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Record first half operating profits

Half year results 2024

August 8, 2024
Investor and media presentation
Zurich Insurance Group

Content

Use symbols to navigate through the document

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Main sections

Other important information

Back to content page Disclaimer Contacts and calendar

Key highlights

Key messages

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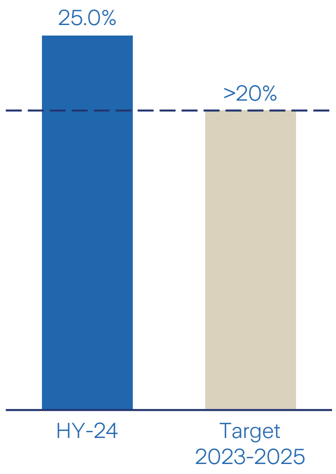
Record start to the year	BOP of USD 4.0bn is at a record level and up 7%. NIAS is up 21% to USD 3.0bn, with EPS up 23% to USD 20.8. Highest ever BOPAT ROE at 25.0%. EPS growth expected to exceed 10% CAGR over 2023-2025
P&C continuing to deliver	P&C BOP up 3% on a like-for-like[1] basis, with a combined ratio of 93.6%. Commercial insurance combined ratio of 91.4%, Retail and SME combined at 96.4% impacted by motor and weather events
P&C rates responding to claims trends	Rates increased 5% for the Group, with Commercial Insurance also up by 5%. North America commercial rates of 6% driven by commercial auto and property, and Retail up 5% supported by higher motor rates
Highest ever H1 Life BOP	Life BOP of USD 1.0bn at a record level driven by strong contributions from all components of the business. Excellent performance in protection and unit-linked sales
Record BOP for Farmers	FMS BOP up 10%, driven by growth at Farmers Exchanges[2] and MGEP margin[3] of 7.0%. Farmers Exchanges[2] COR improved to 95.2% (-16.4ppts vs PY), reflecting actions despite significant Cat activity
Very strong solvency, share buyback ongoing	SST[4] ratio of 232% at HY-24 remains well in excess of the target of 160% or above. Share buyback announced in February 2024 was launched in Q2

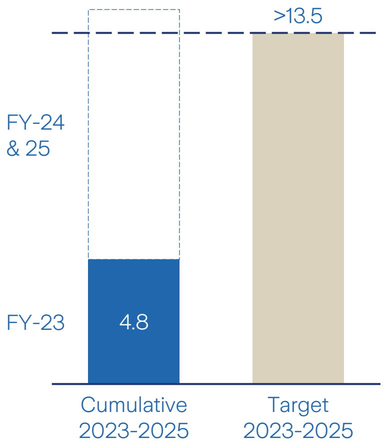
1 In local currency and after adjusting for acquisitions and disposals and excluding Argentina.
2 For all references to Farmers Exchanges see the disclaimer and cautionary statement.
3 Margin on Gross Earned Premiums of the Farmers Exchanges.
4 Estimated Swiss Solvency Test (SST), calculated based on the Group's internal model approved by the Swiss Financial Market Supervisory Authority (FINMA). The SST ratio as of January 1 has to be filed with FINMA by end of April each year and is subject to review by FINMA.

On track to exceed all the 2023-2025 financial targets

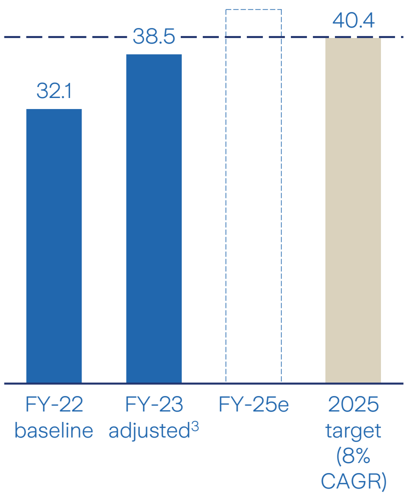
BOPAT ROE (%)[1]



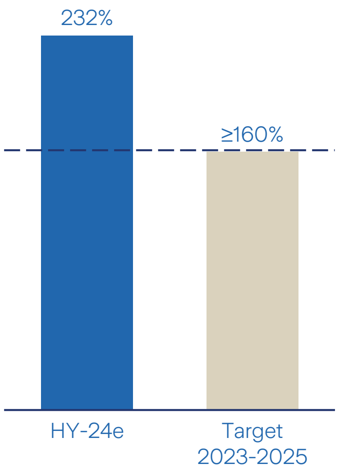
Cash remittances (USDbn)



EPS growth (USD)[2]



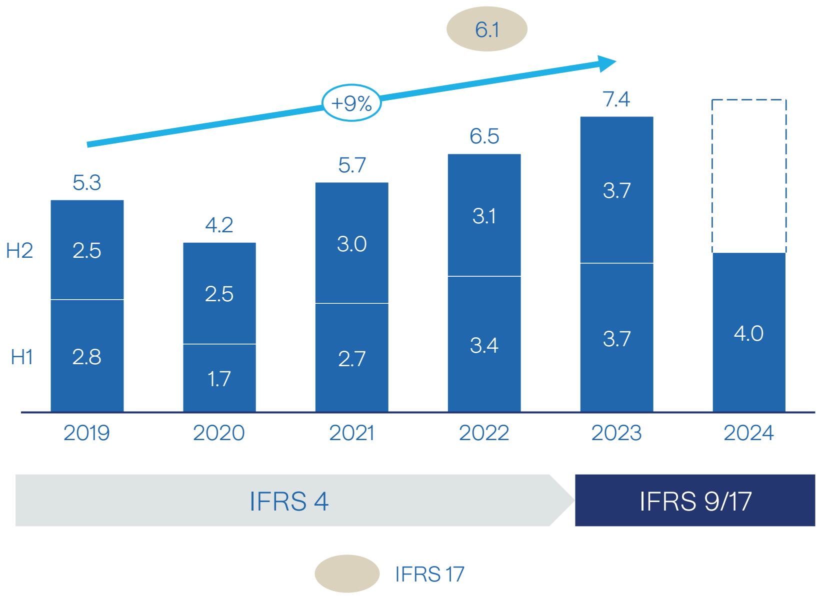
SST (%)[4]



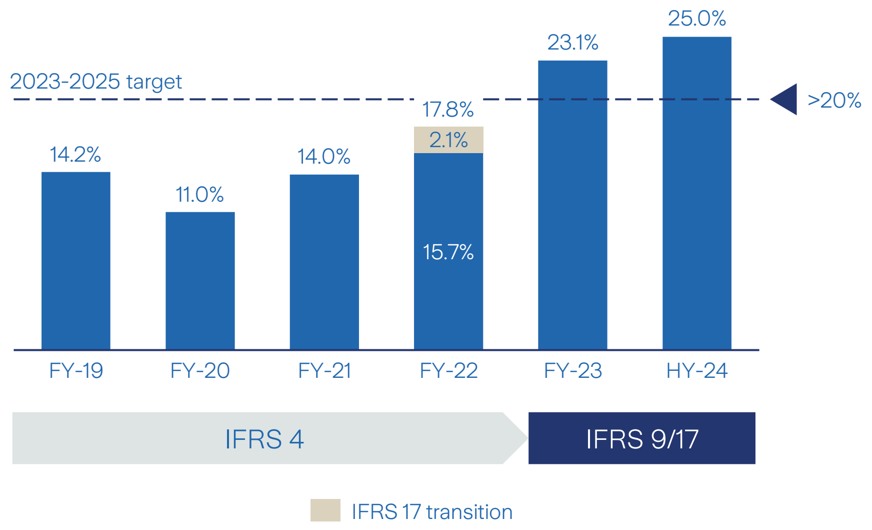
1 Business operating profit after tax return on equity, excluding unrealized gains and losses.
2 Earnings per share growth (in USD). The baseline for the 2023-2025 EPS growth target is the assumed achievement of the 5% EPS CAGR target of the 2020-2022 financial cycle (i.e., EPS of USD 32.1).
3 Adjusted FY-23 earnings per share of USD 38.5 substitutes actual net capital losses with net capital gains expected under long term market assumptions. Reported diluted EPS of USD 29.73.
4 Estimated Swiss Solvency Test (SST), calculated based on the Group's internal model approved by the Swiss Financial Market Supervisory Authority (FINMA). The SST ratio as of January 1 has to be filed with FINMA by end of April each year and is subject to review by FINMA.

Record H1 level of BOP continues trend of robust profit growth; supporting industry-leading return on equity

Group BOP (USDbn)[1]



BOPAT ROE (%)[2]

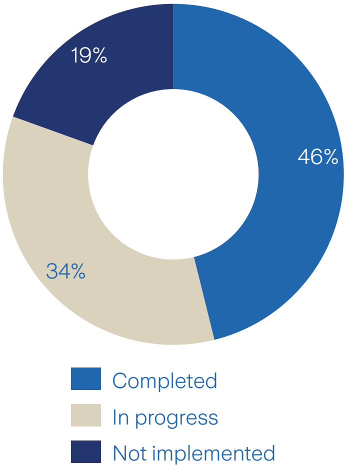


1 2023 based on IFRS 17, comparative years based on IFRS 4.
2 Business operating profit after tax return on equity, excluding unrealized gains and losses.

Retail performance benefits from continued delivery of customer initiatives. Strong retention despite rate actions

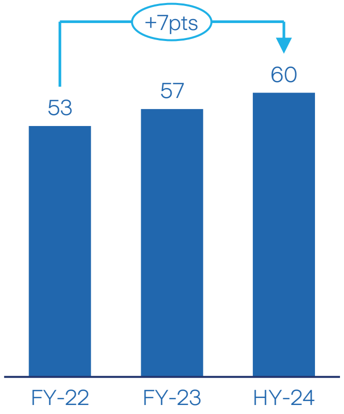
Customer centricity program roll-out

Roll-out progress as of HY-24:
Retail GWP (%)



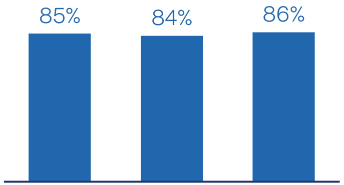
Higher customer satisfaction

Retail and SME - tNPS (pts)

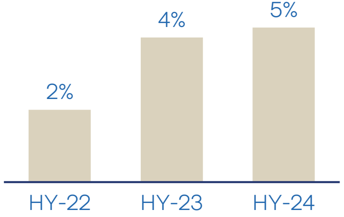


Balancing rate and retention

Retail – Customer retention

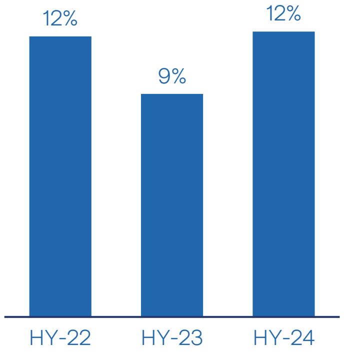


Retail and SME – Rate change



Retail GWP growth

Retail and SME –
GWP growth like-for-like (%)[1]

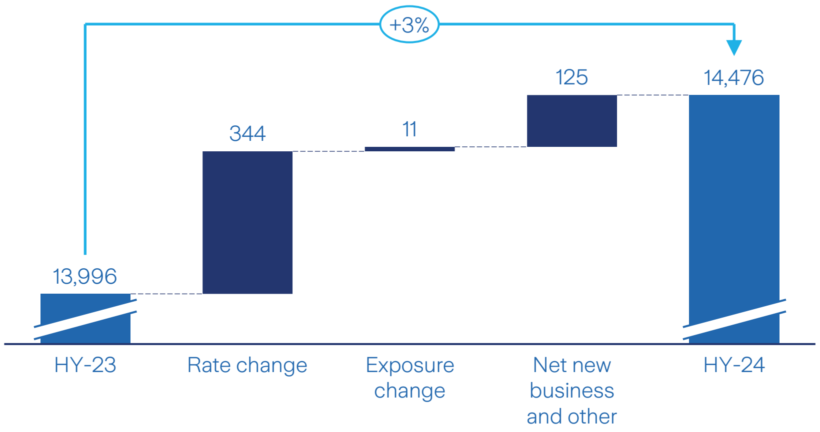


[1] In local currency and after adjusting for acquisitions and disposals. For HY-24, Argentina is excluded (distorted by inflation and currency depreciation).

Disciplined growth in new business volumes across both Commercial and Retail P&C

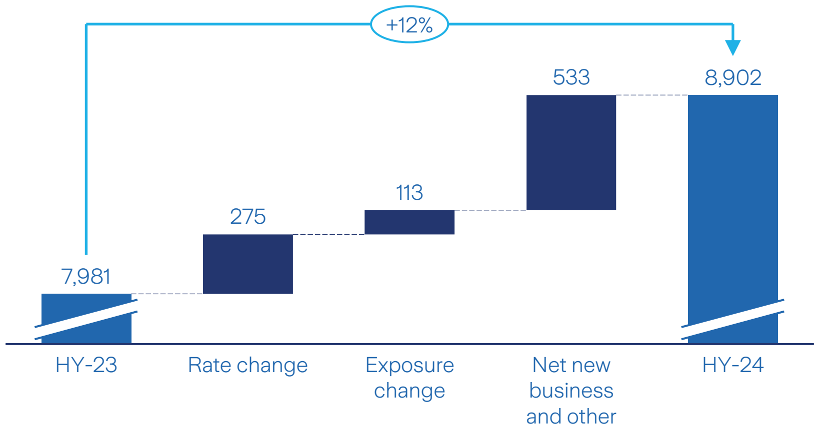
P&C GWP growth by driver

Commercial (USDm)[1]



P&C GWP growth by driver

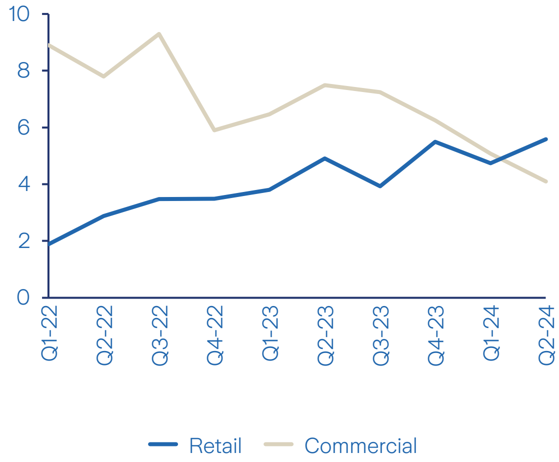
Retail and SME (USDm)[1]



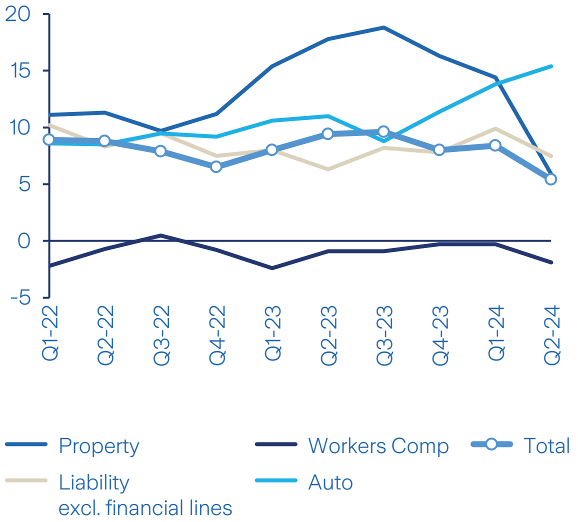
1 In constant FX. Other includes premiums for ceded facultative reinsurance, captives/pools/co-reinsurance agreements and eliminations. Commercial excludes crop which declined USD 0.5bn year-on-year.

Retail P&C rates continue to show strong improvement, Commercial rates aligned with loss cost trends in key lines

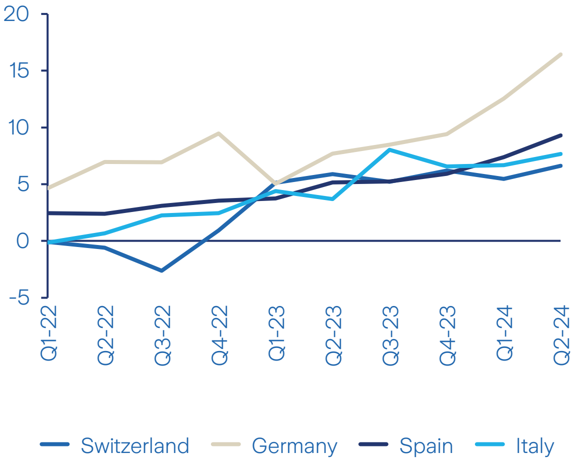
P&C - Rate change (%)



North America Commercial – Rate change (%)

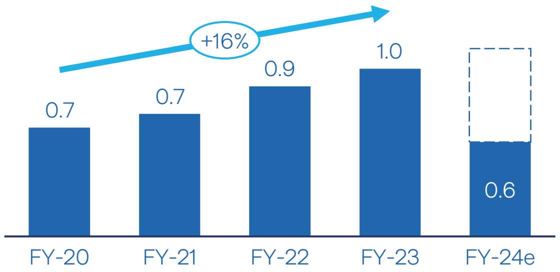


EMEA Motor Retail – Rate change (%)



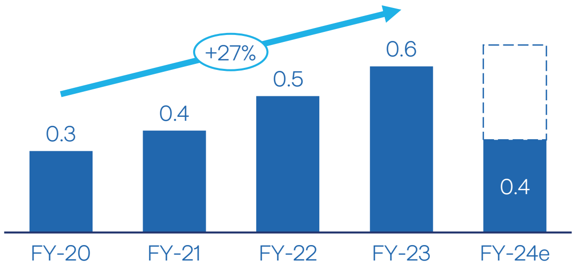
Commercial Insurance continues to improve the portfolio composition

U.S. Mid-Market GWP (USDbn)[1]



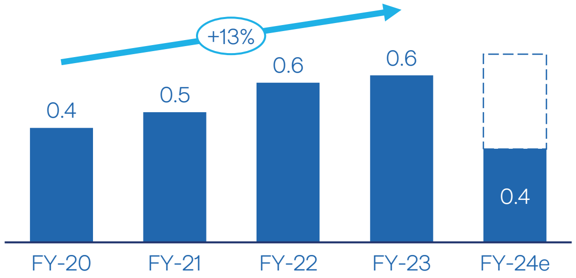
Growth driven by a combination of increased new business, improved retention and continued positive rate environment

U.S. Accident & Health GWP (USDbn)



Core business continues to scale while new opportunities on supplemental health being developed

U.S. Excess & Surplus GWP (USDbn)

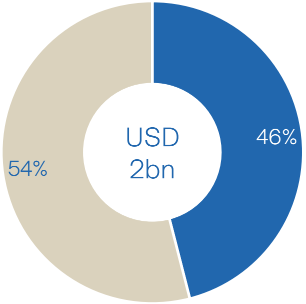


Diversification of portfolio via focus on less volatile mid-market business while increasing processing speed and reducing response times

1 Does not include program business or mid-market business sourced through other business units (e.g., National Accounts).

Cover-More to reinforce its position as a leading global travel insurer through the acquisition[1] of AIG personal travel

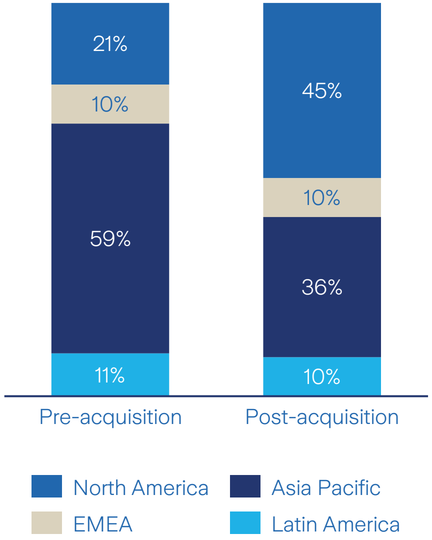
Increased GWP[2]



10% global market share

Cover-More AIG Travel

Strengthened footprint[3]



Profitable scale[4]

Fee income + underwriting result
COR ~95%

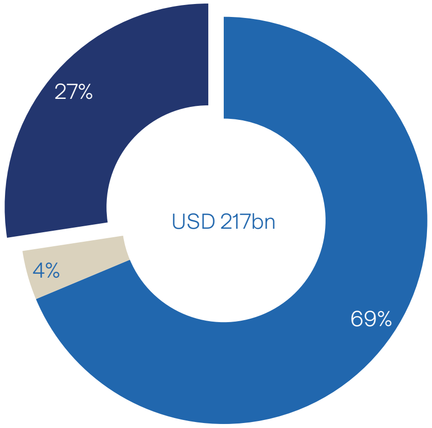
Mid-to-high single digit growth
Per annum

>18 million
Policies per annum

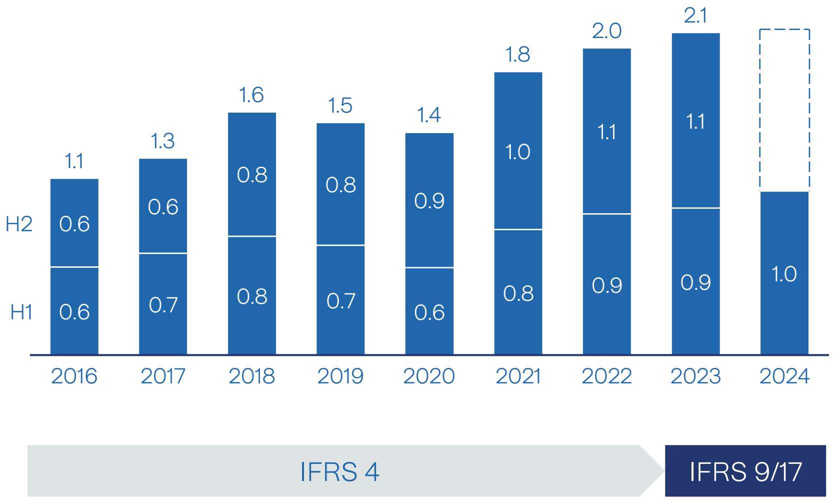
1 Subject to regulatory approval and expected to close before the end of the year.
2 Pro-forma FY-24 GWP and pro-forma market share based on assumption of USD 20bn total market size.
3 Pro-forma footprint based on FY-23 GWP.
4 Pro-forma run-rate combined ratio, growth rate and policy number on an annualised basis.

Life reports a record high level of first half BOP, underpinned by a capital-efficient balance sheet

Life reserves and liabilities[1]



Life BOP (USDbn)



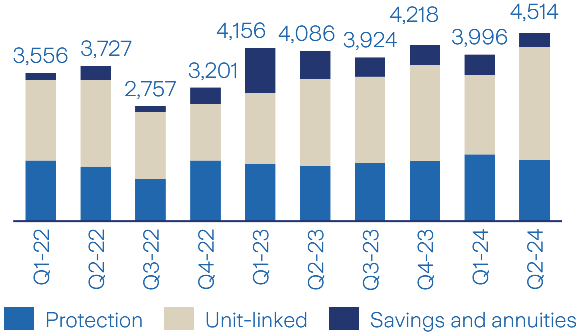
[1] Net of reinsurance, as of HY-24.

Consistent top-line growth in Life drives profit expansion, fueled by protection and unit-linked

Long term insurance

PVNBP[1] (USDm)

+5%
Like-for-like in HY-24 vs. HY-23[2]

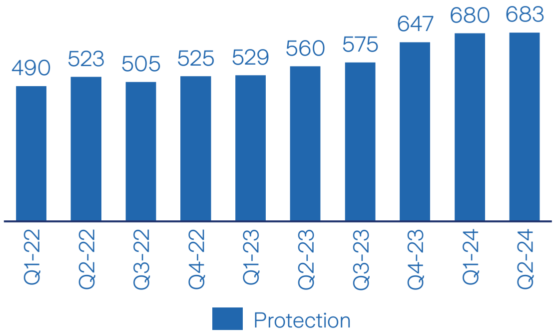


Profit earned over time through CSM[1]

Short term insurance

Insurance revenue (USDm)

+12%
Like-for-like in HY-24 vs. HY-23[2]

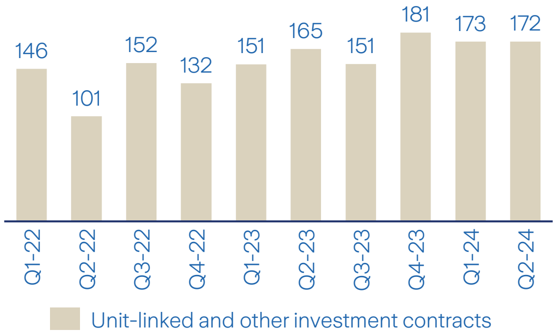


Driving technical result

Investment contracts

Fee revenue (USDm)

+9%
Like-for-like in HY-24 vs. HY-23[2]

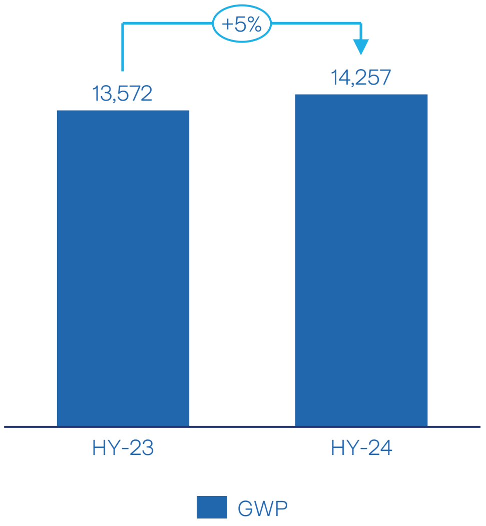


Driving fee result

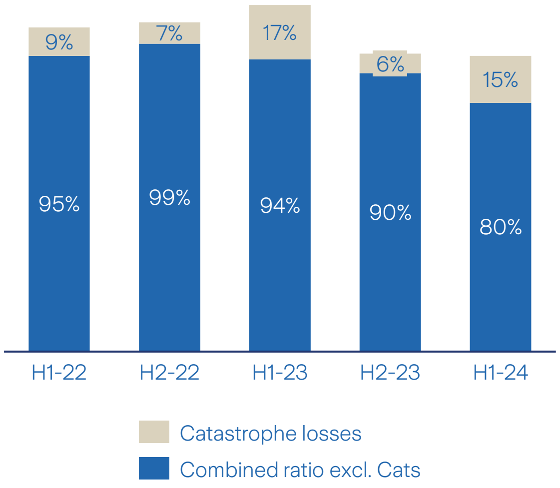
1 PVNBP: present value of new business premiums. CSM: Contractual service margin.
2 In local currencies, excluding Argentina (which is distorted by inflation and currency devaluation), adjusted for acquisitions and disposals and for the reclassification of Zurich Global Employee Benefit Solutions from Group Functions and Operations to Life since Q4-23 and for the impact of a Life portfolio accounted for with the premium allocation approach in 2024 (previously accounted for with the building block approach).

Farmers Exchanges[1] improves underlying COR and surplus ratio remains in target range despite maturity of surplus notes

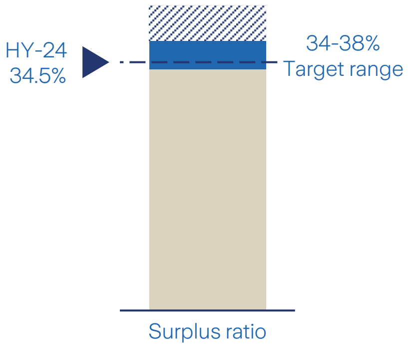
GWP (USDm)



Combined ratio (%)[2]



Surplus ratio (%)



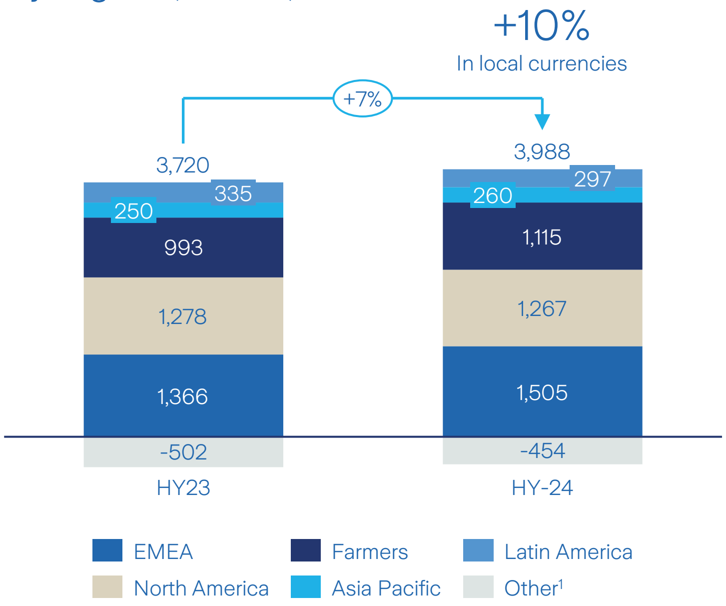
USD 203m of surplus notes matured in May 2024 (~1ppt impact to ratio)

1 For all references to Farmers Exchanges see the disclaimer and cautionary statement.
2 Combined ratio before quota share reinsurance.

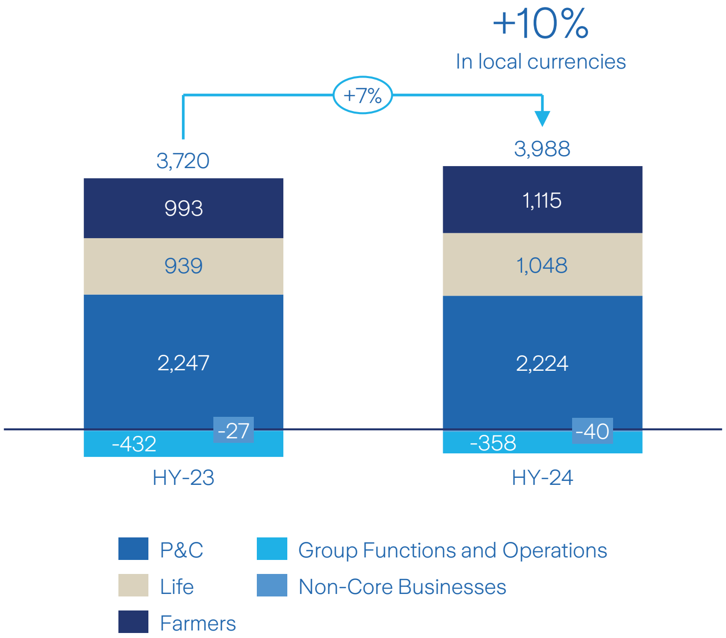
CFO update

BOP at record level, up 10% in local currency terms

BOP by region (USDm)



BOP by business (USDm)



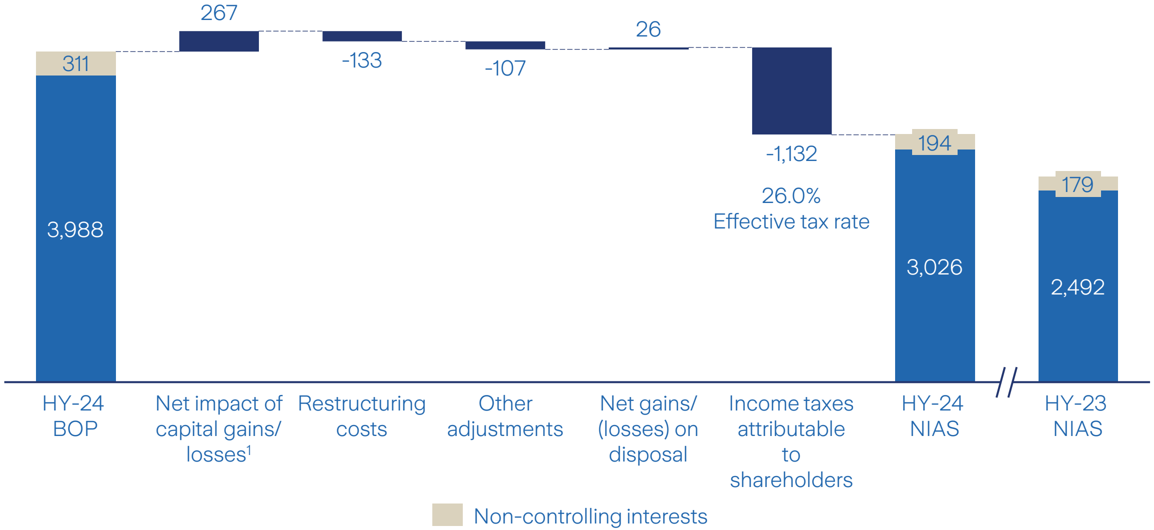
[1] Includes Group Functions and Operations, Non-Core Businesses and Group Reinsurance.

Commentary

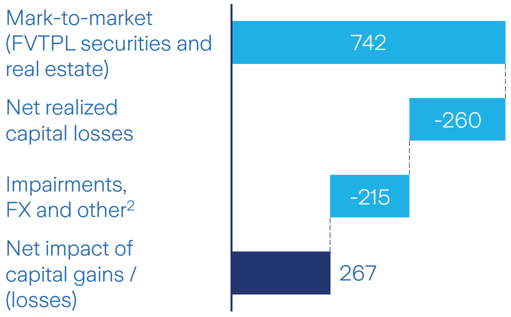
- **Group** business operating profit (BOP) of USD 4.0bn was at a record level for a first half year period, with 10% growth in local currencies and 7% on a reported basis.
- **EMEA** BOP increased 10% driven by Life, which saw higher fee result and investment result, more favorable claims experience and ~USD 50m of non-recurring benefits from the non-completion of the disposal of a legacy back book in Germany.
- **North America** BOP decreased 1% while experiencing ~USD 85m of higher catastrophe losses.
- **Asia Pacific** BOP was 4% above prior year due to a strong performance in Life, which benefited from higher CSM and more favorable claims experience. This was partially offset by a weaker performance in P&C.
- **Latin America** BOP was down 12% year on year due to inflation and currency depreciation in Argentina, while underlying performance remained solid.
- By business, **P&C** BOP decreased 1% in U.S. dollars but increased 3% in local currencies compared with the prior year as higher insurance revenue and an increase of the investment result were partially offset by a higher combined ratio.
- **Life** business generated BOP of USD 1.0bn, an all-time high for the first half, with strong growth in EMEA. All key profit drivers contributed to the increase, benefiting from year-on-year growth of CSM, investment contracts AuM, and revenues from short-term insurance contracts.
- **Farmers** segment BOP up 12% compared to the prior year, with increase in fee income and lower operating expenses at FMS and higher Farmers Re result partially offset by lower Farmers Life BOP following the completion of the reinsurance transaction.
- Net expenses in **Group Functions and Operations** were lower than prior-year period, mainly driven by higher investment income. **Non-Core Businesses** reported a modest operating loss.

NIAS is up 21% compared to prior year from BOP growth, higher net capital gains and lower restructuring and other costs

BOP to NIAS walk (USDm)



Net impact of capital gains / losses (USDm)[1]



1 Net impact of capital gains/losses and impairments on Group investments and unit-linked investments, net of change in liabilities for investment contracts and other funds as well as re-/insurance finance income/expenses.
2 Other include impact of capital gains/losses and impairments on unit-linked investments, change in liabilities for investment contracts and other funds and re-/insurance finance income/expenses.

Commentary

- **Net impact of capital gains** was USD 267m for the first six months compared to a USD 64m loss in prior year. Favorable mark-to-market performance of assets[1] exceed realized net capital losses, impairments, FX and other movements.
  - The net **mark-to-market** of assets was USD 0.7bn compared to USD 0.5bn in the prior year. The current year shows higher favorable valuations in equity portfolios and lower adverse impact from real estate valuations.
  - **Net capital losses** were USD 0.3bn compared to USD 0.7bn in prior year, with lower realized net losses in fixed income portfolios.
  - **Impairments, FX and other** were mostly driven by FX losses, which include impacts from the Argentinian business, and investment returns belonging to policyholders.
- **Restructuring costs** were USD 133m for the first six months compared to USD 151m in prior year.
- **Other adjustments** of USD 107m is lower than the USD 228m in prior year, and include amortization of intangibles from business combinations, charitable contributions and smaller non-BOP items.
- **Net gain on disposal** is USD 26m compared to a USD 28m loss on disposal in prior year. Current year includes a release of the Germany back-book profits withheld in the prior year, as they were attributable to the buyer.

[1] Securities classified as Fair Value through Profit and Loss for IFRS reporting purposes.

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Outlook remains unchanged since February

Property & Casualty	• Insurance revenue expected to grow by mid-single digit percentage year-on-year • Investment income to benefit from reinvestment yields above book yields in 2024, FY-24 finance expense (unwind) expected to be ~USD 1.2bn • Guidance for PYD and losses from natural catastrophes unchanged
Life	• Life FY-24 BOP expected to be at least in line with the record-high level of FY-23
Farmers	• Mid-single digit percentage growth expected for Farmers Exchanges[1] GWP, with FMS MGEP margin at 7.0% • Farmers Re BOP to reflect the increased participation in the all-lines quota share (10.0% effective Dec. 31, 2023) • Farmers Life BOP at mid-single digit for the full year, with positive net CSM run-off invested in building future state
Other	• Group Functions and Operations net expenses expected to be in the range of USD 800-850m • Effective tax rate expected to be in the range of 25 to 27%

2023-2025 Earnings Per Share (EPS) compound annual growth expected to exceed 10%[2]

1 For all references to Farmers Exchanges see the disclaimer and cautionary statement.
2 The baseline for the 2023-2025 EPS growth target is the assumed achievement of the 5% EPS CAGR target of the 2020-2022 financial cycle (i.e., EPS of USD 32.1).

Growth outlook remains supported by rate environment

HY-24 top-line development

	GWP (USDm)	GWP like-for-like growth (%)[1]	Rate change (%)[2]	Rate change outlook	Insurance revenue (USDm)	Insurance revenue like-for-like growth (%)[1]
EMEA	11,134	7%	4%	Stable	8,989	8%
North America	11,604	(2%)	6%	Moderating	9,970	4%
Asia Pacific	1,847	9%	4%	Stable	1,746	10%
Latin America	1,764	11%	3%	Stable	1,573	8%
Total[3]	25,342	3%	5%	Moderating	21,446	6%

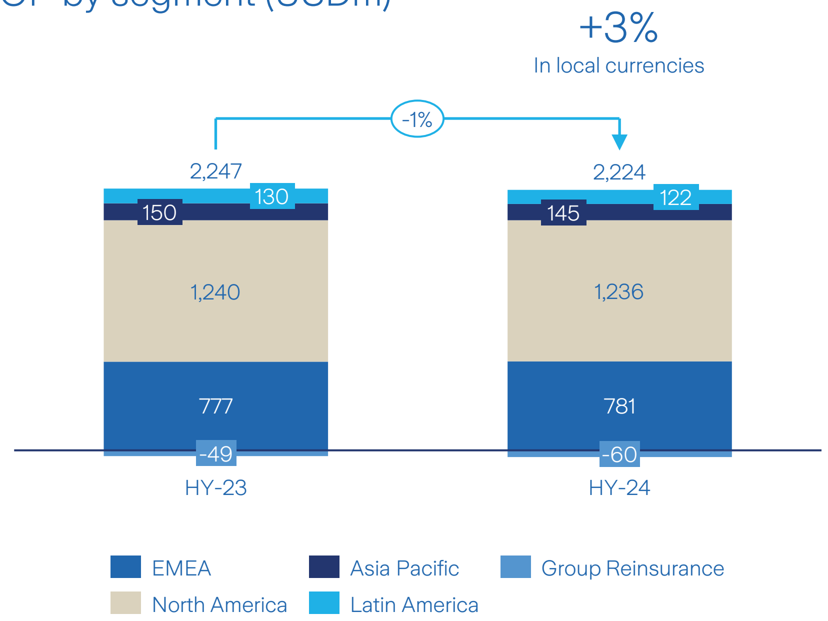
1 In local currency and after adjusting for acquisitions and disposals and excluding Argentina. Including Argentina, GWP like-for-like growth Latin America +65% / Total +7% and Insurance revenue like-for-like growth Latin America +54% / Total +9%.
2 GWP development due to premium rate change as a percentage of the renewed portfolio (monitored business) against the comparable prior year period.
3 Total includes Group Reinsurance and Eliminations.

Commentary

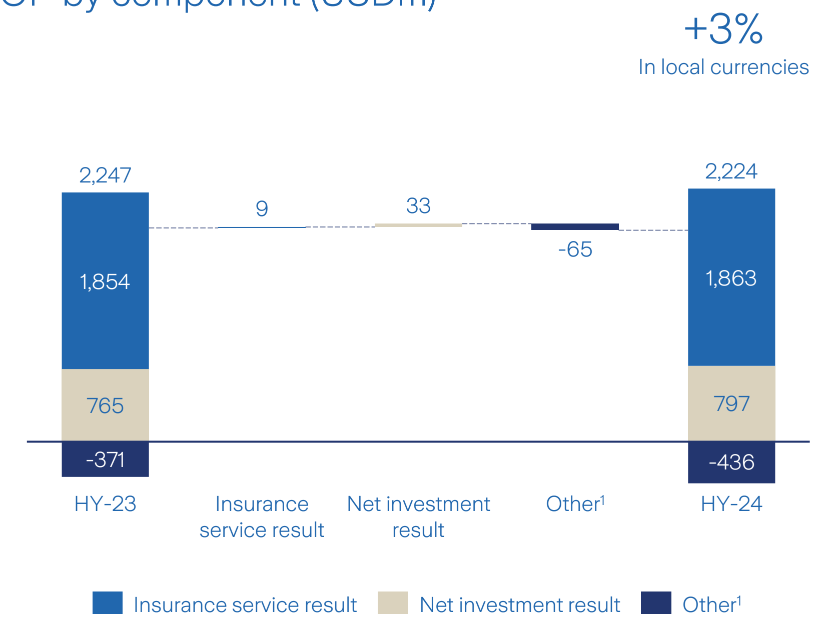
- **Gross written premiums** rose 3% on a like-for-like basis and in U.S. dollar terms. Growth was supported by higher premium rates of 5% on a Group basis.
- **Insurance revenue** rose 6% on a like-for-like basis and in U.S. dollars benefiting from the earn-through of growth in gross written premiums.
- **Rate change** of 5% remains favorable and is supported by a rate increase of 6% in North America. Rate increases are expected to moderate throughout the year.
- In **EMEA**, gross written premiums increased 7% on a like-for-like basis, driven by a strong performance of the retail book driven by an 8% increase in motor rates and overall net new business. On a reported basis, gross written premiums increased 8%.
- In **North America**, gross written premiums declined 2% on a like-for-like basis and in U.S. dollars. The decline was mainly driven by the crop business due to less favorable commodity price developments. Excluding crop, gross written premiums increased 2%.
- In **Asia Pacific**, gross written premiums rose 9% on a like-for-like basis and 2% in U.S. dollars driven by growth in the travel business and retail motor.
- In **Latin America**, gross written premiums rose 11% on a like-for-like basis and excluding Argentina due to inflation and currency depreciation. Growth was mainly driven by the retail motor business and to a lesser extent by commercial. Including Argentina, gross written premiums increased 65% on a like-for-like basis.

P&C BOP up 3% in local currencies

BOP by segment (USDm)



BOP by component (USDm)



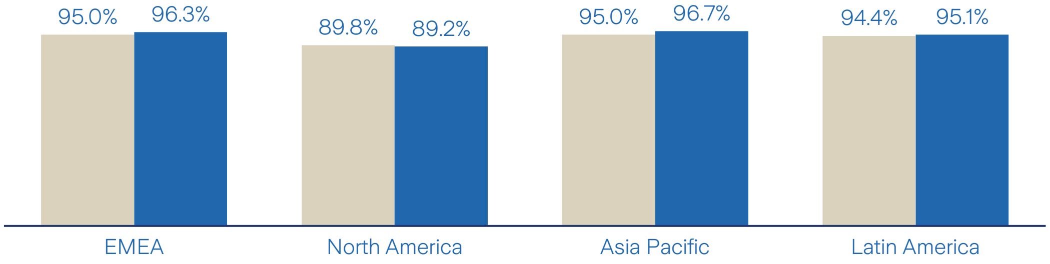
[1] Includes Fee result, Other result and non-controlling interests.

Commentary

- **P&C BOP** was USD 2,224m, 1% lower than in the previous year. In local currency, the P&C BOP was 3% higher compared to the previous year driven by higher insurance revenue and an increase of the investment result partially offset by a higher combined ratio.
- The **insurance service result** increased USD 9m compared to the prior year period. Insurance revenue rose 6% on a like-for-like basis and in U.S. dollars benefiting from the earn-through of growth in gross written premiums. This was partially offset by a 0.5ppts increase of the loss ratio.
- **Net investment result** was USD 33m higher than in the previous year. This was mainly driven by **investment income** of USD 146m above prior year levels due to the earn-through of higher yields and additional **realized capital gains** of USD 79m coming from the Group’s hedge fund portfolio compared to the previous year. This was partially offset by an increase in the **insurance finance expenses** of USD 193m compared to the previous year due to an increase of the unwind of discount.
- The net impact of **fee result, other result, and non-controlling interests** deteriorated by USD 65m compared to the prior year period mainly reflecting an increase of the technical non-qualifying expenses.

Commercial maintains attractive returns while profitability improvement actions continue in Retail and SME

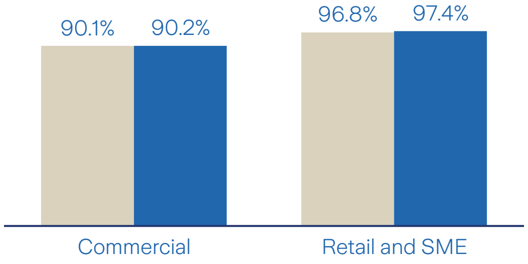
AY combined ratio (COR) excl. catastrophes by region (%)



	EMEA	North America	Asia Pacific	Latin America
% of Group HY-24 insurance revenue[1]	40%	45%	8%	7%

HY-23 HY-24

AY COR excl. catastrophes by customer unit (%)[1]



Commercial	Retail and SME
64%	36%

HY-23 HY-24

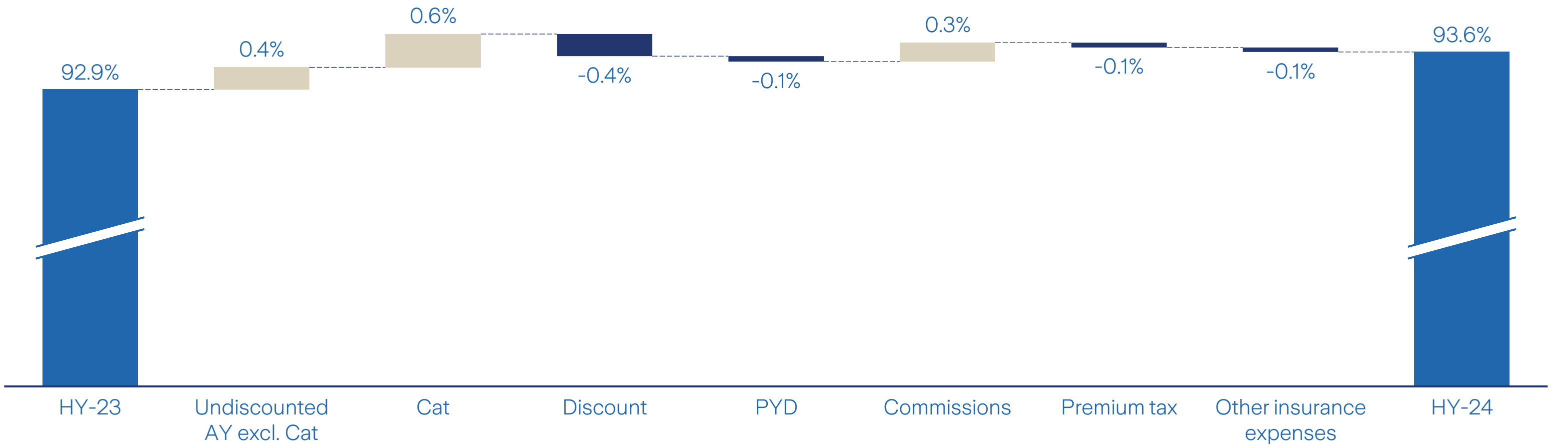
[1] Excluding Group Reinsurance and Eliminations. Discount impact: Commercial HY-23 4.3% / HY-24 4.8%; Retail and SME HY-23 2.3% / HY-24 2.4%.

Commentary

- In **EMEA**, the accident year combined ratio ex-catastrophes increased 1.3 percentage points compared to prior year mainly due to a deterioration in loss experience driven by weather events, retail motor as well as higher commissions.
- In **North America**, the accident year combined ratio ex-catastrophes improved 0.6 percentage points compared to prior year driven by a higher discount benefit.
- The **Asia Pacific** accident year combined ratio ex-catastrophes increased 1.7 percentage points compared to prior year mainly driven by an increase in the commission ratio reflecting the impact of recovering travel business sales and an unfavorable loss experience in Japan.
- In **Latin America**, the accident year combined ratio ex-catastrophes increased 0.7 percentage points compared to the previous year as the result was impacted by high inflation and currency depreciation in Argentina.
- The **Commercial Insurance** accident year combined ratio ex-catastrophes of 90.2% increased 0.1 percentage points compared to prior year and remained at a very attractive level.
- For the **Retail and SME** business, the accident year combined ratio ex-catastrophes was 0.5 percentage points higher than in the previous year mainly due to significant weather events but improved 0.3 percentage points compared to the second half of 2023.

Combined ratio increase driven by accumulation of small and medium sized events and mix-driven commissions

P&C combined ratio walk (%)



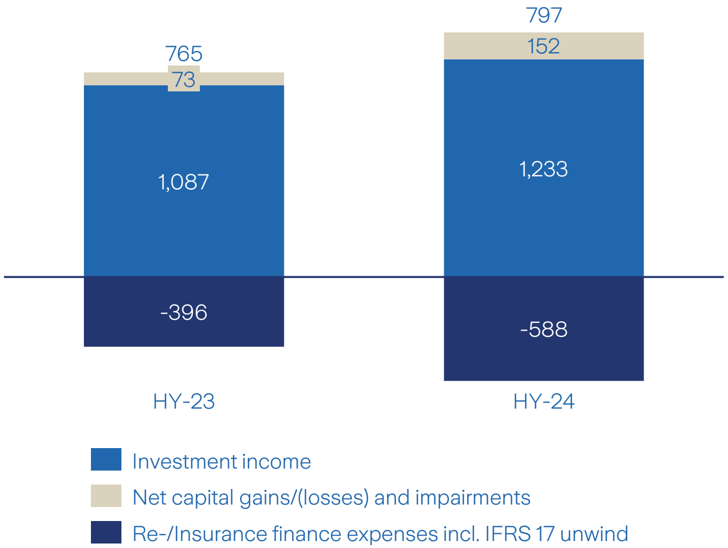
	Undiscounted AY excl. Cat	Cat	Discount	PYD	Commissions	Premium tax	Other insurance expenses
HY-23	67.4%	1.8%	-3.6%	-1.5%	16.4%	1.4%	11.0%
HY-24	67.8%	2.4%	-4.0%	-1.6%	16.7%	1.3%	11.0%

Commentary

- **P&C combined ratio** of 93.6% increased 0.7 percentage points compared to the prior year period as higher losses driven by higher catastrophe losses and weather events as well as higher expenses were partially offset by a favorable discount benefit.
- The reported **loss ratio** increased 0.5 percentage points to 64.6% mainly driven by higher natural catastrophe and weather losses.
- **Natural catastrophe losses** totaled 2.4% compared to 1.8% in the prior year period and remained below the guided range of 2.5-3.0%.
- **Prior year development** of favorable 1.6% was well within the indicated 1-2% range and 0.1 percentage points higher than in the prior year.
- The **expense ratio** of 28.9% was 0.2 percentage points higher than in the previous year, mainly driven by an increase in commissions due to mix shifts in EMEA, Asia Pacific and Latin America.

P&C investment result benefits from increase in reinvestment yields and favorable hedge fund performance

Investment result in BOP (USDm)



Investment income yield of Group investments (%)[1]

Book yield[2]	3.1%	3.5%
Reinvestment yield[2]	4.9%	5.0%

Insurance finance expense (% of liabilities for incurred claims)[3]

1 Net of investment expenses. Investment income yield calculated based on average Group Investments (accounting view) during the period on an annual basis.
2 Book yield calculated as weighted-average portfolio yield of debt securities during the period on an annual basis. Reinvestment yield calculated as a weighted-average trade yield of purchased debt securities with maturity >90 days during the period on an annual basis.
3 On annual basis.

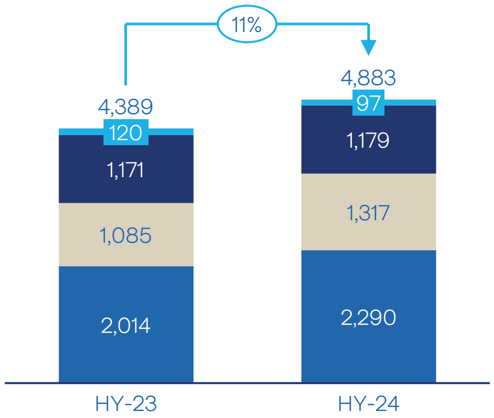
Commentary

- **Net investment result** increased 4% compared to the previous year as higher investment income and realized capital gains outpaced the increase of the unwind of discount.
- **Investment income** was up 13% (USD 146m) compared to the prior-year period, driven by investment yields.
- **Realized capital gains** in BOP of USD 152m were driven by an appreciation of the market value of the hedge fund portfolio in 2024 compared to USD 73m in the prior year period.
- This was partially offset by an increase in the **insurance finance expenses** from USD 396m in the previous year to USD 588m in the first half of 2024 due to an increase of the unwind of discount which is in line with our guidance for 2024.
- The book yield for debt securities rose to 3.5% with **reinvestment rates** on debt securities at 5.0%.

Life saw protection premium growth and positive net inflows in unit-linked and investment contracts

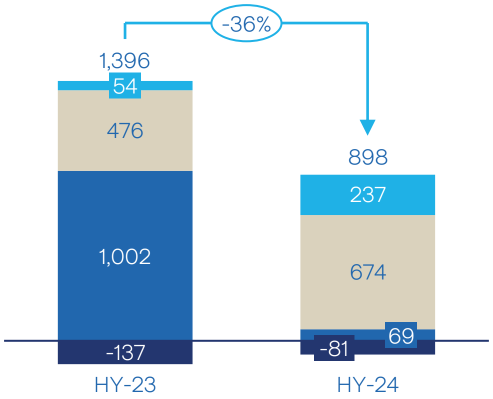
Protection

Gross written premiums (USDm)



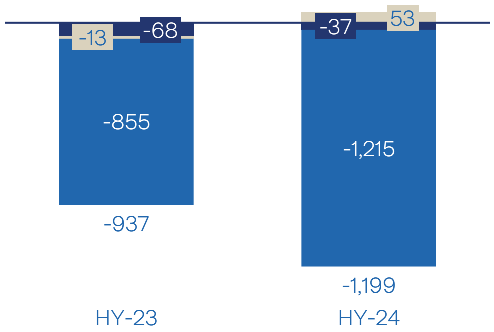
Unit-linked and investment contracts

Net inflows (USDm)



Savings and annuities

Net inflows (USDm)



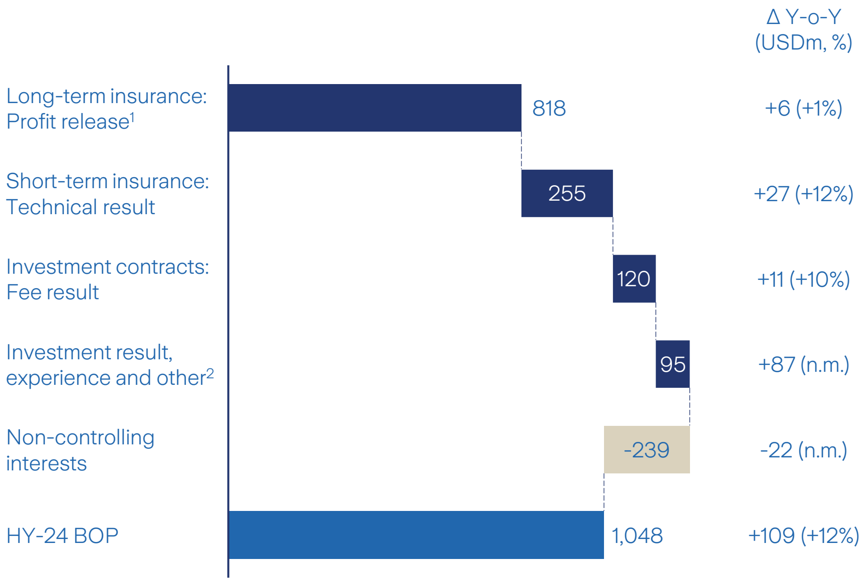
EMEA | Latin America | Asia-Pacific | North America

Commentary

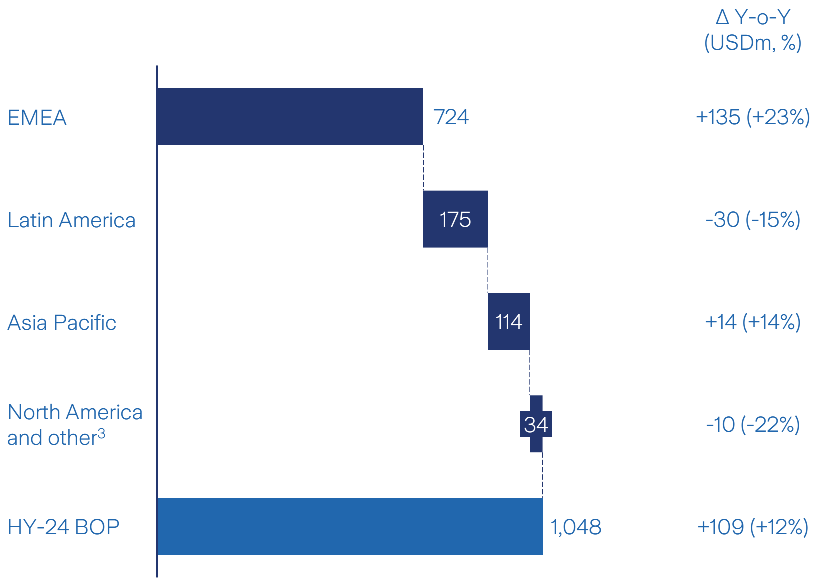
- In HY-24, **Life protection** premiums grew 11% compared to the prior year, driven primarily by EMEA and Latin America. In EMEA, growth was driven by captive employee benefits solutions and by UK group and individual protection. In Latin America, growth was mainly driven by the joint venture with Banco Santander, group business in Mexico, as well as affinity and financial advisors' business in Brazil.
- **Unit-linked and investment contracts** saw net inflows of USD 0.9bn in HY-24, driven by strong net inflows from investment contracts in Ireland and unit-linked in Latin America through our joint venture with Banco Santander, which were partially offset by USD 1.6bn of net outflows in the UK from a run-off portfolio. Reduced overall net inflows compared to the prior year period reflect reduced investment contracts' net inflows from institutional clients in Switzerland, higher unit-linked surrenders in Italy due to adverse market developments, as well as higher unit-linked maturities in Germany.
- The **savings and annuities** business saw net outflows of USD 1.2bn in HY-24 mainly driven by outflows in EMEA, most notably in Germany, Italy and Switzerland. The higher amount of net outflows compared to the prior year reflects exceptional sales volumes of a retail savings product in Spain in HY-23.

Record high level of Life BOP, all drivers contribute to growth; strong increase in EMEA

BOP by driver (USDm)



BOP by region (USDm)



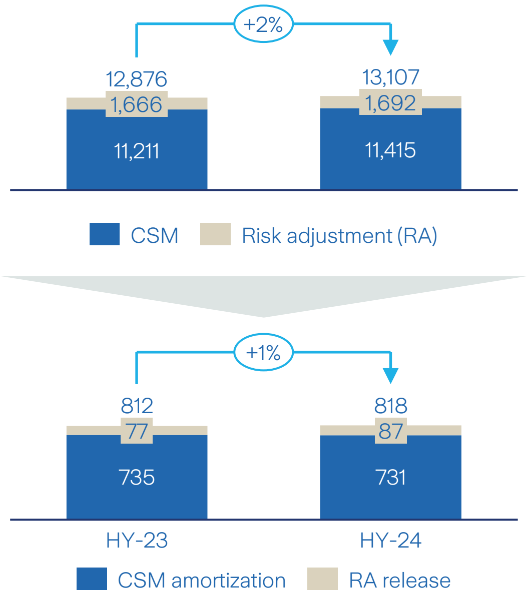
1 Includes CSM amortization and risk adjustment release. CSM amortization includes USD 1m adjustment related to Argentina hyperinflation (USD 8m in HY-23).
2 Includes experience adjustments, net impact of onerous contracts, income tax expense or benefit attributable to policyholders, any fee result not related to investment contracts, and other result.
3 Includes Group Reinsurance.

Commentary

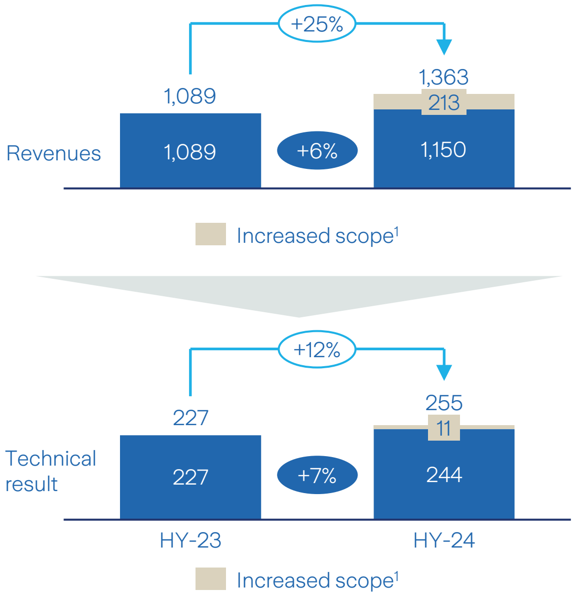
- In HY-24 the **Life** business generated BOP of USD 1,048m, an all-time high for the first half. All key profit drivers contributed to growth.
- The **profit release from long term insurance** contracts increased 1%, reflecting higher balances of CSM and risk adjustment compared to HY-23.
- Insurance margin for **short term insurance contracts** continued to grow strongly driven by a 25% higher reported revenue (12% like-for-like) and margins slightly below prior year reflecting a widened scope of the businesses included in Life short term insurance.
- **Fee result** from investment contracts, which are predominantly written in EMEA, added USD 120m of BOP in HY-24. The 10% year on year increase was driven by higher fee revenues, which benefitted from higher assets under management up 10% compared with HY-23, driven by market movements and net inflows.
- BOP further benefited from a higher **net investment result**, up USD 20m year on year, favorable **claims experience** in EMEA, and ~USD 50m of **non-recurring benefits** related to the non-completion of the disposal of a legacy Life back book in Germany.
- By region, BOP grew 23% year on year in **EMEA**, mainly driven by higher investment result, fee result, favorable experience in the UK, Switzerland and Italy, and the above mentioned ~USD 50m of non-recurring benefits in Germany.
- **Asia-Pacific** BOP was up 14% year on year mainly driven by more favorable claims experience in Australia and higher CSM amortization.
- **Latin America** BOP was 15% below prior year mainly due to inflation and currency depreciation in Argentina.
- BOP for **North America and Other** was 22% below prior year due to an adverse year on year fluctuation of onerous contract impacts, more than offsetting improved mortality experience.

BOP growth driven by increase in CSM, revenues and AuM

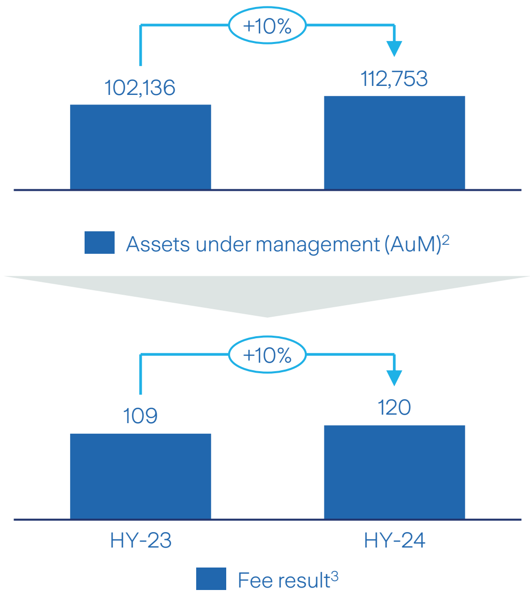
Long term insurance (USDm)



Short term insurance (USDm)



Investment contracts (USDm)



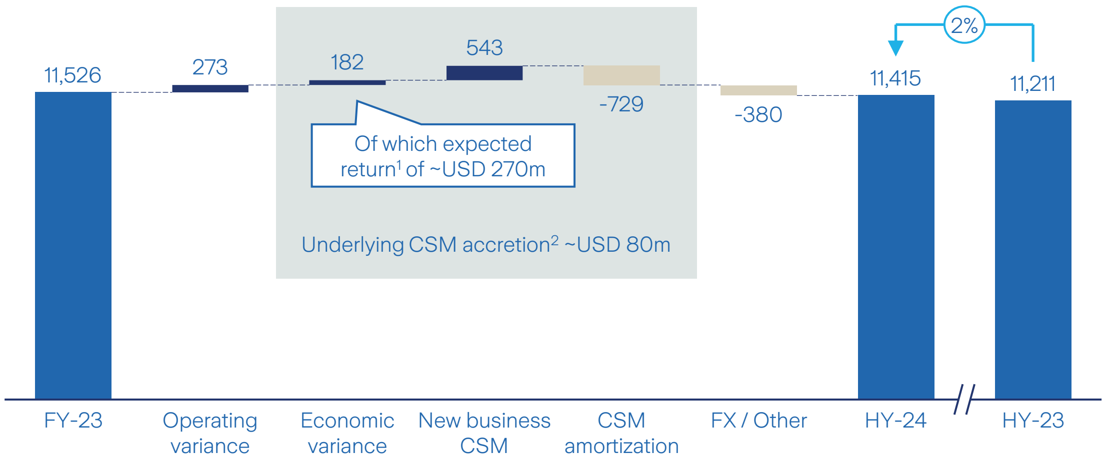
1 Zurich Global Employee Benefit Solutions (reclassified from Group Functions and Operations to Life) and Luxembourg Eurolife business (previously accounted for with the building block approach).
2 Includes AuM for investment contracts (USD 64.1bn) and 3rd party investments (USD 48.6bn).
3 Does not include USD 15m of fee result stemming from other businesses than investment contracts.

Commentary

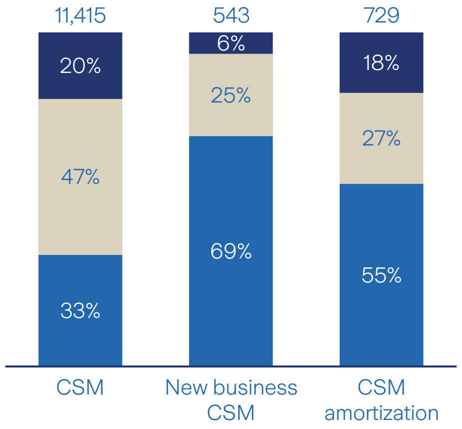
- For **long term insurance contracts**, the key driver of operating performance is the release of profits which are embedded in the contractual service margin (CSM) and risk adjustment (RA). These have increased by 2% compared to the prior year. This, combined with a marginally lower CSM amortization rate, resulted in a BOP contribution of USD 818m, up 1% year on year.
- The operating performance of **short term insurance contracts** is largely driven by insurance revenues and technical margins. Insurance revenues were 25% higher than in the prior year. This was driven by 6% growth on a comparable scope, and the inclusion of two additional businesses with a combined insurance revenue of USD 213m in HY-24. Insurance service result increased 12% year on year, reflecting stable margins in Latin America and an additional USD 11m contribution from two businesses which were not in scope in the prior year.
- **Investment contracts** generated USD 120m of fee result, 10% higher than in the prior year, in line with a corresponding increase of assets under management. These benefited from positive net inflows of USD 1.7bn in the 12 months to Jun 30, 2024 and favorable market movements, which more than offset adverse currency movements.

CSM up 2% year on year; 4% increase in H1 in local currencies

CSM walk (USDm)



HY-24 line of business split (USDm)



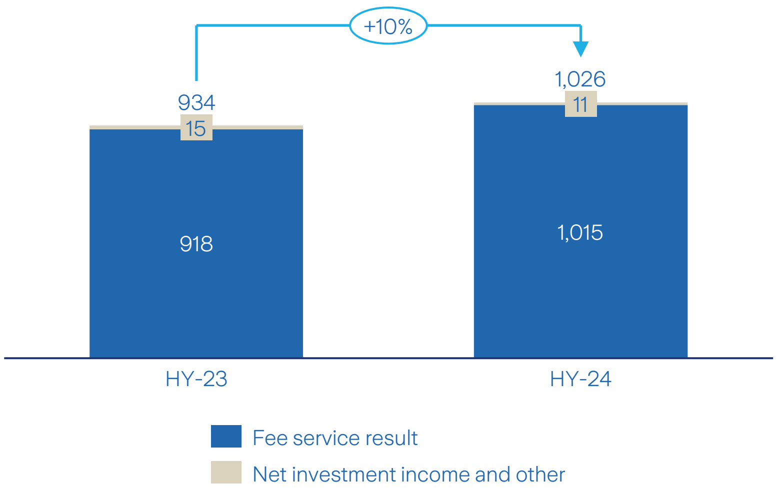
1 Discount unwind and contribution of expected realization of real-world excess-return over discount rates.
2 Sum of expected return, new business CSM and CSM amortization.

Commentary

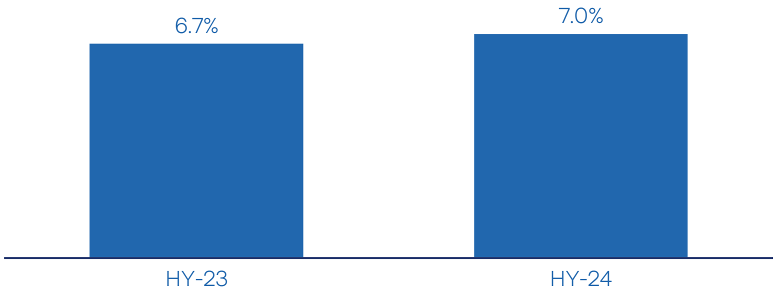
- The **Contractual Service Margin (CSM)** of the Life business decreased 1% in HY-24 on a reported basis, with a 4% growth in local currencies more than offset by the effect of U.S. dollar strength.
- **Operating variances** increased CSM by USD 273m driven primarily by EMEA, which saw a benefit from model refinements in Germany.
- **Economic variances** increased CSM by USD 182m. This reflects approximately USD 270m of expected return from in-force business, of which ~2/3 related to discount unwind and ~1/3 to contribution of excess return over discount rates. This more than offset a modest negative variance mainly driven by Germany due to market movements and model refinements.
- **New business** added USD 543m of CSM, with protection and unit-linked contributing 69% and 25% of the total, respectively.
- **Amortization** into the P&L reduced CSM by USD 729m. This reflects a CSM amortization rate broadly in line with HY-23.
- **Underlying CSM accretion**, which results from the combination of new business CSM, expected return from in-force and CSM amortization, was positive in HY-24 (~USD 80m).
- **FX and other movements** decreased CSM by USD 380m, with an unfavorable USD 531m impact from U.S. dollar appreciation partially offset by a USD 161m favorable impact from the non-completion of the disposal of a legacy Life back book in Germany.

Growth in Farmers Exchanges[1] premiums drives increase in FMS income, with MGEP margin at 7.0%

FMS business operating profit (USDm)



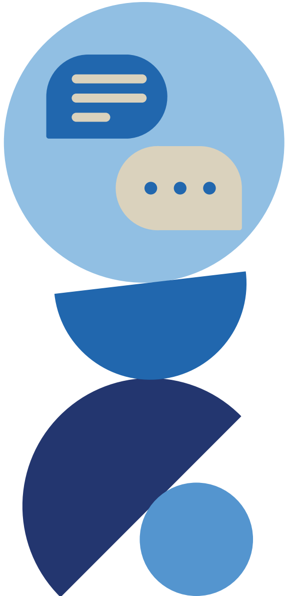
MGEP margin (%)[2]



1 For all references to Farmers Exchanges see the disclaimer and cautionary statement.
2 Margin on Gross Earned Premiums of the Farmers Exchanges.

Commentary

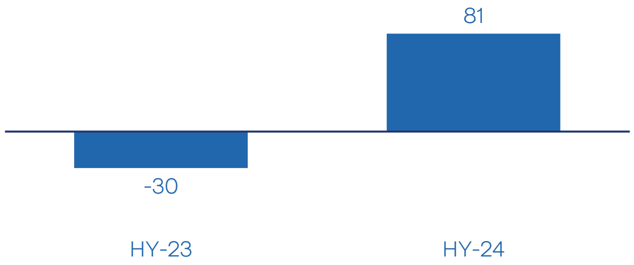
- **Farmers Management Services (FMS)** has a record first half BOP of USD 1,026m, which is USD 92m, or 10%, higher compared to the prior year. This increase is driven by the higher gross earned premium base at the Farmers Exchanges[1], lower operating expenses and positive contribution from brokerage entities.
- The **Managed Gross Earned Premium (MGEP) margin** stood at 7.0%, a 0.3 percentage points increase compared to prior year benefiting from lower operating expenses, while the prior year still reflected integration costs related to the MetLife U.S. P&C business.



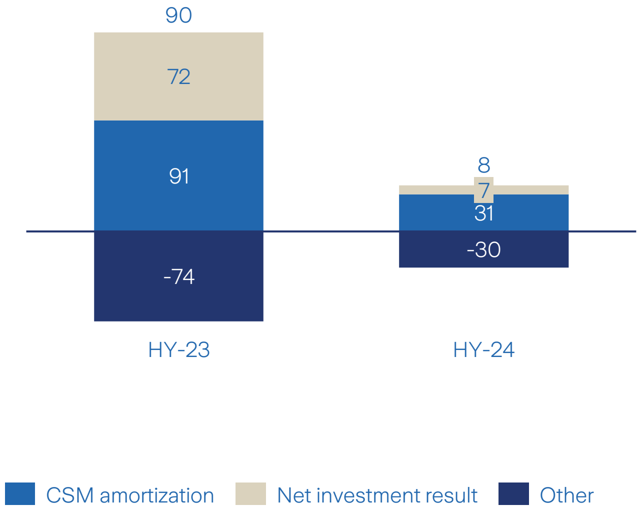
[1] For all references to Farmers Exchanges see the disclaimer and cautionary statement.

Farmers Re benefits from improved underwriting at Farmers Exchanges[1]; Farmers Life BOP reflects reinsurance transaction

Farmers Re BOP (USDm)



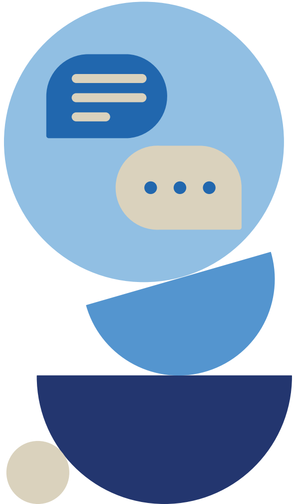
Farmers Life BOP (USDm)



[1] For all references to Farmers Exchanges see the disclaimer and cautionary statement.

Commentary

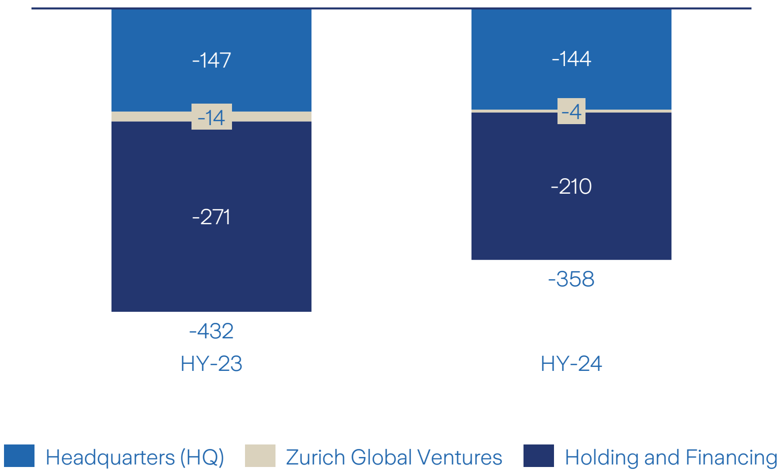
- **Farmers Re BOP** of USD 81m is USD 111m above prior year following improved underwriting results at the Farmers Exchanges[1] and a higher reinsurance participation percentage. Effective December 31, 2023, the Farmers Reinsurance All Lines Quota Share treaty from Farmers Exchanges[1] increased from 8.5% to 10.0%.
- **Farmers Life BOP** of USD 8m is USD 81m lower than prior year and reflects the reinsurance agreement to cede its individual life in-force book to Resolution Life which completed in August 2023.



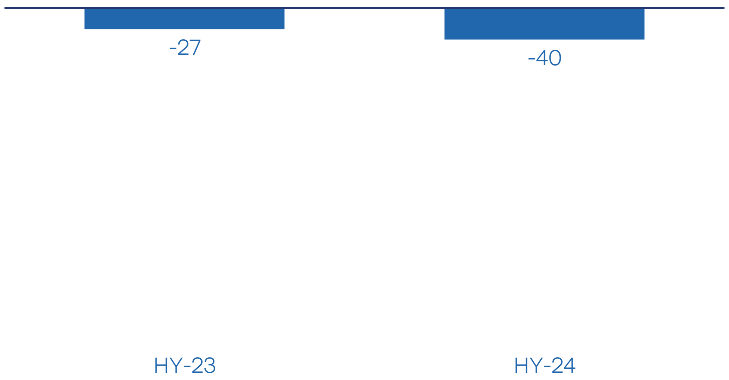
[1] For all references to Farmers Exchanges see the disclaimer and cautionary statement.

Group Functions reported higher investment result; Non-Core Businesses with adverse PYD on run-off portfolios

Group Functions and Operations BOP (USDm)



Non-Core Businesses BOP (USDm)



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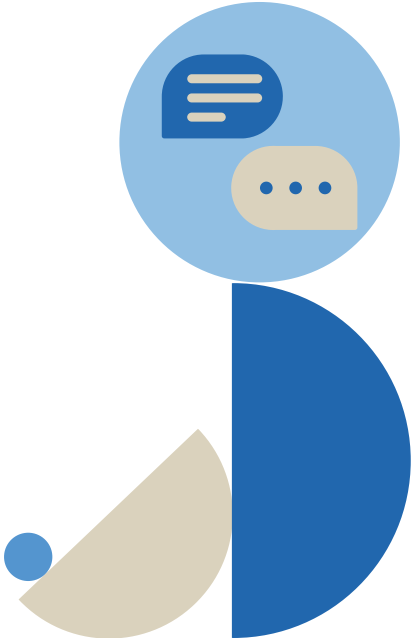
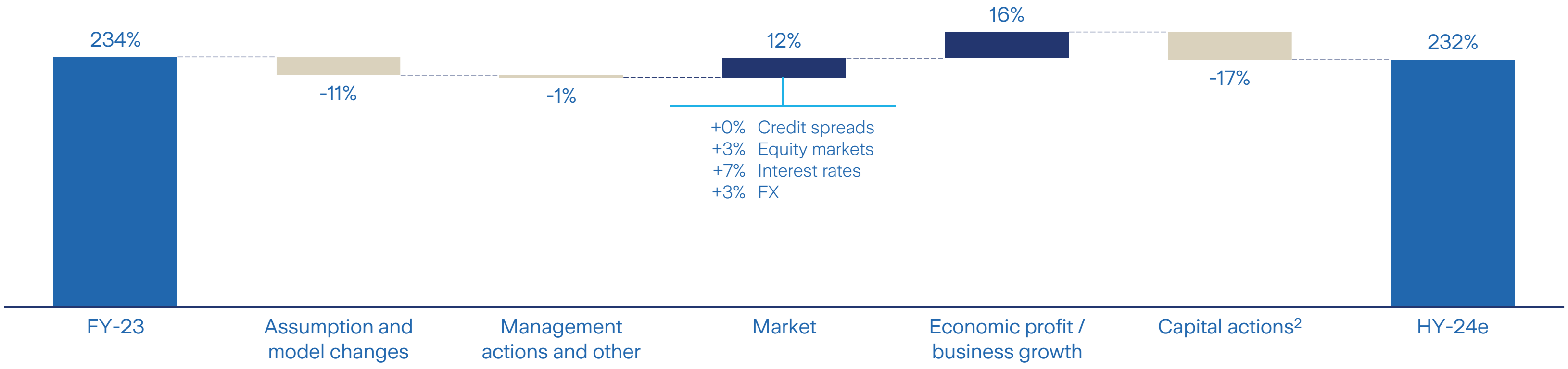
Commentary

- **Group Functions and Operations** reported net expenses of USD 358m compared to USD 432m in the prior-year period. The improvement is driven by higher average invested assets, higher reinvestment rates and lower external debt expense in the Holding and Financing unit.
- The Group's **Non-Core Businesses**, which comprises run-off portfolios that are managed to proactively reduce risk and release capital, reported an operating loss of USD 40m for HY-24, compared to a loss of USD 27m in prior year.



Very strong capital position with SST ratio at 232%

SST ratio (%)[1]

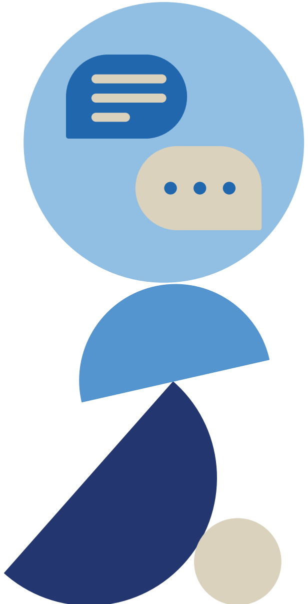


	FY-23	Assumption and model changes	Management actions and other	Market	Economic profit / business growth	Capital actions[2]	HY-24e
AFR (USDbn)[1]	34.3	-0.1	0.1	1.2	3.2	-2.6	36.1
TC (USDbn)[1]	14.7	0.7	0.1	-0.3	0.3	0.0	15.5

1 On Swiss Solvency Test (SST) see footnote on page 4. SST ratio is defined as: Available Financial Resources (AFR) / Target Capital (TC). AFR is net of Market Value Margin (MVM) of USD 3.9bn in HY-24e (USD 4.1bn in FY-23).
2 Capital actions include dividend, debt movements and M&A.

Commentary

- As of HY-24, the Group's **Swiss Solvency Test (SST) ratio** based on the Group's Internal Model as approved by the Swiss Financial Market Supervisory Authority (FINMA) was estimated at 232%, well above the Group's SST ratio target of 160% or above.
- **The ratio was 1ppts lower than 234% recorded as of January 1, 2024**. The reduction was driven by capital actions, which include dividend accrual (-14ppts), and the acquisition of a 70% stake in Kotak Mahindra General Insurance (-3ppts), the adverse impact from model and assumption updates in Q1-24 (-11ppts), and the effect of management actions and other impacts (-1ppts). These effects more than offset a favorable contribution from economic profit (16ppts, net of capital required for growth) and market movements (12ppts).
- **The SST ratio remained stable vs. Q1-24.** The positive impacts from business profit and favorable market movements, mainly related to higher interest rates, were offset by the dividend accrual and the acquisition of a 70% stake in Kotak Mahindra General Insurance.



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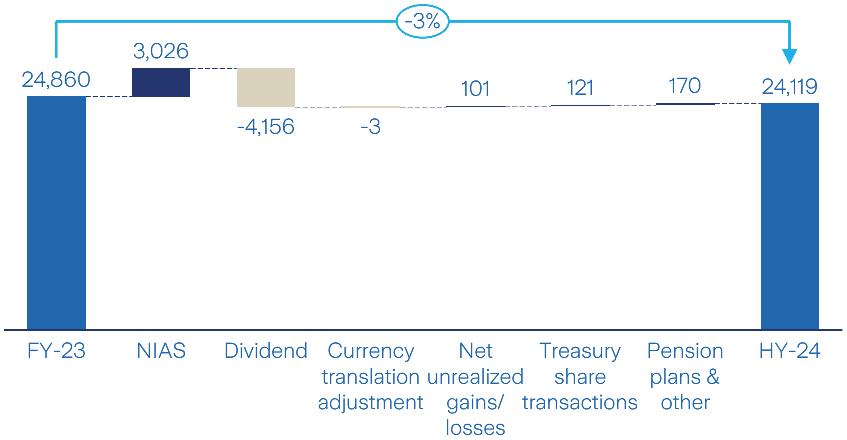
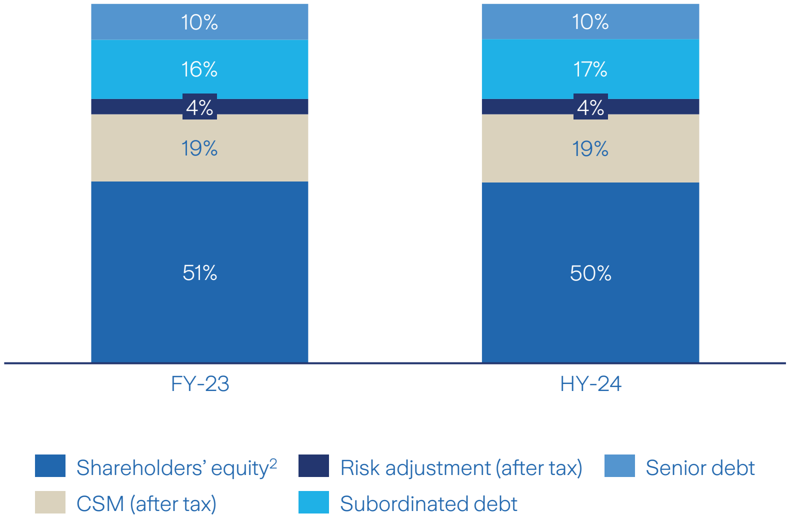
Shareholders’ equity reduction driven by annual dividend payment in the first half of the year

Shareholders’ equity (USDm)



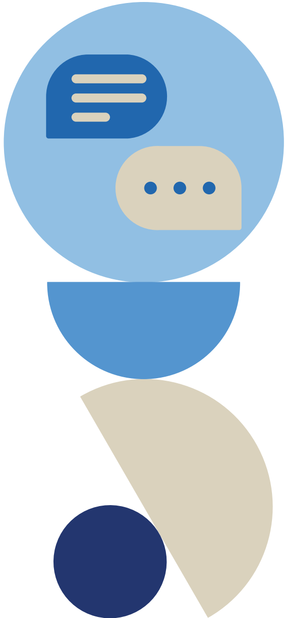
Capital structure (%)[1]



[1] Based on IFRS balance sheet.
[2] Including non-controlling interests.

Commentary

- **Shareholders' equity** declined by USD 0.7bn compared to year end 2023, primarily driven by the payment of the Group annual dividend of USD 4.2bn in the first half of the year. These impacts were partially offset by net income attributable to shareholders.
- **CSM after tax** of USD 9.6bn was 1% lower than at FY-23 driven by adverse currency movements, while **risk adjustment** after tax remained stable at USD 2.2bn.
- **Subordinated debt** and **senior debt** of USD 8.5bn and USD 5.0bn respectively were modestly down compared with FY-23 driven by currency movements.
- As a result, the proportion of debt in the IFRS based **capital structure** remained broadly stable, with a leverage ratio of 26.4% compared to 26.5% at FY-23.



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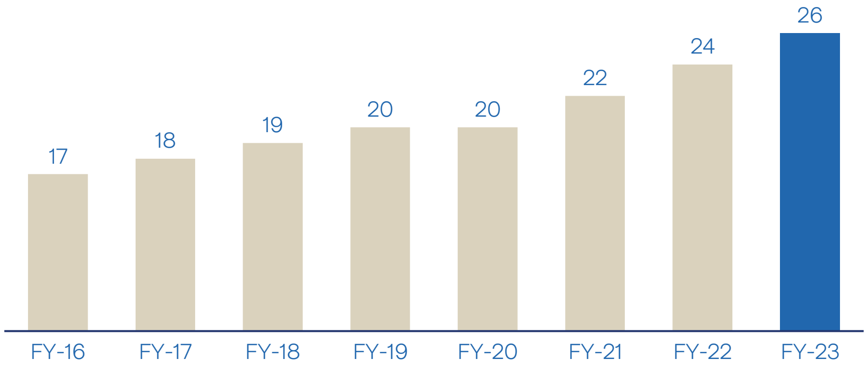
Appendix

We are focused on continuing to reward our shareholders

Dividend policy[1]

- NIAS[2] payout ratio of ~75%
- Dividend increases based on sustainable earnings growth
- Minimum target of prior year level

Dividend per share (CHF)



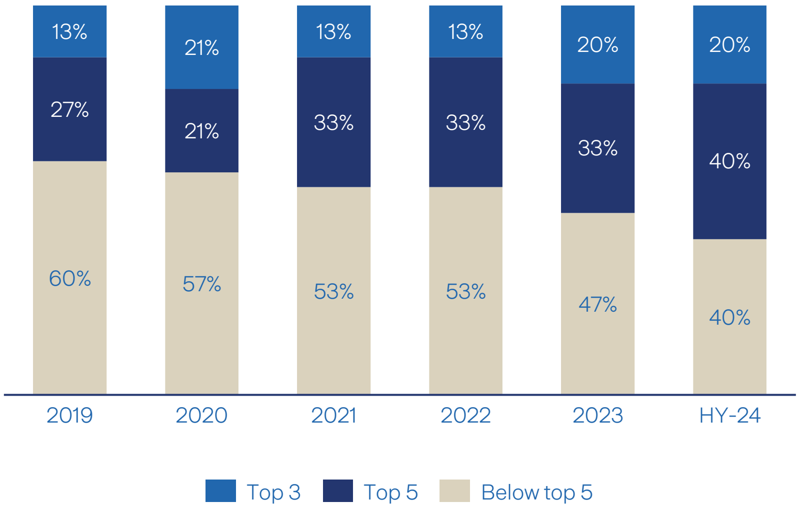
1 The dividend is subject to the approval by the shareholders at the Annual General Meeting.
2 Net income attributable to shareholders.

Update on customer satisfaction and brand consideration

tNPS[1] HY-24 vs. FY-23

Global[2]	▲ +3.5pts
EMEA	▲ +2.3pts
Asia Pacific	▲ +5.6pts
Latin America	▲ +2.7 pts
Farmers Exchanges[3]	▼ -9.4 pts

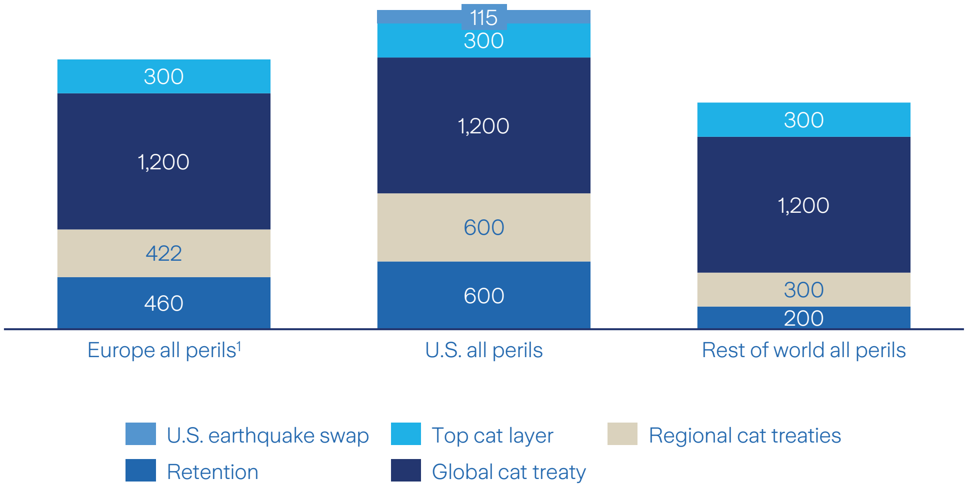
Brand consideration ranking[4]



1 Transactional net promoter score (Retail & SME).
2 Zurich Retail & SME. Does not include Farmers Exchanges.
3 For all references to Farmers Exchanges see the disclaimer and cautionary statement.
4 Retail markets in scope: Argentina, Australia, Austria, Brazil, Germany, Hong Kong (excluding 2020), Ireland, Italy, Japan, Malaysia, Mexico, Portugal, Spain, Switzerland, UK.

Reinsurance program protecting our balance sheet

Group catastrophe reinsurance protection (USDm)



Main additional treaties

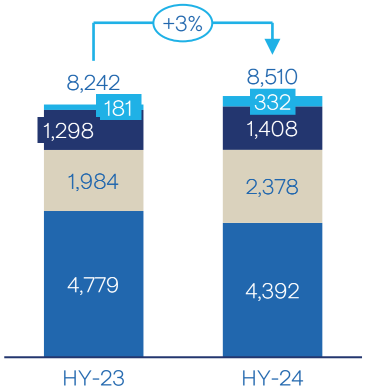
- Global property per risk
- Global surety excess of loss
- U.S. liability quota share

[1] Europe cat treaty calculated with EUR/USD exchange rate of 1.08215 as of July 31, 2024 (EUR 390m in excess of EUR 425m).

Strong new business and top-line growth driven by protection and unit-linked

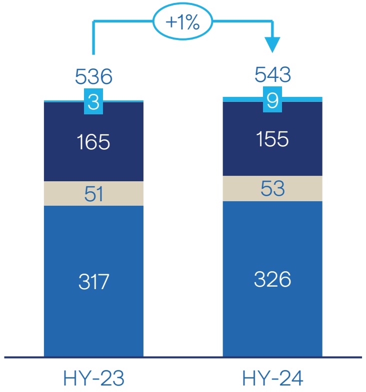
Long term insurance[1]

+5%
Like-for-like[2]



Present value of new business premiums (PVNBP) (USDm)

+2%
Like-for-like[2]

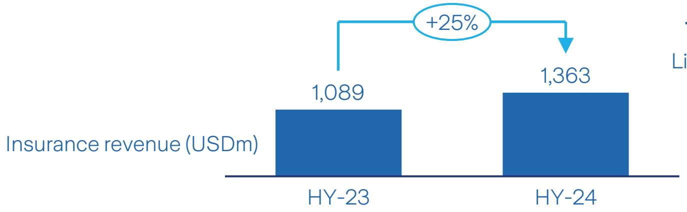


New business contractual service margin (NB CSM) (USDm)

EMEA | Latin America | Asia Pacific | Other[3]

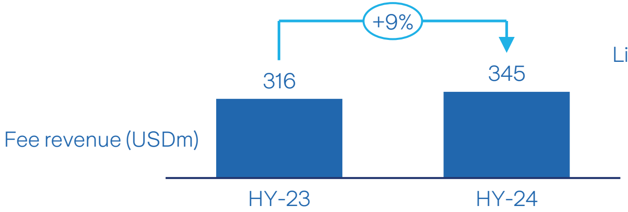
Short term insurance[1]

+12%
Like-for-like[2]



Investment contracts[1]

+9%
Like-for-like[2]



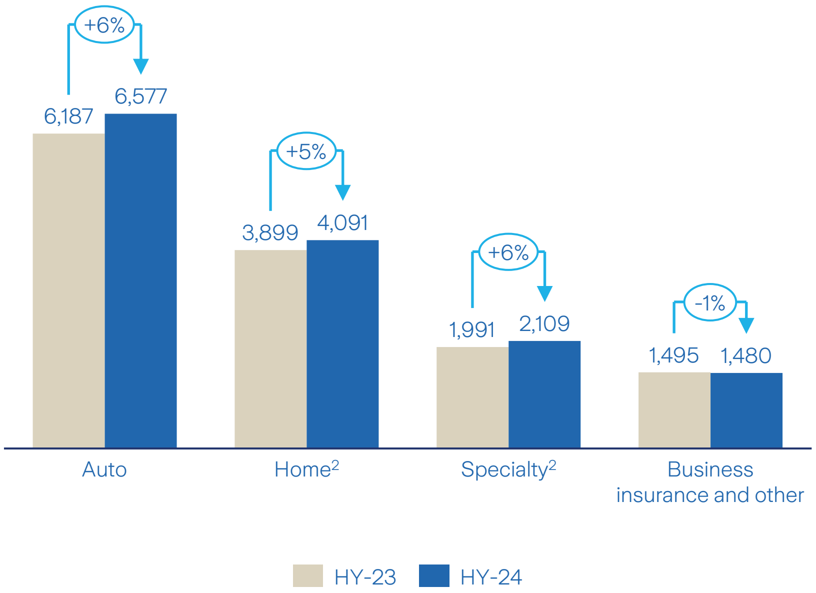
[1] Long term insurance includes participating and non-participating contracts accounted for under the Building Block Approach (BBA) and Variable Fee Approach (VFA). Short term insurance includes non-participating contracts accounted for under the Premium Allocation Approach (PAA). Investment contracts include contracts which are accounted for under IFRS 9.

[2] In local currencies, excluding Argentina and adjusted for acquisitions and disposals, for the reclassification of Zurich Global Employee Benefit Solutions from Group Functions and Operations to Life and for the impact of a Life portfolio accounted for with the premium allocation approach in 2024 (previously accounted for with the building block approach).

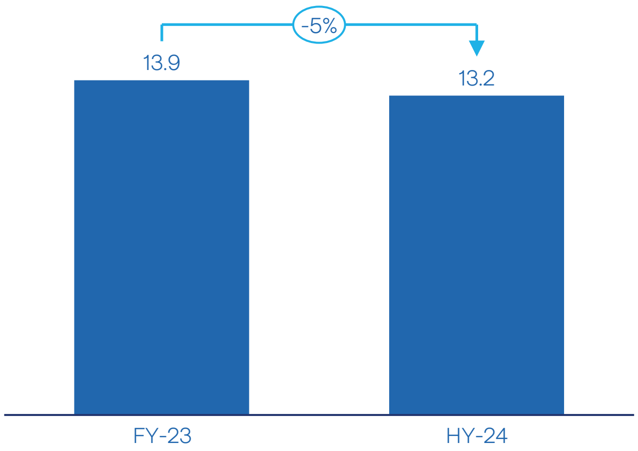
.[3] Other includes North America, Group Reinsurance and Eliminations.

Continued pricing actions drive increase in premiums, while rate and non-rate actions adversely impact PIF

Gross written premiums (USDm)



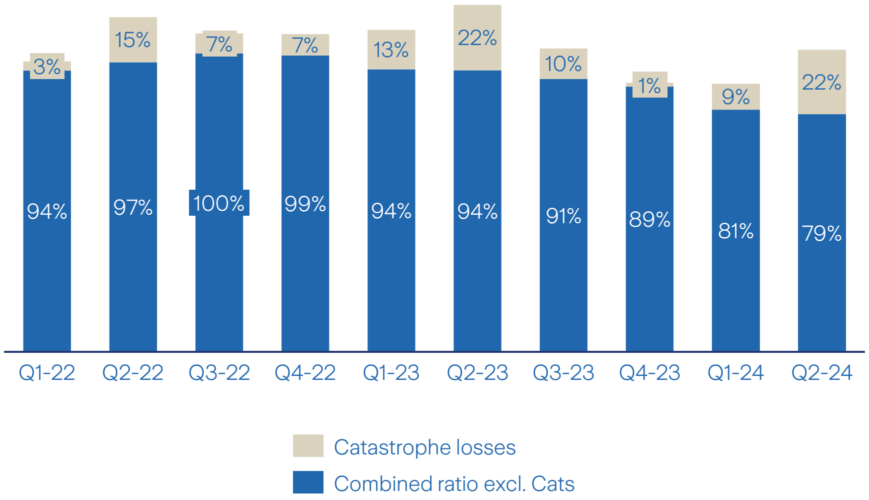
Policies-in-force (m)



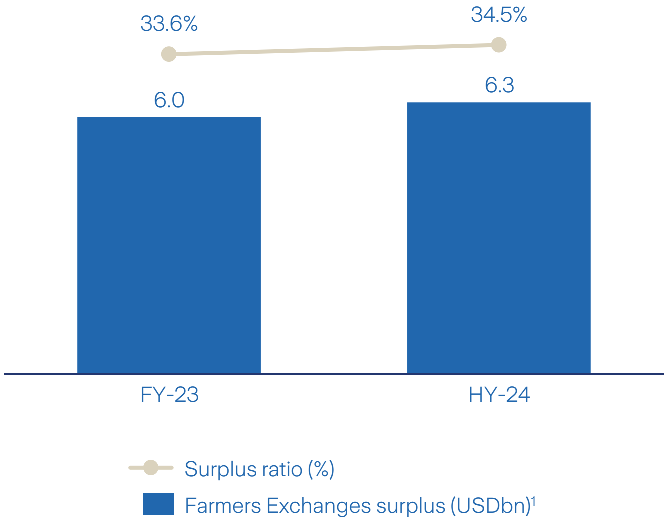
[1] For all references to Farmers Exchanges see the disclaimer and cautionary statement.
[2] HY-23 GWP has been restated for a portfolio transferred from Specialty to Home.

Farmers Exchanges[1] continue to improve underlying underwriting results

Combined ratio (%)[2]



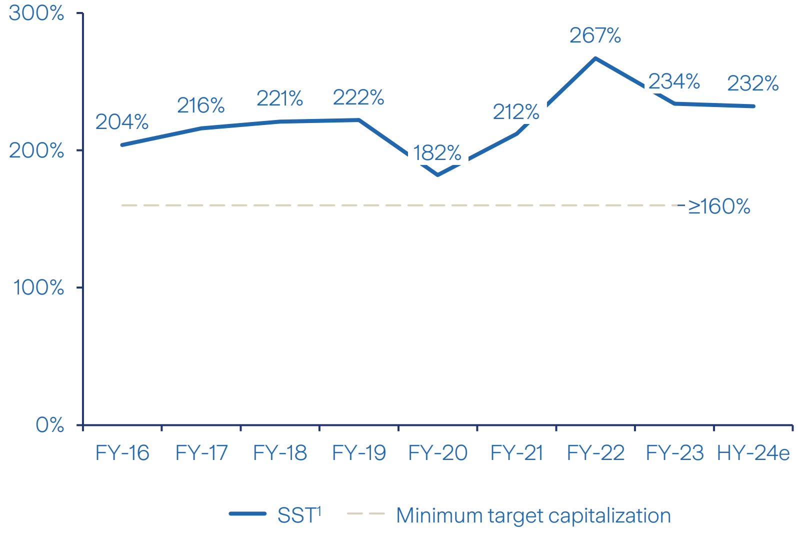
Surplus (USDbn, %)



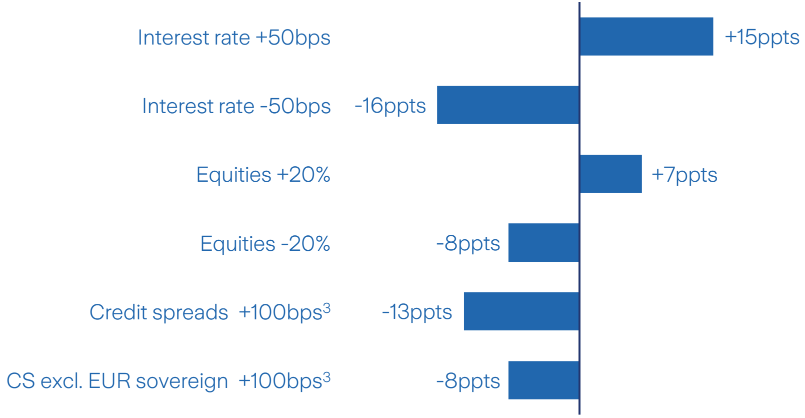
1 For all references to Farmers Exchanges see the disclaimer and cautionary statement.
2 Combined ratio before quota share reinsurance.

Very strong capital position, SST ratio well in excess of 160%

Group Swiss Solvency Test (%)[1]



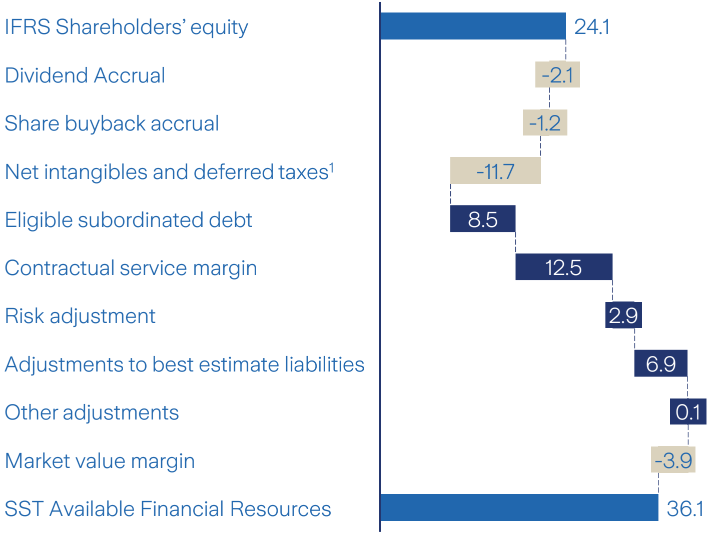
Q1-24 SST sensitivities impact (ppts)[2]



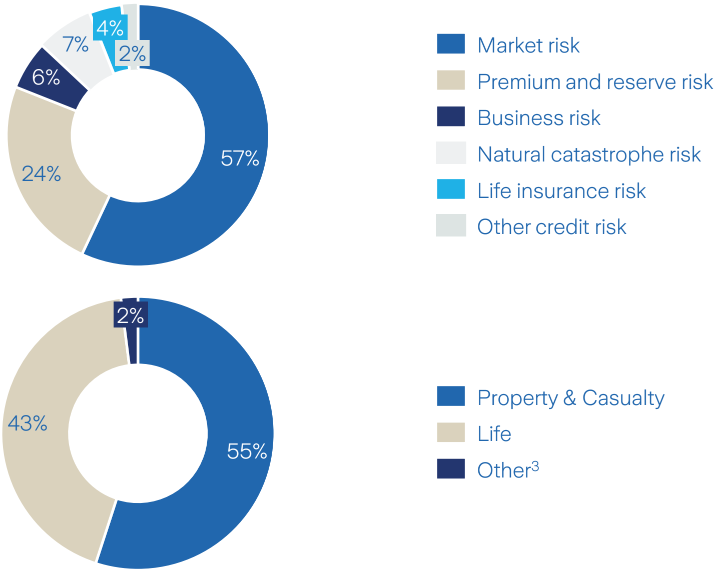
1 On Swiss Solvency Test (SST) see footnote on page 4.
2 Sensitivities are best estimates and include the impact on the pension plans in the UK. For the interest rate sensitivities, shocks are applied to the liquid part of the yield curve.
3 Credit Spreads (CS) include mortgages. CS sensitivities of available capital include changes to the volatility adjustment applied to interest rates curves.

Well diversified capital base by business segment

HY-24 Available Financial Resources (USDbn)



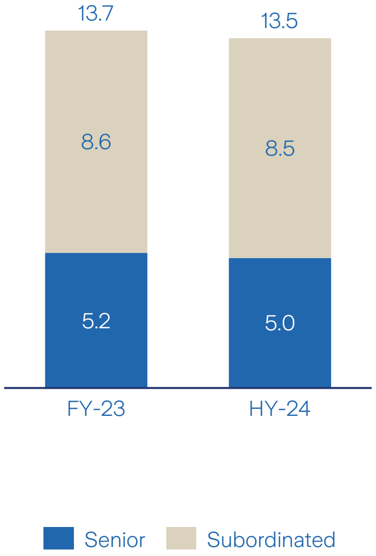
HY-24 Risk Capital Split (%)[2]



1 Net intangibles excluding insurance acquisition cash flows, gross of non-controlling interests.
2 Split is based on the contribution to the aggregated risk.
3 Includes Farmers, Group Functions & Operations and Non-Core Businesses.

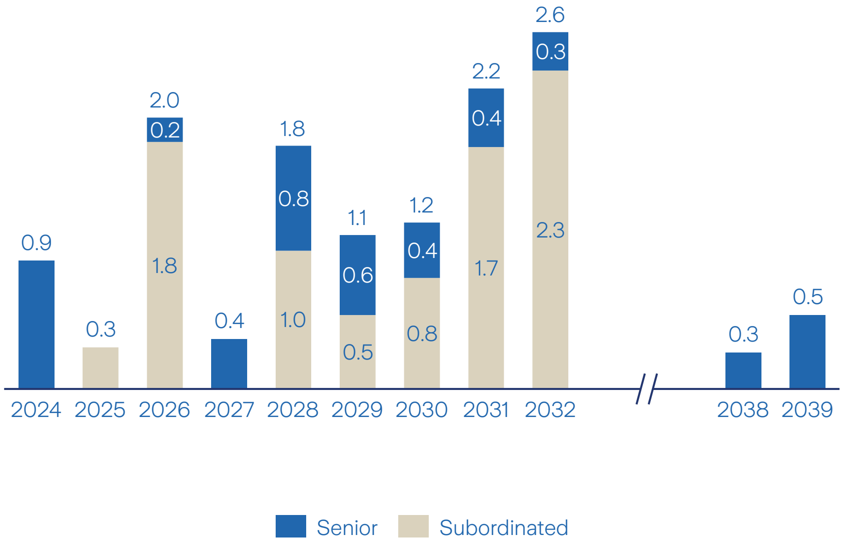
Low average debt cost and balanced maturity profile

Debt (USDbn) and average debt cost (%)



Average debt cost (%)	FY-23	FY-24e
Subordinated	3.9%	4.0%
Senior	1.8%	1.9%
Total	3.1%	3.3%

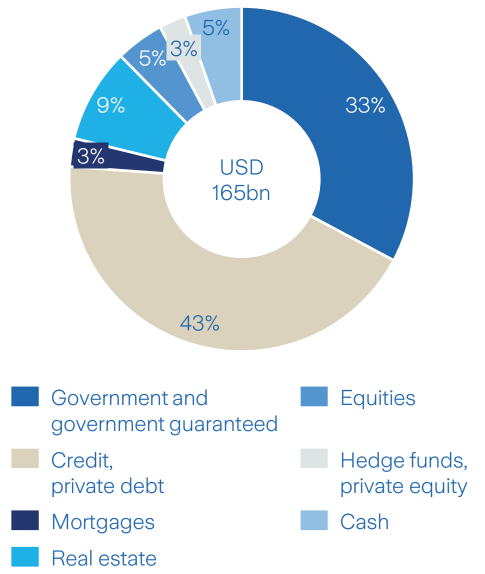
Balanced refinancing needs (USDbn)[1]



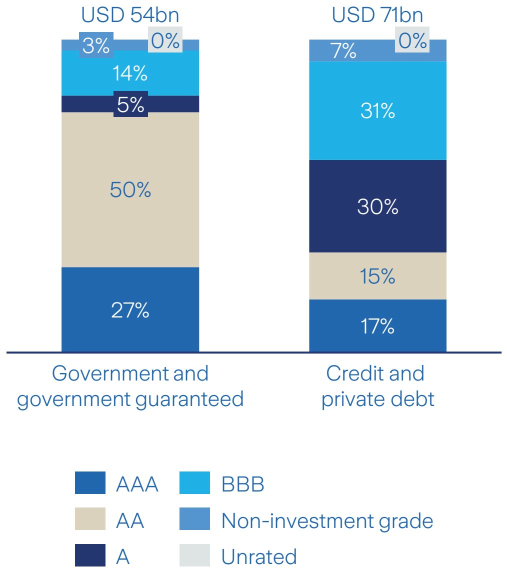
[1] Maturity profile based on first call date for subordinated debt and maturity date for senior debt, excluding commercial papers.

Well diversified and high-quality investment portfolio

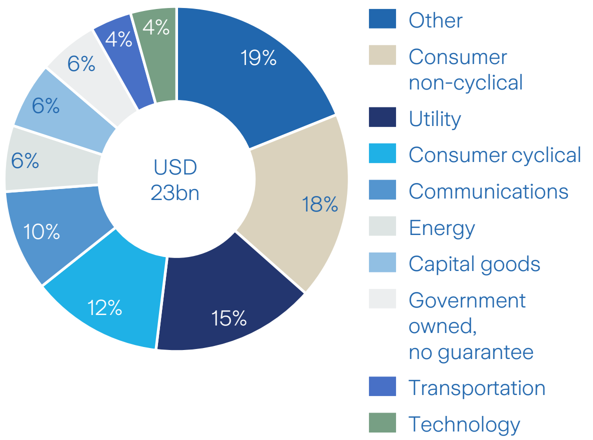
HY-24 Group investments (%)[1]



HY-24 asset quality (%)



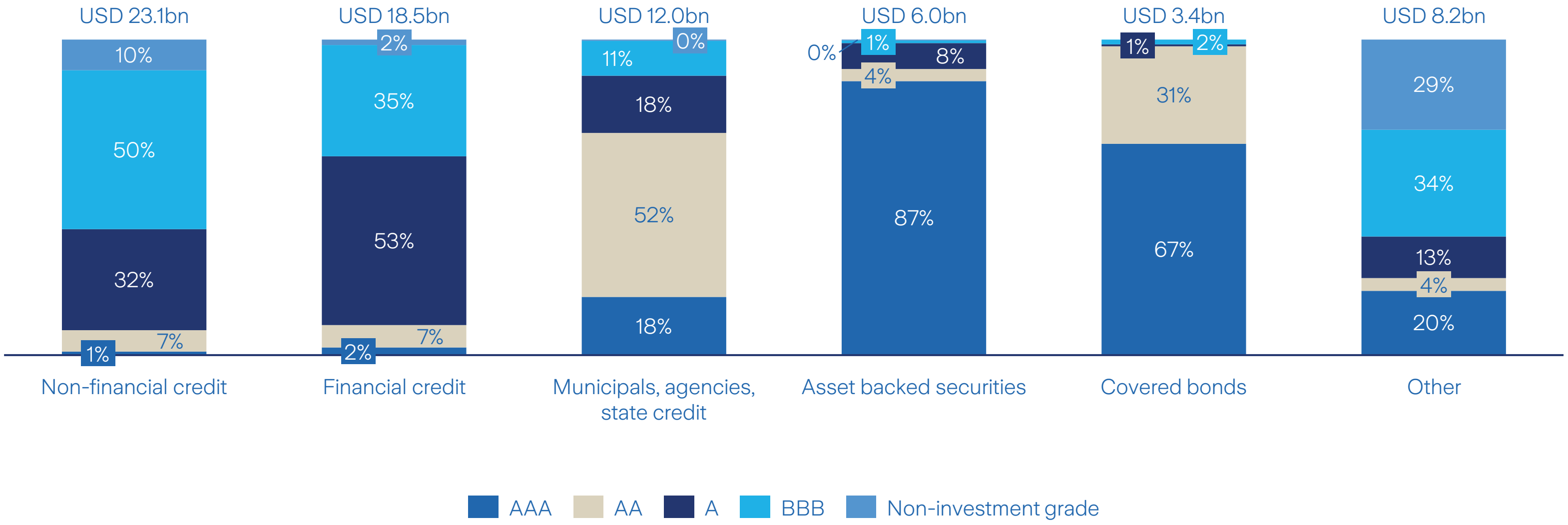
HY-24 non-financial credit (%)



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

Well diversified and high-quality credit and private debt exposure

HY-24 rating of credit and private debt securities (%)



Calculation of like-for-like growth

Like-for-like growth

Business	KPI	HY-23 (USDm)			HY-24 (USDm)				L-F-L[2] (%)
		Rep	M&A/Other[1]	Adj	Rep	FX	M&A/Other[1]	Adj[1]	
P&C	GWP	24,560	(257)	24,303	25,342	877	(1,177)	25,042	3%
P&C	Insurance revenue	20,163	(219)	19,944	21,446	599	(819)	21,226	6%
Life – long term insurance	PVNBP	8,242	(158)	8,084	8,510	301	(321)	8,489	5%
Life – long term insurance	NB CSM	536	(17)	519	543	31	(47)	527	2%
Life – short term insurance	Insurance revenue	1,089	(0)	1,089	1,363	62	(207)	1,218	12%
Life – investment contracts	Fee revenue	316	-	316	345	(2)	-	343	9%

1 In constant rates. Other includes Argentina (distorted by inflation and currency devaluation), the effect of the reclassification of Zurich Global Employee Benefit Solutions from Group Functions and Operations to Life, and the impact of a Life portfolio accounted for with the premium allocation approach in 2024 (previously accounted for with the building block approach).

2 Like-for-like.

Other information

For further information

ZURICH

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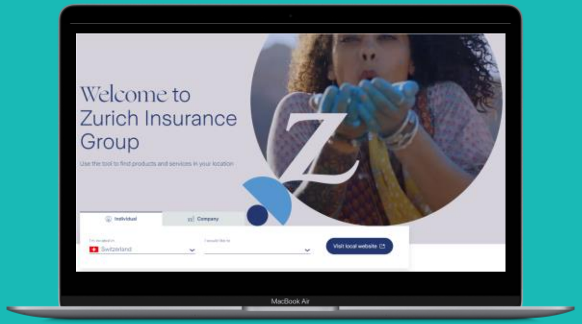

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Upcoming events

- November 7, 2024 – Update for the nine months ended September 30, 2024
- November 21, 2024 – Investor Update in London