Financial overview

Annual results 2020

Zurich Insurance Group

Message from our Group Chief Financial Officer

Full-year 2020 results demonstrated a strong performance in a challenging environment. We reported business operating profit (BOP) of USD 4.2 billion compared with USD 5.3 billion in 2019. The decline was largely due to the impact of COVID-19 and higher catastrophe losses. Net income attributable to shareholders amounted to USD 3.8 billion and a dividend of CHF 20 has been proposed.

Strong results.

Executing on strategic priorities

The Group's diverse global business and strong balance sheet – together with efficiency improvements realized over 2016–2019 – positioned the Group well to manage the challenges of the global pandemic, while executing on the Group's customer-focused strategy. During the year, the group continued to digitalize all aspects of the business, increasing convenience for customers and improving efficiency. The group further extended its customer reach through incremental distribution partnerships and took advantage of opportunities to further strengthen Farmers.

"The Group has made a good start into the new strategic cycle despite the challenges of volatile financial markets and a global pandemic, with all units contributing to underlying improvement in earnings. Together with our customer focused strategy, simplified operating model and strong balance sheet, the Group is positioned for further growth.

George Quinn
Group Chief Financial Officer

2020–2022 financial targets

Target: >14.0%
BOPAT ROE[1]
11.0%
FY 2020

Target: >USD 11.5bn
Cumulative cash remittances
USD 3.4bn
As of FY 2020

Target: 160% or above
Estimated SST ratio[2]
182%
FY 2020

Target: >5% p.a.
Earnings per share growth in USD
–8%
FY 2020

1 Business operating profit after tax return on equity, excluding unrealized gains and losses.
2 Estimated Swiss Solvency Test (SST) ratio as of January 1, 2021, has been calculated based on the Group's Internal Model, which has been approved by the Swiss Financial Market Supervisory Authority FINMA. The SST ratio as of January 1 has to be filed with FINMA by end of April each year and is subject to review by FINMA. FINMA agreed to the use of standard yield curves for the main currencies to calculate the SST, starting end of Q1 2020.

Message from our Group Chief Financial Officer (continued)

Progress made across all businesses

The Group's Property & Casualty (P&C) saw a 28 percent decline in business operating profit (BOP) due to the impact of COVID-19 and higher catastrophe losses. Adjusting for these effects, the Property & Casualty business saw further underlying improvement.

Gross written premiums grew 4 percent on a like-for-like basis driven by continued strong price increases in commercial insurance, while retail business remained broadly stable. Commercial insurance prices increased over the year, with all regions showing improvement.

The combined ratio of 98.4 percent was 2 percentage points higher than in the prior year, driven by COVID-19 claims and higher catastrophes, while the underlying combined ratio improved by 2.6 percentage points. The Group's reserve strength remained stable over the year, with prior-year reserve development of 1.6 percentage points.

The Group's life business BOP declined 4 percent due to falls in financial markets in the first half of the year and higher mortality claims linked to the COVID-19 outbreak. Adjusted for these effects, BOP increased 7 percent with all regions showing growth.

The Group's life business is well placed to manage the ongoing low yield environment due to its focusing early on life protection and capital efficient savings products. These products contributed 88 percent of annual premium equivalent (APE) sales during the year.

Gross written premiums at the Farmers Exchanges decreased 3 percent and were broadly flat before COVID-19-related customer rebates. Key customer metrics remained strong as a result of the Farmers Exchanges' customer-focused strategy.

Farmers BOP declined 12 percent as a result of higher mortality related to COVID-19 at Farmers Life together with a 6 percent decline at Farmers Management Services as a result of the decline in gross written premiums at the Farmers Exchanges.

During the year the Group announced the acquisition of the U.S. P&C business of MetLife, which will further strengthen the Farmers Exchanges and further increase the contribution of Farmers Management Services to the Group.

Group Functions and Operations showed an improved performance with the associated net loss reduced by 1 percent due to lower interest expenses.

A strong capital position and cash generation

During the year, management continued to improve the Group's focus and optimize the use of capital. The Group's balance sheet and Swiss Solvency Test (SST) ratio remained strong at an estimated 182 percent[2], which is in-line with the Group's target of having an SST of 160 percent or above.

The Group continued to successfully convert earnings into distributable cashflow with cash remittances back to the Group of USD 3.4 billion in 2020, equivalent to 90 percent of net income attributable to shareholders. During the year the level of remittances was driven both by operational earnings and remittances of excess capital that had built up over time from previously retained earnings.

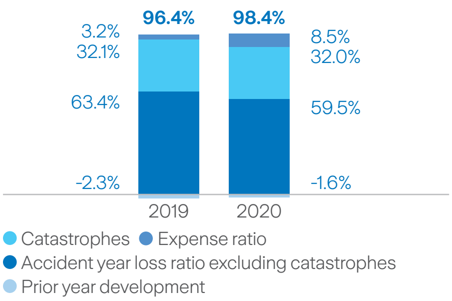
Dividend proposal of CHF 20

In line with the stated dividend policy, the board proposed a dividend of CHF 20 per share.

George Quinn
Group Chief Financial Officer

Property & Casualty (P&C)

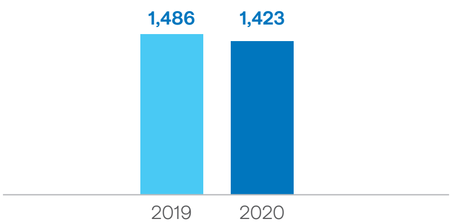
Combined ratio
%



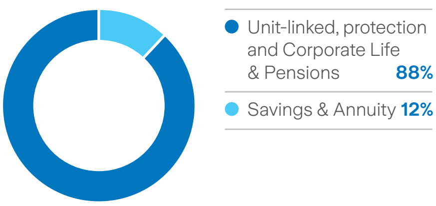
Like-for-like GWP growth
%[1]

Life

Business operating profit
in USD millions

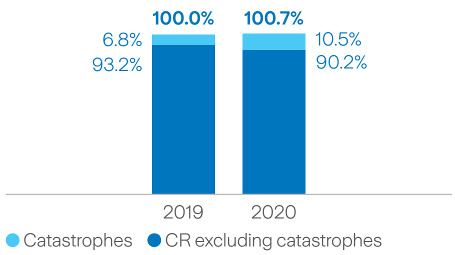


2020 APE product mix
%

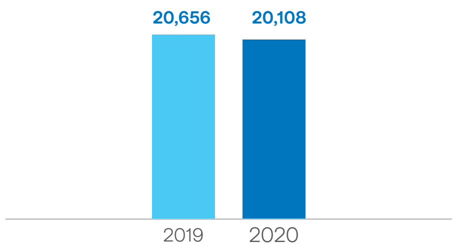


Farmers Exchanges[2]

Combined ratio (CR)
%



GWP
in USD millions



1 In local currency and adjusted for closed acquisitions and disposals.
2 For all references to Farmers Exchanges see the disclaimer and cautionary statement.

Financial overview

Contents

The information contained within the financial review is unaudited and is based on the consolidated results of the Group for the years ended December 31, 2020 and 2019. All amounts are shown in U.S. dollars and rounded to the nearest million unless otherwise stated, with the consequence that the rounded amounts may not always add up to the rounded total. All ratios and variances are calculated using the underlying amounts rather than the rounded amounts. This document should be read in conjunction with the annual results 2020 of the Group and in particular with its consolidated financial statements and embedded value report for the year ended December 31, 2020.

In addition to the figures stated in accordance with International Financial Reporting Standards (IFRS), the Group uses business operating profit (BOP), new business metrics and other performance indicators to enhance the understanding of its results. Details of these additional measures are set out in the separately published glossary. These should be viewed as complementary to, and not as substitutes for, the IFRS figures. For a reconciliation of BOP to net income attributable to shareholders (NIAS), see note 27 (table 27.4) of the audited consolidated financial statements for the years ended December 31, 2020.

Certain comparatives have been revised as a result of reclassifications and other adjustments. For details refer to note 1 of the audited consolidated financial statements.

Financial overview (continued)

Financial highlights

in USD millions, for the years ended December 31	2020	2019	Change[1]
Business operating profit	**4,241**	5,302	(20%)
Net income attributable to shareholders	**3,834**	4,147	(8%)
P&C business operating profit	**2,080**	2,878	(28%)
P&C gross written premiums and policy fees	**35,518**	34,184	4%
P&C combined ratio	**98.4%**	96.4%	(2.0 pts)
Life business operating profit	**1,423**	1,486	(4%)
Life gross written premiums, policy fees and insurance deposit	**27,616**	33,479	(18%)
Life new business annual premium equivalent (APE)[2]	**3,625**	4,331	(16%)
Life new business margin, after tax (as % of APE)[2]	**25.1%**	25.8%	(0.8 pts)
Life new business value, after tax[2]	**788**	976	(19%)
Farmers business operating profit	**1,501**	1,707	(12%)
Farmers Management Services management fees and other related revenues	**3,703**	3,780	(2%)
Farmers Management Services managed gross earned premium margin	**6.8%**	7.0%	(0.2 pts)
Farmers Life new business annual premium equivalent (APE)[2]	**75**	82	(9%)
Average Group investments[3]	**204,639**	190,237	8%
Net investment result on Group investments[3]	**6,950**	7,391	(6%)
Net investment return on Group investments[3,4]	**3.4%**	3.9%	(0.5 pts)
Total return on Group investments[3,4]	**6.4%**	8.2%	(1.9 pts)
Shareholders' equity	**38,278**	35,004	9%
Swiss Solvency Test ratio[5]	**182%**	222%	(40.0 pts)
Return on common shareholders' equity (ROE)[6]	**13.0%**	14.4%	(1.3 pts)
Business operating profit (after tax) return on common shareholders' equity (BOPAT ROE)[6]	**11.0%**	14.2%	(3.3 pts)

1 Parentheses around numbers represent an adverse variance.
2 Details of the principles for calculating new business are included in the embedded value report in 2019. New business value and new business margin are calculated after the effect of non-controlling interests, whereas APE is presented before non-controlling interests.
3 Including investment cash.
4 Calculated on average Group investments.
5 Estimated Swiss Solvency Test (SST) ratio as of January 1, 2021, has been calculated based on the Group's Internal Model, which has been approved by the Swiss Financial Market Supervisory Authority FINMA. The SST ratio as of January 1 has to be filed with FINMA by end of April each year and is subject to review by FINMA. FINMA agreed to the use of standard yield curves for the main currencies to calculate the SST, starting end of Q1 2020. The ratio as of January 1, 2020 has been re-calculated on the same basis for disclosure purposes in order to allow better comparison.
6 Shareholders' equity used to determine ROE and BOPAT ROE is adjusted for net unrealized gains/(losses) on available-for-sale investments and cash flow hedges.

Overall Group business operating profit declined 20 percent despite a return to growth over the second half of the year. The decline was driven by the impact of COVID-19 and higher claims from natural catastrophes, which were only partially offset by underlying earnings growth and a strong performance from financial markets.

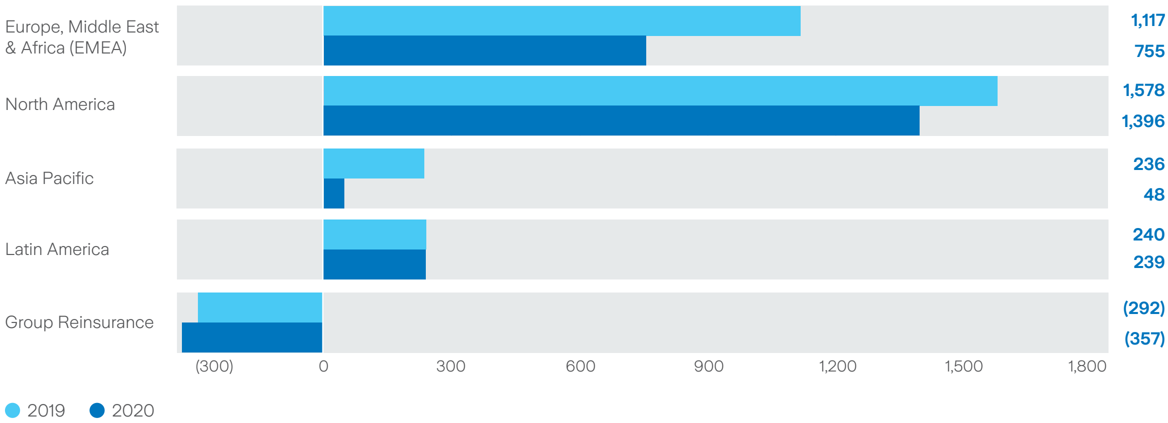
Net income attributable to shareholders declined 8 percent with higher realized gains partially offsetting the decline in business operating profit.

Operating update

Property & Casualty (P&C)

in USD millions, for the years ended December 31			Total
	2020	2019	Change
Gross written premiums and policy fees	35,518	34,184	4%
Net earned premiums and policy fees	26,396	25,608	3%
Insurance benefits and losses, net of reinsurance	17,536	16,475	(6%)
Net underwriting result	423	922	(54%)
Net investment result	2,045	2,171	(6%)
Business operating profit	**2,080**	**2,878**	**(28%)**
Loss ratio	66.4%	64.3%	(2.1 pts)
Expense ratio	32.0%	32.1%	0.1 pts
Combined ratio	**98.4%**	**96.4%**	**(2.0 pts)**

P&C business operating profit (BOP)
in USD millions, for the years ended December 31



Gross written premiums in Property & Casualty (P&C) for 2020 increased 4 percent in U.S. dollars and on a like-for-like basis, after adjusting for currency movements and closed acquisitions and disposals. Growth was supported by higher premium rates in commercial insurance, which accelerated during the year across all regions.

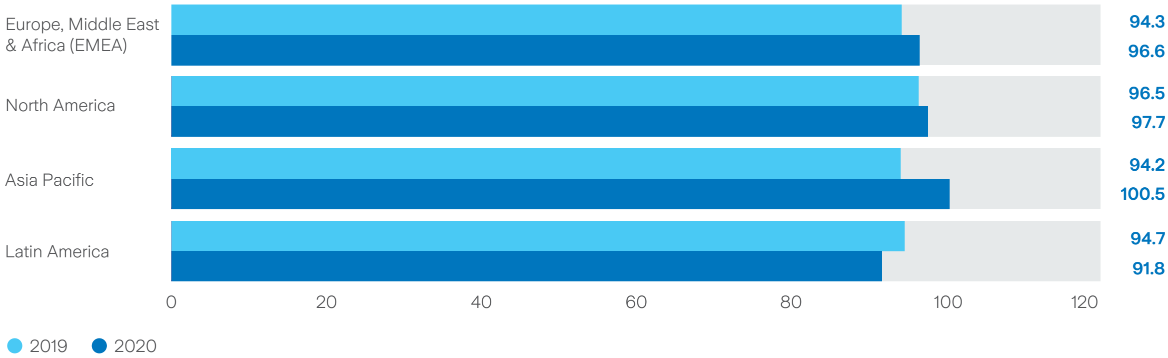
Business operating profit in 2020 was USD 2.1 billion, 28 percent lower than in the previous year. The decline was mainly driven by the impact of the COVID-19 outbreak, higher catastrophe losses than in the previous year, as well as a lower investment result. The overall impact of the COVID-19 outbreak on Property & Casualty was USD 544 million, including USD 450 million of claims net of frequency benefits and premium refunds.

The net investment result declined by USD 126 million compared to the previous year, with lower reinvestment yields leading to reduced investment income, which was partially offset by a strong performance from hedge funds.

The contribution of other items, which include the net non-technical result and non-controlling interests, was USD 173 million lower than in the previous year. This was driven by a combination of non-recurring charges, lower income from cash and cash equivalents, and an operating loss at Cover-More, the Group's specialist travel and assistance provider, which saw a sharp decline in sales as a result of widespread travel restrictions to counter the COVID-19 outbreak.

Operating update (continued)

P&C combined ratio
%, for the years ended December 31



The 2020 combined ratio of 98.4 percent was 2 percentage points higher than in the previous year. The deterioration was entirely driven by COVID-19 claims and higher catastrophes, while underlying performance continued to improve year on year.

In EMEA, the combined ratio deteriorated by 2.3 percentage points, due to COVID-19 related claims and voluntary actions to support customers during the outbreak, which were partially offset by lower claims frequency, especially in motor, resulting from restrictions implemented by governments to control the pandemic.

In North America, the combined ratio was 1.2 percentage points higher than in the previous year. This was driven by a strong underlying improvement from the earn-through of rate increases, which was more than offset by the impact of higher catastrophe losses resulting from the COVID-19 outbreak, civil unrest in the U.S., and an active Atlantic storm season.

The Asia Pacific combined ratio was 6.3 percentage points higher than in 2019, due to adverse prior year development as well as higher catastrophe losses, largely related to COVID-19.

The Latin America combined ratio was 3.0 percentage points lower than in the previous year, with the improvement driven by a lower accident year loss ratio excluding catastrophes.

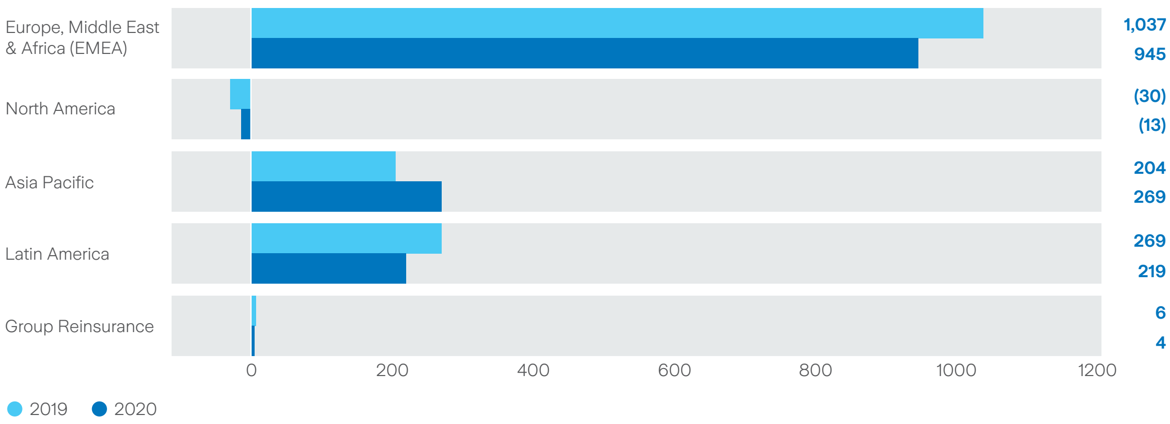
Operating update (continued)

Life

in USD millions, for the years ended December 31	2020	2019	Change
Insurance deposits	13,663	18,328	(25%)
Gross written premiums and policy fees	13,953	15,151	(8%)
Net investment income on Group investments	2,753	2,915	(6%)
Insurance benefits and losses, net of reinsurance	9,306	10,190	9%
Business operating profit	**1,423**	**1,486**	**(4%)**
Net policyholder flows[1]	4,310	6,320	(32%)
Assets under management[2]	303,433	275,423	10%
Total reserves for life insurance contracts, net of reinsurance, and liabilities for investment contracts (net reserves)	247,439	226,765	9%

1 Net policyholder flows are defined as the sum of gross written premiums and policy fees and deposits, less policyholder benefits.
2 Assets under management comprise balance sheet Group investments and unit-linked investments plus assets that are managed by third parties, on which fees are earned.

Life business operating profit (BOP)
in USD millions, for the years ended December 31



Life business operating profit for 2020 was USD 1.4 billion, 4 percent below the prior year. Excluding COVID-19 effects of USD 173 million life business operating profit grew 7 percent despite adverse movements in exchange rates and a lower contribution from favorable one-off items mainly in EMEA.

In EMEA, business operating profit was impacted by the COVID-19 outbreak, mainly in the UK and to a lesser extent in Switzerland and Zurich International. On a reported basis, business operating profit decreased by 9 percent compared to the prior year. Adjusted for COVID-19, business operating profit increased 6 percent mainly driven by Switzerland and the joint venture with Banco Sabadell in Spain.

In Latin America, business operating profit decreased 19 percent due largely to adverse development in exchange rates. In local currency, growth was 4 percent, mainly driven by favorable results in Chile and Argentina, partially offset by higher COVID-19 claims in Zurich Santander.

Asia Pacific contributed a business operating profit of USD 269 million, up 32 percent vs the prior year. The performance in the second half improved significantly, driven by improved performance within the Australian life business.

In North America, which excludes Farmers Life, business operating earnings increased by USD 17 million due to favorable claims experience more than offsetting the absence of a favorable one-off item in the prior year.

Net inflows of USD 4.3 billion were USD 2.0 billion lower than in the prior year. On a like-for-like basis net inflows were down USD 1.3 billion, mainly driven by EMEA, which benefitted from one-time inflows in Switzerland in 2019.

Assets under management (AuM) increased 10 percent.

Operating update (continued)

NBV, APE and NBM by Segment

in USD millions, for the years ended December 31

	New business value, after tax (NBV)[1]		New business annual premium equivalent (APE)[2]		New business margin, after tax (as % of APE) (NBM)[3]	
	2020	2019	**2020**	2019	**2020**	2019
Europe, Middle East & Africa (EMEA)	500	576	2,300	2,760	22.7%	21.9%
North America	44	49	108	139	41.0%	35.2%
Asia Pacific	101	211	213	268	47.9%	79.9%
Latin America	142	140	1,005	1,164	23.0%	18.9%
Total	**788**	**976**	**3,625**	**4,331**	**25.1%**	**25.8%**

1 New business value is calculated on embedded value principles net of non-controlling interests.
2 APE is shown gross of non-controlling interests.
3 New business margin is calculated using new business value as a percentage of APE based on figures net of non-controlling interests for both metrics.

Life new business annual premium equivalent (APE) sales decreased 7 percent on a like-for-like basis, adjusting for currency movements, acquisitions and disposals. The decline in sales was largely driven by government-imposed restrictions related to the COVID-19 outbreak and expected reductions in several markets from exceptional levels in 2019. On a reported basis APE was 16 percent lower.

In EMEA, APE sales in 2020 decreased by 12 percent on a like-for-like basis compared with 2019. The decline was mainly driven by a reduction in corporate pensions business in Switzerland following exceptional sales in the previous year, and by lower savings business in Italy, Portugal and for the joint venture with Banco Sabadell in Spain, partly as a result of the COVID-19 lockdowns throughout the year.

APE sales in Latin America increased 8 percent on a like-for-like basis. Higher sales of unit-linked and individual protection business at Zurich Santander were partly offset by lower sales volumes in Chile and corporate protection business across the region.

In Asia Pacific, APE sales decreased 21 percent on a like-for-like basis, reflecting lower sales volumes in Japan, Malaysia and Indonesia, mainly driven by the outbreak of COVID-19.

In North America, APE sales were 8 percent lower than in the prior year due to reduced sales of corporate protection business and lower individual protection sales.

The new business margin remained on an attractive level at 25.1 percent as reported or 24.9 percent on a like-for-like basis. New business value (NBV) decreased 16 percent on a like-for-like basis, driven by lower new business volumes, unfavorable economic assumption changes due to lower yields in EMEA and operating assumption changes impacting mainly Australia and Japan. On a reported basis, NBV declined 19 percent.

Operating update (continued)

Farmers

in USD millions, for the years ended December 31	**2020**	2019	Change
Farmers Management Services (FMS)	1,375	1,456	(6%)
Farmers Re	26	15	76%
Farmers Life	100	236	(58%)
Total business operating profit	**1,501**	**1,707**	**(12%)**

Farmers Management Services (FMS) business operating profit decreased 6 percent compared to the prior year. This was mainly driven by reduced fee revenues as a result of the premium credits of approximately USD 311 million to customers at the Farmers Exchanges in the first half of the year. As a result, the managed gross earned premium margin decreased 0.2 percentage point to 6.8 percent mainly due to the COVID-19 related impact. The result was also impacted by lower investment income as a result of decreasing investment yields and an unfavorable mark-to-market impact on a deferred compensation plan compared with a favorable impact in the prior year.

Farmers Re business operating profit of USD 26 million was USD 11 million higher than in the prior year driven by an improved loss ratio.

Farmers Life business operating profit of USD 100 million was 58 percent lower than in the prior year. The result was mainly driven by higher mortality compared with a favorable experience in the prior year and annual assumption updates. This includes USD 45 million of claims related to COVID-19 in the second half of the year and USD 6 million relating to an accelerated amortization of deferred acquisition costs.

Farmers Exchanges

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

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

in USD millions, for the years ended December 31	**2020**	2019	Change
Gross written premiums	20,108	20,656	(3%)
Gross earned premiums	20,109	20,441	(2%)

Gross written premiums at the Farmers Exchanges decreased 3 percent and were broadly flat, excluding USD 311 million of COVID-19 related premium credits and lower volumes of commercial rideshare business following measures initiated by U.S. states in response to the COVID-19 outbreak.

Operating update (continued)

Group Functions and Operations

in USD millions, for the years ended December 31	**2020**	2019	Change
Holding and Financing	(353)	(449)	21%
Headquarters	(356)	(268)	(33%)
Total business operating profit	**(709)**	**(716)**	**1%**

The business operating loss reported under Group Functions and Operations improved by USD 7 million to USD 709 million. This was driven by a USD 96 million reduction in Holding and Financing costs due to lower interest expenses, partially offset by an increase in headquarter expenses compared to prior year as a result of increased investments in innovative new business propositions, and cyber security.

Non-Core Businesses

in USD millions, for the years ended December 31	**2020**	2019	Change
Zurich Legacy Solutions	(14)	(49)	71%
Other run-off	(40)	(3)	nm
Total business operating profit	**(54)**	**(52)**	**(4%)**

The Group's Non-Core Businesses, which comprises run-off portfolios that are managed with the intention of proactively reducing risk and releasing capital, reported an operating loss of USD 54 million driven by adverse developments in a legacy life portfolio as a result of the COVID-19 outbreak.

Financial update

Balance sheet review

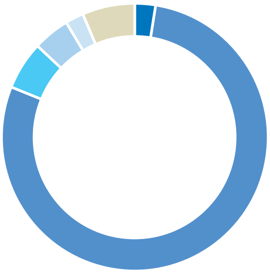
Total assets and liabilities:

The total assets of the Group increased to USD 439 billion in 2020 from USD 405 billion in 2019, mainly driven by an increase in cash and investments. While the overall asset allocation remained stable, falling interest rates and the recovery in equity markets improved market valuation of debt and equity securities and investments for unit-linked contracts.

Investment property increased by USD 1.5 billion, driven by additions to real estate portfolio and foreign exchange impacts due to a weakened U.S. dollar. Group assets held for sale increased to USD 2.5 billion following the decision to divest certain businesses in the U.K. and offset by completing divestments of certain portfolios in the U.S., U.K. and Germany. The Group's 2020 acquisitions added USD 366 million of goodwill.

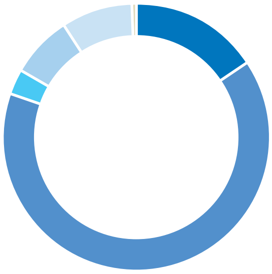
These factors also drove an increase in the total liabilities for the Group to USD 399 billion from USD 368 billion in 2019.

Group assets
Total assets as of December 31, 2020
(in USD millions)



Cash and cash equivalents	**11,106**
Total investments	**345,456**
Reinsurers' share of liabilities	**25,523**
Deferred policy acquisition costs	**20,021**
Intangible assets	**9,345**
Other assets	**27,848**

Group liabilities and equity
Total liabilities and equity as of December 31, 2020
(in USD millions)



Liabilities for investment contracts	**69,507**
Liabilities for insurance contracts	**283,497**
Debt	**13,777**
Other liabilities	**32,673**
Shareholders' equity	**38,278**
Non-controlling interests	**1,568**

Shareholders' equity:

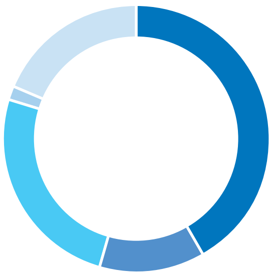
The Group's shareholder equity increased by USD 3.3 billion to USD 38.3 billion in 2020 from USD 35.0 billion in 2019. The increase was mainly driven by net income for the year of USD 3.8 billion and unrealized gains on available-for-sale investments, partially offset by the dividend of USD 3.1 billion paid in 2020.

Treasury and capital management

The Group's balance sheet remains strong, as demonstrated by S&P and Moody's financial strength ratings for the Zurich Insurance Company Ltd of AA- and Aa3 with a positive and stable outlook, respectively. In addition, as of December 31, 2020, the Group's estimated SST ratio remained strong at 182 percent.

During the year the Group saw net remittances of USD 3.4 billion and remains committed to the 2020–2022 financial target to exceed USD 11.5 billion over this period. The level of remittances has been driven both by operational earnings and capital released as a result of the Group's efforts to extract capital from non-core businesses.

Net cash remittances by business
for the year ended December 31, 2020
(in USD millions)



Property & Casualty	**2,279**
Life	**687**
Farmers	**1,378**
Non-Core Businesses	**102**
Group Functions and Operations	**(1,000)**

Significant transactions in 2020

On December 11, 2020, Zurich subsidiary Farmers Group, Inc. and the Farmers Exchanges[1] entered into an agreement to acquire MetLife's U.S. property and casualty business for USD 3.9 billion. The transaction is subject to regulatory approval and is expected to complete in Q2 2021. The transaction will give Farmers Exchanges a nationwide presence and access to new distribution channels that provide a strong platform for accelerated growth, whilst further increasing Zurich's stable, fee-based earnings streams. The Farmers Exchanges will offer their personal lines products on MetLife's industry-leading U.S. Group Benefits platform, which today reaches 3,800 companies and 37 million employees.

In July 2020, LiveWell was created under the working name of WellCare to bring together the Group's existing health and wellbeing initiatives and expand the services into new markets. On December 15, 2020 the Group completed the acquisition of Healthinsite Proprietary Limited and Insite Holding Pty Limited. The acquisitions will boost Zurich's capabilities to deploy innovative health and wellbeing offerings to customers across markets globally with a scalable and modular proposition, aligning with the accelerating global adoption of health technology.

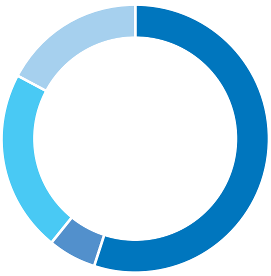
On November 2, 2020, Zurich Holding Company of America, Inc., Zurich American Life Insurance Company and Zurich American Life Insurance Company of New York completed the sale of the Corporate Life and Pensions (CLP) business to Aflac Incorporated (Aflac) and its insurance subsidiaries, American Family Life Assurance Company of Columbus and American Family Life Assurance Company of New York.

Being a responsible taxpayer

As part of Zurich's tax strategy, the Group strives to manage tax costs- and control-associated risks for the benefit of its customers, employees, shareholders and for society as a whole. The Group employs rigorous tax accounting and reporting oversight. The location of Group subsidiaries and affiliated companies is driven by business reasons and not the avoidance of tax. The Group's consolidated result includes only a very limited number of companies located in low or nil tax rate jurisdictions and in all cases these carry out operative insurance, reinsurance and asset management activities.

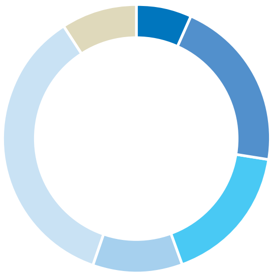
Total tax contribution reflects Zurich's economic contribution to the economy in taxes – the direct and indirect taxes paid by Zurich ('tax borne by the shareholders') and those taxes that Zurich is legally obliged to collect on behalf of the tax administrations ('tax collected'):

Taxes born by Shareholders
Total 2019: USD 2.2bn (all numbers based on IFRS excluding deferred income tax)



Shareholder income tax	**55%**
Stamp duty and other taxes	**6%**
Employer social security	**22%**
Irrecoverable VAT	**17%**

Taxes collected
Total 2019[2]: USD 6.2bn (all numbers based on IFRS excluding deferred income tax)



Employer social security	**7%**
Other taxes (incl. WHT)	**21%**
Payroll tax	**17%**
PH income and other taxes	**11%**
Premium tax	**36%**
VAT declared	**9%**

See more details on our tax strategy in our Sustainability pages at www.zurich.com/en/sustainability.

The shareholders' effective tax rate increased to 23.9 percent for the period ended December 31, 2020 compared with 23.6 percent for the same period of 2019. The increase was driven primarily by less favorable shifts in the geographical profit mix towards lower tax rate jurisdictions resulting from COVID-19 claims experience.

1 Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc., a wholly owned subsidiary of the Zurich Insurance Group, provides certain non-claims services and ancillary services to the Farmers Exchanges as its attorney-in-fact and receives fees for its services.
2 The total tax contribution for 2020 will reported in Zurich's tax strategy report, which will be published in Q2 2021.

Message from our Group Chief Investment Officer

Consistent execution pays off.

“Our portfolios proved to be resilient in times of market stress and delivered a solid investment performance.

Urban Angehrn
Group Chief Investment Officer

Total investments[1], 2020
%

Credit, private debt	43.6%
Government and government guaranteed	34.3%
Real estate	7.3%
Cash	6.3%
Equities	4.7%
Mortgages	2.1%
Hedge funds, private equity	1.8%

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

Message from our Group Chief Investment Officer (continued)

The year like no other

2020 was a year that will undoubtedly be remembered for decades. We witnessed the once-in-a-generation event of a pandemic, experienced the fastest market selloff on record coupled with a sharp economic contraction, and saw equally spectacular rebounds of economic activity and capital markets. In addition, lockdowns across the globe and challenges associated with remote working put our investment team to the test. Reflecting on where we are today and looking back at our response to such unprecedented events, we have handled the crisis well by consistently executing our long-term investment strategy.

Robust investment process and high-quality investment portfolio

First and foremost, our disciplined investment process demonstrated its robustness during market stress. Portfolios proved to be stable, as evidenced by insignificant defaults and low velocity of downgrades. As a result, impairments booked were capped at around USD 300 million, predominantly in equity securities. Zurich's fixed-income portfolio maintained its high-quality profile with 96 percent invested in securities with credit rating BBB- and above. Our credit portfolio is well diversified across industries and issuers with the largest single non-sovereign exposure comprising only 0.8 percent of the total investment portfolio. As of year-end, 94 percent of our credit and private debt portfolio was allocated to investment grade securities. Our private debt portfolio showed its resilience in challenging market conditions due to a deliberate preference for senior securities and strong collateral. In real estate, our focus on core assets in prime locations helped us mitigate the adverse effects of the lockdown. COVID-19-related rental losses were immaterial and investment income from real estate was, in fact, up on the prior year.

Solid investment return

The quality of Zurich's investment portfolios manifested itself in the relatively limited impact on our investment result. Our net investment income decreased by 7 percent to USD 4.9 billion driven by falling U.S. dollar-denominated yields and lower dividend income from equities. Net capital gains remained broadly flat compared to prior year, at USD 2.0 billion, and were supported by the strong performance of risky assets in the second half of 2020, as well as by the exceptional performance of our hedge fund portfolio, which returned 18 percent and contributed more than USD 300 million to the Group result. Overall, our full-year total investment return reached 6.4 percent, a strong performance given the unprecedented market developments throughout the year.

Stronger focus on responsible investment

2020 was also a pivotal year for our responsible investment strategy. In the third quarter, we exceeded our USD 5 billion target for impact investments and by the end of the year our impact portfolio reached an impressive USD 5.8 billion. Our market-leading impact investing approach aims to prioritize environmental and social goals by building a portfolio of the necessary size to avoid 5 million tons of CO_2e and improve the lives of 5 million people a year. As of year-end, our impact investment portfolio helped save 2.9 million tons of CO_2e and improved the lives of 3.7 million people. These are very tangible achievements. They demonstrate that, by doing well and doing good, we contribute to making Zurich one of the most responsible and impactful businesses in the world.

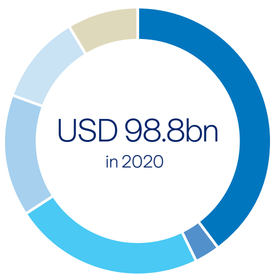
Further details are available online:
www.zurich.com/en/sustainability/responsible-investment

Urban Angehrn
Group Chief Investment Officer

Rating of Credit, Private Debt Securities, 2020
%

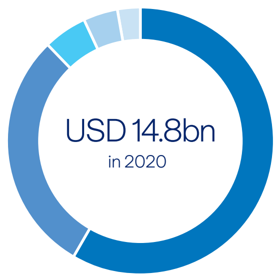
AAA	18.8%
AA	15.3%
A	24.6%
BBB	35.4%
Non-investment grade	5.3%
Unrated	0.6%

Credit and Private Debt Securities per segment, 2020
%



Non-Financial Credit	32.0%
Financial Credit	22.4%
Municipals, Agencies, State Credit	18.4%
Other	11.9%
Asset Backed Securities	8.7%
Covered Bonds	6.7%

Direct investment real estate by sector, 2020
%



Office	58.5%
Residential	29.5%
Industrial	5.4%
Retail	4.1%
Other	2.6%

Disclaimer and cautionary statement

Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives of Zurich Insurance Group Ltd or the Zurich Insurance Group (the Group). Forward-looking statements include statements regarding the Group's targeted profit, return on equity targets, expenses, pricing conditions, dividend policy and underwriting and claims results, 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 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; (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; and (viii) changes in laws and regulations and in the policies of regulators may have a direct bearing on the results of operations of Zurich Insurance Group Ltd and its 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.

All references to 'Farmers Exchanges' mean Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange and their subsidiaries and affiliates. The three Exchanges are California domiciled interinsurance exchanges owned by their policyholders with governance oversight by their Boards of Governors. Farmers Group, Inc. and its subsidiaries are appointed as the attorneys-in-fact for the three Exchanges and in that capacity provide certain non-claims services and ancillary services to the Farmers Exchanges. Neither Farmers Group, Inc., nor its parent companies, Zurich Insurance Company Ltd and Zurich Insurance Group Ltd, have any ownership interest in the Farmers Exchanges. Financial information about the Farmers Exchanges is proprietary to the Farmers Exchanges, but is provided to support an understanding of the performance of Farmers Group, Inc. and Farmers Reinsurance Company.

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

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