available to meet policyholder obligations–referred to as risk-bearing capital. The risk-bearing capital consists of net assets (core capital) and Tier 2 risk-absorbing capital instruments. As of December 31, 2025, the Group did not have outstanding instruments that fulfil the definition of Tier 1 capital.
- A view of the impact of the potential risks inherent to the regulated business – referred to as target capital and defined as an expected shortfall at a 99-percent confidence level over a one-year time horizon.

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

In 2025, the ZIC SST ratio improvement was driven by economic profit (+35 percentage points, net of capital required for growth), favorable market developments (+9 percentage points) as well as the net new subordinated debt issuance of USD 450 million (+2 percentage points). Market movements were mainly driven by a favorable impact from an increase in interest rates and favorable equity market performance, which more than offset an unfavorable impact from the USD depreciation. These movements outweighed the accrual of the proposed 2025 fiscal year dividend and other deductions (–31 percentage points), an unfavorable impact from model and assumption changes (–3 percentage points) and share-buybacks related to long-term incentive plan (–2 percentage points). A reduction in the risk relief from the affiliated credit risk model led to a –2 percentage point impact.

Solvency

in USD millions	December 31, 2024	Adjustments Previous year	**December 31, 2025**
Derivation of RBC			
Market conform value of assets minus market conform value of liabilities	27,395		33,508
Deductions	(4,414)		(5,296)
Tier 1 risk-absorbing capital instruments (RAC) counted towards core capital	–		–
Core capital	**22,981**		**28,211**
Supplementary capital	11,075		12,614
Risk-bearing capital	**34,056**		**40,826**
Derivation of target capital			
Insurance risk	10,854		12,056
Market risk	9,574		10,186
Credit risk[1]	4,839		5,625
Diversification effects	(5,676)		(6,009)
Other effects on target capital[2]	(5,021)		(4,899)
Target capital	**14,569**		**16,959**
SST ratio[3]	**234%**		**241%**

1 Credit risk includes investment credit risk, reinsurance and receivables credit risk.
2 Other effects on target capital include expected business development over the forecasting horizon, and other risk models.
3 SST ratio is defined in the Swiss Insurance Supervision Ordinance as a ratio of risk-bearing capital to target capital.

G. Solvency (continued)

Target capital by risk type

in USD millions	December 31, 2024	Adjustments previous period	December 31, 2025
Insurance risk derivation of target capital			
Premium and reserve risk (including UPR risk)	7,985		8,849
Nat Cat	4,179		4,464
Life insurance liabilities	2,377		2,597
Business risk	3,371		4,135
Diversification	(7,058)		(7,989)
Total	**10,854**		**12,056**
Market risk derivation of target capital			
Equity risk	3,732		5,016
Interest rate risk	2,973		2,205
Exchange rate risk	1,987		1,533
Credit spread risk	3,283		3,157
Other	9,330		10,000
Diversification	(8,750)		(7,937)
Total (including investment credit risk)	**12,555**		**13,975**
thereof			
Market risk (excluding investment credit risk)	9,574		10,186
Investment credit risk	4,582		5,320
Credit risk derivation of target capital			
Investment credit risk	4,582		5,320
Reinsurance credit risk & receivables	951		1,097
Diversification	(694)		(792)
Total	**4,839**		**5,625**

Appendix 1: Quantitative templates

Income statement Zurich Insurance Company Ltd Total and Direct Swiss Business

In CHF millions, for the years ended December 31

		Total		Accident	
		2024	**2025**	2024	**2025**
1	Gross written premiums and policy fees	27,521	28,537	499	474
2	Premiums ceded to reinsurers	(7,586)	(7,919)	(9)	(4)
3	Net written premiums and policy fees (1 + 2)	19,935	20,618	490	470
4	Change in reserves for unearned premiums, gross	(981)	(762)	1	1
5	Change in reserves for unearned premiums, ceded	207	325	–	–
6	Net earned premiums and policy fees (3 + 4 + 5)	19,161	20,180	491	471
7	Other income[1]	1,169	1,315	21	22
8	**Total technical income (6+7)**	**20,330**	**21,496**	**512**	**493**
9	Claims paid, annuities and loss adjustment expenses, gross	(12,501)	(14,421)	(394)	(381)
10	Claims paid, annuities and loss adjustment expenses, ceded	3,444	3,285	10	7
11	Change in insurance reserves, gross	(5,207)	(2,746)	(104)	10
12	Change in insurance reserves, ceded	642	399	(4)	(5)
13	Change in actuarial provisions for unit-linked contracts				
14	**Insurance benefits and losses, net of reinsurance (9 + 10 + 11 + 12 + 13)**	**(13,622)**	**(13,484)**	**(492)**	**(369)**
15	Underwriting & policy acquisition costs, gross	(6,033)	(6,762)	(48)	(50)
16	Underwriting & policy acquisition costs, ceded	1,436	1,434	2	1
17	Underwriting & policy acquisition costs, net of reinsurance (15 + 16)	(4,597)	(5,328)	(46)	(49)
18	Administrative and other expense[1]	(2,690)	(1,843)	(49)	(31)
19	**Total technical expense (14 + 17 + 18) (non-life insurance only)**	**(20,908)**	**(20,655)**	**(587)**	**(448)**
20	Investment income	5,670	9,599		
21	Investment expenses	(875)	(730)		
22	**Net investment result (20 + 21)**	**4,795**	**8,869**		
23	Net investment result on unit-linked investments	–	–		
24	Other financial income	314	248		
25	Other financial expense	(200)	(108)		
26	**Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25)**	**4,330**	**9,851**		
27	Interest expense on debt and other interest expense	(952)	(724)		
28	Other income	–	–		
29	Other expense	–	–		
30	Extraordinary income/expense	–	–		
31	**Net income before taxes (26 + 27 + 28 + 29 + 30)**	**3,378**	**9,127**		
32	Direct tax expenses	(379)	(747)		
33	**Net income after taxes (31 + 32)**	**2,999**	**8,380**		

1 Line items 7 and 18: lines of business allocated according to the gross written premium

Appendix 1: Quantitative templates (continued)

Direct Swiss business											
	Illness		**Motor vehicle**		**Transport**		**Fire, natural hazards, property damage**		**General third-party liability**		**Other branches**
2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**
729	810	1,119	1,128	31	31	498	521	349	356	119	131
–	–	–	(1)	(5)	(5)	(6)	(15)	–	(3)	(49)	(56)
729	810	1,118	1,127	26	26	492	505	349	354	70	76
–	–	(4)	(1)	–	–	(9)	(5)	2	(2)	(8)	(8)
–	–	–	–	–	–	(1)	1	–	–	4	6
729	810	1,115	1,126	26	26	483	502	351	352	66	73
31	37	48	52	1	1	21	24	15	16	5	6
760	**848**	**1,162**	**1,178**	**27**	**27**	**504**	**526**	**366**	**368**	**71**	**79**
(618)	(693)	(795)	(739)	(18)	(20)	(262)	(315)	(127)	(128)	(74)	(77)
–	–	–	–	2	1	(3)	(14)	–	–	21	35
6	(23)	(17)	8	(7)	(1)	(138)	103	(45)	(83)	34	10
–	–	–	–	(2)	3	1	(20)	(93)	–	8	(4)
(612)	**(716)**	**(811)**	**(732)**	**(24)**	**(17)**	**(402)**	**(246)**	**(265)**	**(211)**	**(11)**	**(37)**
(62)	(72)	(185)	(204)	(10)	(10)	(123)	(132)	(78)	(87)	(22)	(22)
–	–	–	–	1	1	–	–	(1)	–	8	9
(62)	(72)	(185)	(204)	(8)	(8)	(124)	(132)	(78)	(87)	(14)	(13)
(71)	(52)	(109)	(73)	(3)	(2)	(49)	(34)	(34)	(23)	(12)	(8)
(745)	**(840)**	**(1,105)**	**(1,009)**	**(36)**	**(27)**	**(574)**	**(412)**	**(377)**	**(321)**	**(36)**	**(58)**

Appendix 1: Quantitative templates (continued)

Income statement Zurich Insurance Company Ltd Direct Foreign Business and Assumed Business

In CHF millions, for the years ended December 31

		Direct non-Swiss business, total	
		2024	**2025**
1	Gross written premiums and policy fees	5,993	6,058
2	Premiums ceded to reinsurers	(3,610)	(3,620)
3	Net written premiums and policy fees (1 + 2)	2,382	2,438
4	Change in reserves for unearned premiums, gross	(118)	(181)
5	Change in reserves for unearned premiums, ceded	90	83
6	Net earned premiums and policy fees (3 + 4 + 5)	2,355	2,341
7	Other income[1]	255	279
8	**Total technical income (6+7)**	**2,609**	**2,620**
9	Claims paid, annuities and loss adjustment expenses, gross	(3,185)	(2,834)
10	Claims paid, annuities and loss adjustment expenses, ceded	1,808	1,559
11	Change in insurance reserves, gross	(488)	(433)
12	Change in insurance reserves, ceded	168	229
13	Change in actuarial provisions for unit-linked contracts		
14	**Insurance benefits and losses, net of reinsurance (9 + 10 + 11 + 12 + 13)**	**(1,697)**	**(1,479)**
15	Underwriting & policy acquisition costs, gross	(1,378)	(1,448)
16	Underwriting & policy acquisition costs, ceded	1,056	1,029
17	Underwriting & policy acquisition costs, net of reinsurance (15 + 16)	(322)	(419)
18	Administrative and other expense[1]	(586)	(391)
19	**Total technical expense (14 + 17 + 18) (non-life insurance only)**	**(2,605)**	**(2,289)**
20	Investment income		
21	Investment expenses		
22	**Net investment result (20 + 21)**		
23	Net investment result on unit-linked investments		
24	Other financial income		
25	Other financial expense		
26	**Operating result (8 + 14 + 17 + 18 + 22 + 23 + 24 + 25)**		
27	Interest expense on debt and other interest expense		
28	Other income		
29	Other expense		
30	Extraordinary income/expense		
31	**Net income before taxes (26 + 27 + 28 + 29 + 30)**		
32	Direct tax expenses		
33	**Net income after taxes (31 + 32)**		

1 Line items 7 and 18: lines of business allocated according to the gross written premium

Appendix 1: Quantitative templates (continued)

														Indirect business
								Marine, aviation,						
		Personal accident		Health		Motor		transport		Property		Casualty		Miscellaneous
	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**
	1,125	1,043	283	361	2,455	2,797	368	345	7,056	7,281	3,175	3,263	3,723	3,937
	(10)	(22)	–	–	(28)	(36)	(67)	(116)	(2,546)	(2,660)	(655)	(709)	(600)	(673)
	1,115	1,021	283	361	2,428	2,762	300	229	4,510	4,621	2,520	2,554	3,123	3,264
	(28)	(12)	–	(6)	(323)	17	27	3	(454)	(326)	(38)	(47)	(29)	(195)
	(1)	5	–	–	–	2	(19)	6	89	137	(4)	43	48	41
	1,086	1,014	283	355	2,105	2,781	308	238	4,145	4,431	2,477	2,550	3,142	3,110
	48	48	12	17	104	129	16	16	300	336	135	150	158	181
	1,133	**1,062**	**295**	**371**	**2,210**	**2,910**	**324**	**254**	**4,444**	**4,767**	**2,612**	**2,701**	**3,300**	**3,291**
	422	(546)	(137)	(196)	(1,058)	(1,477)	(226)	(190)	(2,948)	(2,825)	(269)	(1,662)	(2,814)	(2,337)
	4	3	–	–	(10)	23	74	71	966	925	210	255	363	419
	(1,411)	16	(28)	(48)	(743)	(395)	(57)	(44)	(254)	(24)	(1,908)	(1,654)	(47)	(185)
	2	(2)	–	–	35	(9)	50	22	232	(53)	209	200	37	37
	(983)	**(529)**	**(165)**	**(244)**	**(1,777)**	**(1,858)**	**(159)**	**(142)**	**(2,004)**	**(1,978)**	**(1,758)**	**(2,861)**	**(2,461)**	**(2,066)**
	(295)	(307)	(102)	(152)	(745)	(966)	(113)	(93)	(1,410)	(1,555)	(825)	(901)	(638)	(763)
	1	3	–	–	2	4	8	10	211	205	70	79	77	94
	(293)	(304)	(102)	(152)	(743)	(963)	(104)	(82)	(1,200)	(1,350)	(755)	(823)	(561)	(670)
	(110)	(67)	(28)	(23)	(240)	(181)	(36)	(22)	(690)	(470)	(310)	(211)	(364)	(254)
	(1,386)	**(900)**	**(295)**	**(420)**	**(2,760)**	**(3,001)**	**(299)**	**(246)**	**(3,894)**	**(3,798)**	**(2,824)**	**(3,894)**	**(3,385)**	**(2,990)**

Appendix 1: Quantitative templates (continued)

Market Conform Balance Sheet

in USD millions, for the years ended December 31	2024	Adjustments previous period	2025
Market conform value of investments			
Real estate	11,782	–	12,724
Participations	146	–	243
Fixed-income securities	104,201	–	114,806
Loans	3,003	–	3,115
Mortgages	3,896	–	4,082
Equities	4,639	–	6,308
Other investments	24,868	–	27,660
Collective investment schemes	4,442	–	4,070
Alternative investments	9,656	–	12,531
Structured products	–	–	–
Other investments	10,770	–	11,059
Total investments	**152,535**	**–**	**168,939**
Market conform value of other assets			
Financial investments from unit-linked life insurance	148,535	–	176,054
Receivables from derivative financial instruments	885	–	774
Deposits made under assumed reinsurance contracts	2,030	–	2,255
Cash and cash equivalents	6,762	–	7,079
Share of technical provisions from reinsurance	21,194	–	24,225
Direct insurance: life insurance business (excluding unit-linked life insurance)	3,282	–	4,256
Reinsurance: life insurance business (excluding unit-linked life insurance)	382	–	520
Direct insurance: non-life insurance business	10,990	–	11,817
Reinsurance: non-life insurance business	6,955	–	8,188
Direct insurance: health insurance business	–	–	–
Reinsurance: health insurance business	–	–	–
Direct insurance: other business	–	–	–
Reinsurance: other business	–	–	–
Direct insurance: unit-linked life insurance business	(414)	–	(556)
Reinsurance: unit-linked life insurance business	–	–	–
Fixed assets	2,226	–	2,540
Deferred acquisition costs	–	–	–
Intangible assets	–	–	–
Receivables from insurance business	13,674	–	14,599
Other receivables	6,245	–	7,401
Other assets	1,109	–	1,151
Unpaid share capital	–	–	–
Accrued assets	4,025	–	4,397
Total other assets	**206,685**	**–**	**240,476**
Total market conform value of assets	359,220	–	409,415

Appendix 1: Quantitative templates (continued)

Market Conform Balance Sheet

in USD millions, for the years ended December 31	2024	Adjustments previous period	2025
Market conform value of liabilities (including unit-linked life insurance)			
Best estimate of insurance liabilities	**(139,794)**	**–**	**(153,877)**
Direct insurance: life insurance business (excluding unit-linked life insurance)	(65,116)	–	(71,790)
Reinsurance: life insurance business (excluding unit-linked life insurance)	(1,433)	–	(1,493)
Direct insurance: non-life insurance business	(68,034)	–	(74,567)
Reinsurance: non-life insurance business	(5,211)	–	(6,027)
Direct insurance: health insurance business	–	–	–
Reinsurance: health insurance business	–	–	–
Direct insurance: other business	–	–	–
Reinsurance: other business	–	–	–
Best estimate of unit-linked life insurance liabilities	**(143,749)**	**–**	**(170,023)**
Direct insurance: unit-linked life insurance business	(143,749)	–	(170,023)
Reinsurance: unit-linked life insurance business	–	–	–
Market value margin	**(5,890)**	**–**	**(5,851)**
Market conform value of other liabilities			
Non-technical provisions	(1,877)	–	(1,816)
Interest-bearing liabilities	(4,099)	–	(4,310)
Liabilities from derivative financial instruments	(840)	–	(679)
Deposits retained on ceded reinsurance	(1,212)	–	(703)
Liabilities from insurance business	(5,749)	–	(5,901)
Other liabilities	(12,377)	–	(14,191)
Accrued liabilities	(5,162)	–	(5,942)
Subordinated debts	(11,075)	–	(12,614)
Total market conform value of liabilities	(331,825)	–	(375,907)
Market conform value of assets minus market conform value of liabilities	27,395	–	33,508

Appendix 2: Report of the statutory auditor on the Group consolidated financial statements 2025

The Financial Condition Report is not audited.

The consolidated financial statements of ZIC Group, which comprise the consolidated income statements, consolidated statements of comprehensive income, consolidated balance sheets, consolidated statements of cash flows, consolidated statements of changes in equity and notes to the consolidated financial statements for the year ended December 31, 2025 are audited. Please refer to the report of the statutory auditor of ZIC Group and ZIC on pages 158–164 and pages 188–196, respectively, which can be found at: www.zurich.com/investor-relations/results-and-reports/other-statutory-filings.

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

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