Financial overview

Annual results 2024

Zurich Insurance Group

Message from our Group Chief Financial Officer

Durable growth

Full year 2024 results set the pace for the 2025–2027 financial cycle. Business operating profit (BOP) increased 5 percent to a record USD 7.8 billion with a Core ROE[1] of 24.6 percent for the year. Net income attributable to shareholders (NIAS) amounted to USD 5.8 billion. Considering this performance, our strong capital position, as well as management's expectation of further improvement over the next financial cycle, the Board will propose a dividend increase of 8 percent to CHF 28 per share.

Primed for growth

As outlined at our Investor Day in 2024, Zurich expects compound annual growth in core earnings per share (EPS) to exceed 9 percent in 2025–2027, a Core ROE of more than 23 percent in 2027 as well as cumulative cash remittances in excess of USD 19 billion over the cycle. This compares with a target of 8 percent CAGR of EPS growth in 2023–2025, a BOPAT ROE of more than 20 percent in 2025 and cumulative cash remittances in excess of USD 13.5 billion over the period 2023–2025.

> **"The Group delivered another set of record results, laying a strong foundation for our ambitious 2025-2027 financial plan. Our strategic focus remains on leveraging Zurich's uniquely diversified business to drive durable, profitable growth and generate attractive shareholder returns. Disciplined capital and risk management position us well to invest in innovation and navigate a rapidly evolving industrial landscape."**

Claudia Cordioli
Group Chief Financial Officer

2023–2025 financial targets

Target: >20.0%
Core ROE[1]
24.6%
FY 2024

SST solvency target: 160% or above
Estimated SST ratio[2]
252%
FY 2024

Target: >USD 13.5bn cumulative 2023–2025
Cumulative cash remittances
USD 11.9bn
FY 2023 and FY 2024

Target: ≥8%
Adjusted earnings per share growth in USD
15%[3]
Compound annual growth rate (CAGR)
FY 2024 versus baseline of USD 32.1

1 Previously named BOPAT ROE. Calculated as business operating profit after tax (BOPAT) divided by average shareholders' equity excluding unrealized gains and losses. Average shareholders' equity based on semi-annual data points (based on quarterly data points in previous disclosures).
2 Estimated Swiss Solvency Test (SST) ratio as of December 31, 2024, calculated based on the Group's internal model approved by the Swiss Financial Market Supervisory Authority FINMA. The SST ratio as of December 31 has to be filed with FINMA by end of April in the subsequent year and is subject to review by FINMA.
3 Adjusted earnings per share substitutes actual net capital losses with net capital gains expected under long term market assumptions (~USD 0.8bn). Full year 2024 EPS on a reported basis of USD 40.2.

A strong performance across all businesses

Property & Casualty (P&C) saw an 8 percent increase in business operating profit (BOP). Insurance revenue grew 6 percent with strong growth in our Commercial and Retail insurance businesses supported by continuing price increases of 4 percent over the year.

The combined ratio improved by 0.2 percentage points to 94.2 percent versus the prior year. Higher earned rate as well as a lower level of losses were partially offset by an increase in commission expenses due to business mix shifts.

Favorable prior-year development of 1.6 percent was well within the indicated 1 to 2 percent range, demonstrating the strength of the Group's reserves.

The Group's Life business delivered an excellent performance, reflecting the success of the Group's strategy to focus on protection and unit-linked business.

Life showed ongoing successful execution of its strategy supported by a solid underlying performance, delivering a record BOP of USD 2.2 billion, up 8 percent compared with the prior year.

Farmers BOP remains in line with the prior year, showing a 5 percent increase in Farmers Management Services (FMS) BOP and further supported by stronger results from Farmers Re. Farmers Life BOP is lower following the completion of a reinsurance transaction in 2023.

The Farmers Exchanges[1] reported a robust set of results which underscores their financial wellbeing and strength. Gross written premiums grew by 4 percent, the combined ratio improved 12 percentage points to 91.4 percent and the estimated year-end surplus ratio of 42.4 percent was above the upper band of the target range of 34 percent to 38 percent.

Robust balance sheet and higher cash generation

During the year, the Group continued to focus on and optimize the use of capital. The Group's balance sheet remained very strong with the Swiss Solvency Test (SST)[2] ratio at an estimated 252 percent, well above the Group's floor of 160 percent.

The Group successfully converted earnings into distributable cashflow with cash remittances back to the Group of USD 7.1 billion over the year driven by operational earnings and remittances of excess capital.

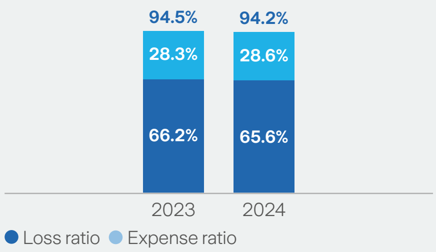
Dividend proposal of CHF 28

In line with our dividend policy, the Board proposes an 8 percent dividend increase to CHF 28 per share.

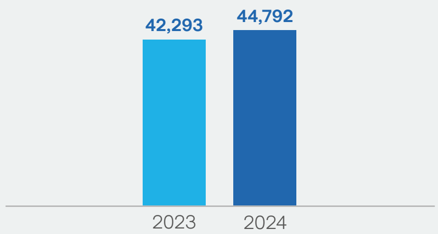
Claudia Cordioli
Group Chief Financial Officer

Property & Casualty (P&C)

Combined ratio

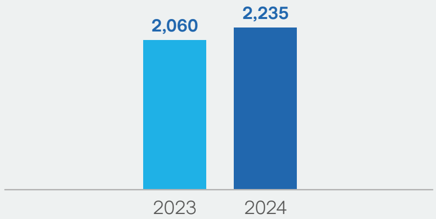


Insurance revenue
in USD millions

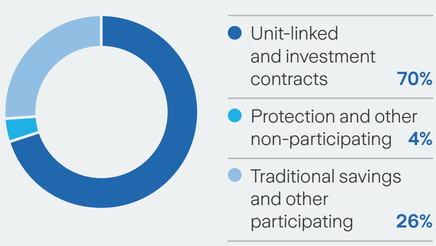


Life

Business operating profit
in USD millions

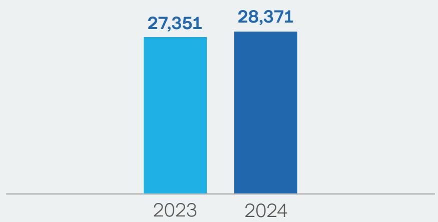


2024 split of reserves and liabilities



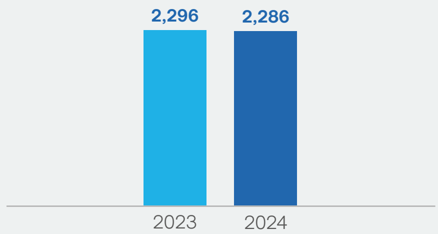
Farmers Exchanges[1]

GWP
in USD millions



Farmers

Farmers BOP
in USD millions



1 Zurich Insurance Group has no ownership interest in the Farmers Exchanges. Farmers Group, Inc. (FGI), a wholly owned subsidiary of the Group, and certain of its subsidiaries, provide certain non-claims and ancillary services to the Farmers Exchanges as their attorney-in-fact and receive fees for their services.
2 Estimated Swiss Solvency Test (SST) ratio as of December 31, 2024, calculated based on the Group's internal model approved by the Swiss Financial Market Supervisory Authority FINMA. The SST ratio as of December 31 has to be filed with FINMA by end of April in the subsequent year and is subject to review by FINMA.

Financial overview

Contents

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

In addition to the figures stated in accordance with IFRS Accounting Standards, the Group uses business operating profit (BOP), new business metrics and other performance indicators to enhance the understanding of its results. Details of these additional measures are set out in the glossary. These should be viewed as complementary to, and not as substitutes for, the IFRS figures. For a reconciliation of BOP to net income attributable to shareholders (NIAS), see note 26 (table 26.4) of the audited consolidated financial statements for the years ended December 31, 2024.

Financial highlights

in USD millions, for the years ended December 31	2024	2023	Change[1]
Business operating profit	**7,751**	7,381	5%
Net income attributable to shareholders	**5,814**	4,351	34%
P&C business operating profit	**4,204**	3,893	8%
P&C insurance revenue	**44,792**	42,293	6%
P&C combined ratio	**94.2%**	94.5%	0.2 pts
Life business operating profit	**2,235**	2,060	8%
Life contractual service margin (CSM)[2]	**11,657**	11,526	1%
Life present value of new business premiums (PVNBP)[3]	**16,891**	16,384	3%
Life new business CSM (NB CSM)[2]	**1,094**	1,037	5%
Life new business margin (as % of PVNBP)[4]	**6.5%**	6.3%	0.1 pts
Farmers business operating profit	**2,286**	2,296	(0%)
Managed gross earned premium margin	**7.0%**	7.0%	(0.0 pts)
Average Group investments[5]	**148,383**	142,389	4%
Net investment result on Group investments[5]	**6,814**	4,687	45%
Net investment return on Group investments[5,6]	**4.6%**	3.3%	1.3 pts
Total return on Group investments[5,6]	**4.3%**	6.3%	(1.9 pts)
Shareholders' equity	**25,472**	24,860	2%
Swiss Solvency Test ratio[7]	**252%**	234%	19 pts
Return on common shareholders' equity (ROE)[8]	**24.7%**	18.1%	6.6 pts
Core ROE[8]	**24.6%**	23.0%	1.6 pts

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

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

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

Operating update

Property & Casualty (P&C)

in USD millions, for the years ended December 31			Total
	2024	2023	Change
Insurance revenue	44,792	42,293	6%
Insurance service result	3,500	3,186	10%
Net investment result	1,539	1,529	1%
Fee result	98	115	(15%)
Other result	(779)	(807)	3%
Business operating profit	**4,204**	**3,893**	**8%**
Loss ratio	65.6%	66.2%	0.6 pts
Expense ratio	28.6%	28.3%	(0.4 pts)
Combined ratio	**94.2%**	**94.5%**	**0.2 pts**

Insurance revenue in Property & Casualty (P&C) for the year ended December 31, 2024 increased 6 percent, benefiting from growth across all regions.

The insurance service result increased USD 315 million compared with the prior year, driven by higher insurance revenue and a lower combined ratio.

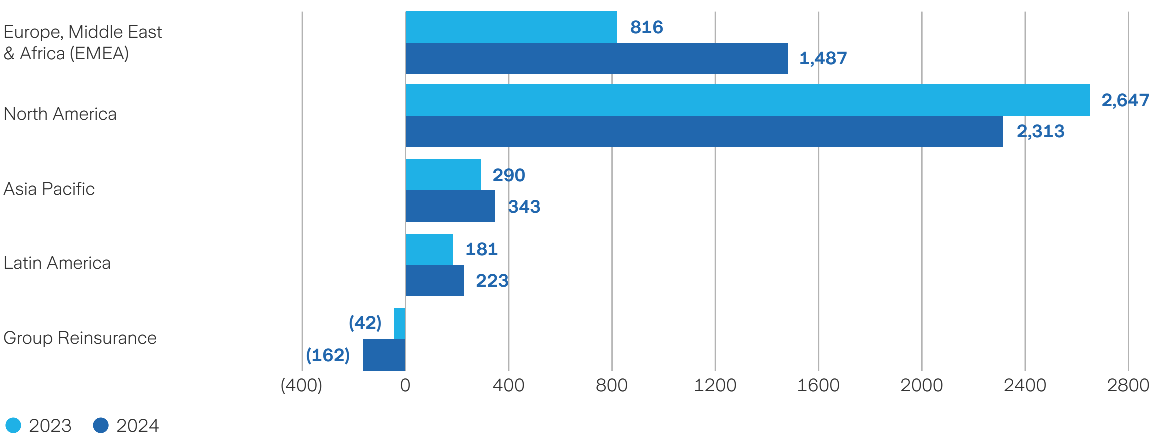
The net investment result for 2024 increased USD 10 million compared with the prior year, mainly driven by additional investment income of USD 312 million above prior year levels due to higher yields as well as higher realized capital gains of USD 44 million coming from the Group's hedge fund portfolio. This was partially offset by higher insurance finance expenses of USD 346 million compared with the previous year due to an increase in the unwind of discount expenses.

The contribution of the fee and other result increased by USD 10 million in 2024 compared with the prior year.

Business operating profit increased 8 percent to USD 4.2 billion for the year ended 2024 compared with the prior year, driven by a strong performance in EMEA which was partially offset by higher catastrophe losses in North America.

The combined ratio of 94.2 percent in 2024 decreased 0.2 percentage points compared with the prior year. The loss ratio improved by 0.6 percentage points to 65.6 percent, mainly driven by improvement in the underlying loss experience. The expense ratio of 28.6 percent in 2024 was 0.4 percentage points higher than the previous year, mainly driven by an increase in commission expenses.

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



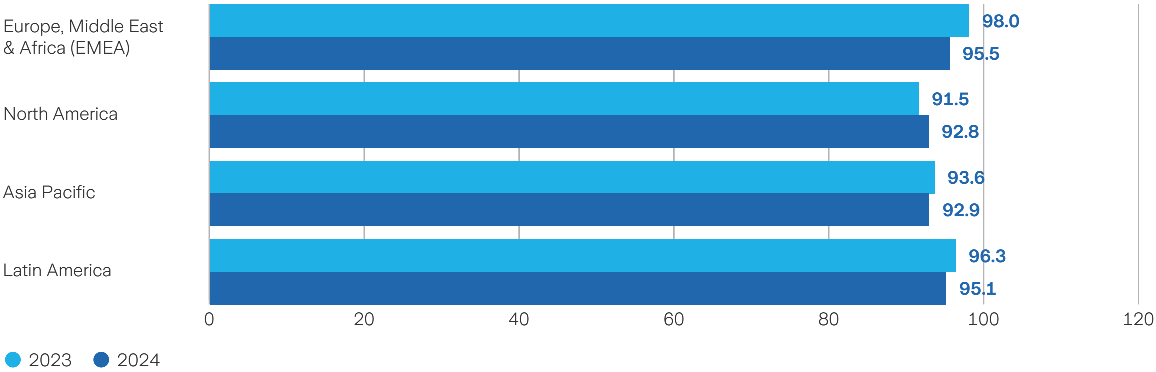
EMEA business operating profit increased USD 672 million compared with the prior year, mainly due to premium growth, a strong Retail recovery and an improved investment result.

North America business operating profit for 2024 decreased 13 percent or USD 334 million compared with the prior year mainly due to higher catastrophe losses of approximately USD 400 million.

Asia Pacific business operating profit for 2024 was 18 percent above the prior year, mainly driven by higher premiums, a more favorable loss experience and increased investment income.

Latin America business operating profit for 2024 was up 23 percent compared with the prior year due to premium growth and an improved combined ratio.

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



In EMEA, the combined ratio improved 2.5 percentage points compared with the prior year, driven by lower levels of catastrophe losses compared to the previous year.

In North America, the combined ratio deteriorated 1.3 percentage points compared with the prior year, mainly due to an increase in the catastrophe loss ratio.

The Asia Pacific combined ratio improved 0.7 percentage points compared with the prior year where an overall improvement in the loss ratio was partially offset by higher commission expenses.

The Latin America combined ratio improved 1.1 percentage points compared with the prior year, as the result benefited from lower losses and expenses.

Life

in USD millions, for the years ended December 31	2024	2023	Change
Insurance service result	2,409	2,281	6%
Net investment result	604	592	2%
Fee result	306	256	20%
Business operating profit	**2,235**	**2,060**	**8%**
Assets under management[1]	278,600	259,476	7%
Contractual service margin	11,657	11,526	1%

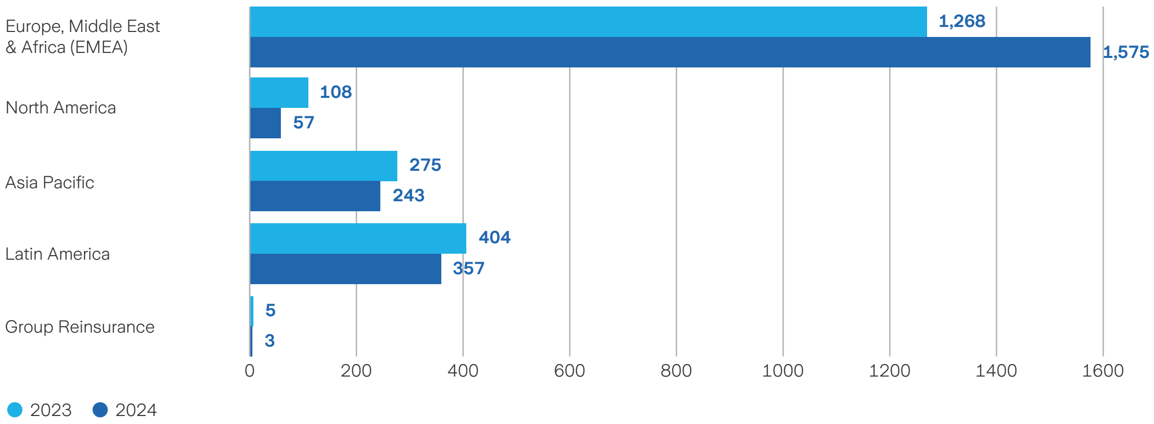
1 Assets under management comprise balance sheet Group investments and unit-linked investments plus assets that are managed by third parties, on which fees are earned.

In 2024, the Group's Life business generated a business operating profit of USD 2.2 billion, 8 percent higher compared with the prior year, driven by underlying growth and favorable experience.

Assets under management (AuM) increased 7 percent in 2024 to USD 278.6 billion, driven by favorable market movements and net inflows.

The contractual service margin (CSM) increased 1 percent to USD 11.7 billion on a reported basis in 2024, with improvements coming from model refinements and economic variances, which benefited from favorable market movements, as well as new business added in 2024, offset by amortization and an unfavorable impact of foreign currency movements.

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



In EMEA, business operating profit of USD 1.6 billion was 24 percent higher compared with the prior year, driven by the strong performance of fee businesses, primarily from Ireland and Switzerland, and a strong contribution from protection, as well as non-recurring impacts driven by reserve releases and the non-completion of the disposal of a legacy back book in Germany.

In North America, business operating profit decreased by USD 50 million to USD 57 million, with the impact of improved mortality experience more than offset by a less favorable impact from assumption updates.

In Asia Pacific, business operating profit decreased 12 percent to USD 243 million, mainly driven by a favorable non-recurring impact from re-pricing actions in Australia in the prior year.

In Latin America, business operating profit decreased 12 percent compared with the prior year, with growth in the technical result of short-term protection offset by a lower investment result and the impacts of inflation and currency depreciation in Argentina.

NB CSM, PVNBP and NBM by Segment[1]

in USD millions, for the years ended December 31	Present value of new business premiums (PVNBP)[2]		New business contractual service margin (NB CSM)[3]		New business margin (as % of PVNBP) (NBM)[4]	
	2024	2023	**2024**	2023	**2024**	2023
Europe, Middle East & Africa (EMEA)	8,605	8,818	643	600	7.5%	6.8%
North America	694	333	19	7	2.5%	(1.1%)
Asia Pacific	2,779	2,939	319	326	11.5%	11.1%
Latin America	4,828	4,296	112	105	2.3%	2.4%
Total	**16,891**	**16,384**	**1,094**	**1,037**	**6.5%**	**6.3%**

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

Present value of new business premiums (PVNBP) increased 3 percent on a reported basis and 5 percent on a like-for-like basis (adjusting for currency movements, reclassifications and excluding Argentina which was impacted by inflation and currency depreciation), driven by growth in protection and unit-linked business.

In EMEA, PVNBP decreased 3 percent on a like-for-like basis. The reduction was driven by lower sales in retail savings, which reflect exceptional sales volumes in Spain in the prior year period. This was mostly offset by higher sales of protection and unit-linked products.

In North America, PVNBP more than doubled from a low base, benefiting from large corporate contracts.

In Asia Pacific, PVNBP was 2 percent lower on a like-for-like basis compared with the prior year, which benefited from large corporate schemes in Australia.

In Latin America, PVNBP was 19 percent higher on a like-for-like basis compared with the prior year, driven by strong sales of unit-linked pension products.

New business written in 2024 added USD 1.1 billion, 5 percent more than in the prior year on a like-for-like basis, reflecting sales growth and a slightly improved new business margin of 6.5 percent (compared with 6.3 percent in 2023) mainly due to a more favorable business mix.

PVNBP and NB CSM do not include short-term life insurance and investment contracts, which are accounted for under the premium allocation approach (PAA) and IFRS 9, respectively. Insurance revenues from short-term life insurance, which is mainly related to protection business in Latin America, grew 7 percent on a like-for-like basis. Fee revenues for investment contracts, which are mainly written in EMEA, grew 10 percent on a like-for-like basis compared with the prior year, benefiting from higher assets under management.

Farmers

in USD millions, for the years ended December 31	**2024**	2023	Change
Farmers Management Services (FMS)	2,074	1,970	5%
Farmers Re	192	117	63%
Farmers Life	20	209	(91%)
Total business operating profit	**2,286**	**2,296**	**–**

Farmers Management Services (FMS) business operating profit increased 5 percent compared with the prior year, driven by the higher gross earned premium base of the Farmers Exchanges and from the brokerage entities which were acquired in December 2023. The managed gross earned premium margin was 7 percent, consistent with the prior year.

Farmers Re reported a business operating profit of USD 192 million for 2024, due to improved underwriting results at the Farmers Exchanges and a higher reinsurance participation percentage of 10.0 percent, compared with 8.5 percent in the prior year, as well as higher interest income.

Farmers Life business operating profit was USD 189 million lower than the prior year and reflected the reinsurance agreement to cede its individual life in-force book to Resolution Life which was completed in August 2023.

Farmers Exchanges

The Farmers Exchanges are owned by their policyholders. Farmers Group, Inc., a wholly owned subsidiary of the Group, and certain of 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

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	**2024**	2023	Change
Gross written premiums	28,371	27,351	4%
Gross earned premiums	28,004	26,702	5%

The Farmers Exchanges reported growth in gross written premiums of 4 percent in 2024, reflecting growth in most books of business. Gross earned premiums increased 5 percent over the same period.

Group Functions and Operations

in USD millions, for the years ended December 31	2024	2023	Change
Holding and Financing	(496)	(486)	(2%)
Headquarters	(354)	(314)	(13%)
Zurich Global Ventures[1]	(20)	(29)	32%
Total business operating profit	**(870)**	**(830)**	**(5%)**

1 Includes only central initiatives.

Group Functions and Operations reported net expenses of USD 870 million for 2024, a 5 percent increase compared with the prior year.

Non-Core Businesses

in USD millions, for the years ended December 31	2024	2023	Change
Zurich Legacy Solutions	(55)	3	nm
Other run-off	(49)	(41)	(18%)
Total business operating profit	**(104)**	**(38)**	**nm**

The Group's Non-Core Businesses, which comprise run-off portfolios that are managed with the intention of proactively reducing risk and releasing capital, reported an operating loss of USD 104 million for 2024, compared with a loss of USD 38 million in 2023. The higher operating loss in 2024 includes losses from reinsurance on certain run-off portfolios.

Financial update

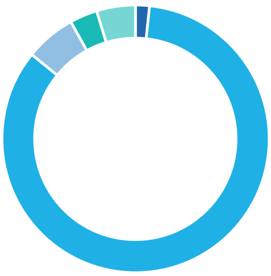
Balance sheet review

Total assets and liabilities:

The total assets of the Group stood at USD 358 billion in 2024, a decrease compared with USD 361 billion in 2023. The total liabilities for the Group also decreased to USD 331 billion in 2024 from USD 335 billion in 2023. The main driver for the reduction was the completion of the sale of the annuity book of Zurich Chile Seguros de Vida S.A., which resulted in reduction in total assets and liabilities of approximately USD 2.5 billion and recognition of a pre-tax gain on sale of USD 84 million. A further reduction in total liabilities resulted from the net redemption of debt issued of USD 0.9 billion.

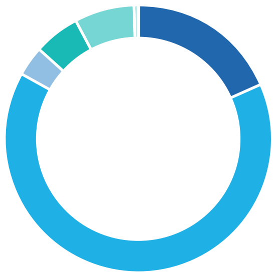
The completion of the acquisition of Kotak Mahindra General Insurance Company Limited increased goodwill and other intangible assets by USD 556 million. Additionally, the recent completion of the acquisition of the AIG travel business will result in an estimated increase in goodwill and other intangible assets of USD 662 million, currently booked within Receivables and other assets.

Group assets
Total assets as of December 31, 2024
(in USD millions)



Cash and cash equivalents	6,768
Total investments	301,098
(Re-)insurance contract assets	22,218
Intangible assets	11,432
Other assets	16,490

Group liabilities and equity
Total liabilities and equity as of December 31, 2024
(in USD millions)



Liabilities for investment contracts	66,507
(Re-)insurance contract liabilities	230,916
Debt	12,891
Other liabilities	20,753
Shareholders' equity	25,472
Non-controlling interests	1,466

Shareholders' equity:

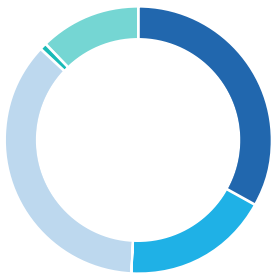
The Group's shareholders' equity of USD 25.5 billion increased USD 0.6 billion from USD 24.9 billion at year-end 2024, largely driven by net income attributable to shareholders of USD 5.8 billion partially offset by the payment of the Group dividend of USD 4.2 billion and treasury share transactions of USD 1.1 billion, mainly related to the completion of the share buyback program launched on June 17, 2024.

Treasury and capital management

The Group's balance sheet remains very strong, as demonstrated by the recent upgrade of ratings for the Zurich Insurance Company Ltd by Moody's (Financial Strength ratings from Aa3 to Aa2) and AM Best (Issuer Credit rating updated from aa– to aa), while S&P's Insurance Financial Strength rating remained steady at the AA level. All three also confirmed a stable outlook. In addition, as of December 31, 2024, the Group's estimated SST ratio[1] remained very strong at 252 percent.

During 2024, the Group saw net remittances of USD 7.1 billion, driven by both operational earnings and capital released as a result of the Group's efforts to extract capital from its operating businesses.

Net cash remittances by business
for the year ended December 31, 2024
(in USD millions)



Property & Casualty	3,174
Life	1,698
Farmers	3,441
Non-Core Businesses	(29)
Group Functions and Operations	(1,145)

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

Significant transactions in 2024

AIG Travel

On December 2, 2024, the Group completed the acquisition of AIG's global personal travel insurance and assistance business (AIG Travel) for a cash consideration of USD 617 million, plus a contingent consideration with a fair value of USD 93 million as of the acquisition date. The AIG Travel business will be combined with the Group's travel insurance provider Cover-More Group and operate within the expanded corporate brand Zurich Cover-More. The acquisition includes access to the AIG Travel customers and distribution partners globally.

The assets and liabilities acquired mainly consist of goodwill and intangible assets with a preliminary value of USD 520 million and USD 142 million, respectively. The net assets acquired less the fair value of the contingent consideration are currently included within Receivables and other assets.

Kotak Mahindra General Insurance Company Limited

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

The opening balance sheet is presented within Note 4 of the consolidated financial statements.

Zurich Chile Seguros de Vida S.A. annuity book

On May 8, 2023, Inversiones Suizo-Chilena S.A. entered into an agreement to sell the annuity book of Zurich Chile Seguros de Vida S.A. to Ohio National Seguros de Vida S.A., a Chilean life insurance company and indirect subsidiary of Constellation Insurance, Inc. On December 2, 2024, the Group completed the sale of USD 2.5 billion in reserves with a pre-tax gain of USD 84 million recognized in profit or loss.

Being a responsible taxpayer

The shareholders' effective tax rate increased to 25.1 percent for the period ended December 31, 2024 compared with 25.0 percent for the same period of 2023. The increase was driven primarily by slightly less favorable developments in the geographical profit mix in 2024.

Message from our Group Chief Investment Officer

Remaining resilient

Macroeconomic environment

2024 was a year characterized by elections and ongoing regional conflicts. Economies and financial markets were shaped by further declines in inflation and the start of a global monetary policy easing cycle, driving risk assets sharply higher. Even though inflationary trends proved to be more challenging than central banks might have wished, they continued easing. The Swiss National Bank was the first among G10 members to cut rates. It was followed by other central banks including the U.S. Federal Reserve. While bond yields were volatile over the year as inflation oscillated, equities were again stellar performers, despite major shifts in the political landscape. An unusually high number of elections saw incumbent parties falter, in part due to high and rising consumer prices that undermined voter confidence. That included the U.S., while in France the government also faced challenges and in Germany early elections were called. We believe uncertainty and volatility are set to continue, requiring a continuation of resilient and flexible investment strategies to deliver on our obligations to our policyholders and customers.

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Stephan van Vliet
Group Chief Investment Officer

Investment result and portfolio quality

In 2024, our net investment income rose to USD 5.7 billion from USD 5.4 billion the previous year. This growth was primarily fueled by higher interest rates on debt securities and selective optimization of our asset allocation choices, enhancing our investment income throughout the year.

Net capital gains on Group investments were USD 1.1 billion, supported by strong equity market performance and a reduction in capital losses from the sale of fixed income assets compared with 2023. Net investment result for 2024 was USD 6.8 billion with a total investment return of 4.35 percent.

Our investment portfolio remains strategically well-diversified across various regions and industries. We maintain a diversified allocation across asset classes, including public and private equities, real estate, private debt and a majority allocation to fixed income. Our portfolios reflect the strength of our balance sheet, with the following asset classes showing solid performance overall:

- The private debt portfolio showed a robust performance in 2024 with a gross book yield of 5.80 percent and a total return of 6.39 percent. Zurich's purposely conservative approach to fixed income risk-taking resulted in very low impairment amounts while still harvesting the higher yields and illiquidity premium across multiple sectors and geographies.
- The hedge fund portfolio generated an attractive risk-adjusted return of 15.3 percent versus 19.2 percent return on the MSCI World Index while taking only 25 percent of the risk of the index. Equity strategies were particularly profitable, with a diversified industry allocation.

Overall, the portfolio's performance was driven by strategic asset allocation and active management, ensuring robust returns and resilience against market volatility. We note that 94 percent of the fixed income portfolio comprises securities rated BBB or higher.

Responsible investment

Investment Management successfully met its 2025 interim climate targets. This milestone marks a significant step in Zurich's journey toward net-zero.

We closed our engagement campaign with the top 65 percent emitters of Zurich-financed emissions which had not set science-based targets, baselined in 2019. Additionally, we increased investments in climate solutions, driven by certifications of green-certified buildings. Since 2019, we have reduced the emission intensity of Zurich's listed equity and corporate bond portfolios, as well as our direct real estate portfolio.

Our impact investment portfolio of USD 8.5 billion, benefiting 5.3 million people annually, is helping us to achieve our impact targets.

These achievements illustrate our commitment to supporting the transition to a sustainable future and making a positive impact on the environment and society. Our updated Responsible Investment White Paper highlights the connections of these targets in a new chapter on 'climate action', showing how our engagements and financing of climate solutions drive decarbonization.

We remain committed to continuing our journey toward net-zero with more ambitious 2030 targets building on our 2025 achievements. Reflecting on the changed scope for industry cooperation and what we have learned over the past five years, we have amended our engagement approach to focus on fewer Zurich investee companies.

In 2024, we expanded our carbon-neutral fund solutions for life insurance clients, introducing new equity and credit strategies and offering them to customers in 9 countries across Europe, Middle East, Latin America, and Asia Pacific. By year-end, we had assets under management of EUR 1.8 billion across five funds, with strong performance exceeding broad market indices.

Stephan van Vliet
Group Chief Investment Officer

Total investments,[1] 2024

Credit, private debt	42.6%
Government and government guaranteed	34.0%
Real estate	8.0%
Cash	6.0%
Equities	4.3%
Hedge funds, private equity	2.6%
Mortgages	2.5%

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

Rating of credit, private debt securities, 2024

AAA	16.9%
AA	15.9%
A	29.2%
BBB	30.4%
Non-investment grade	7.6%
Unrated	0.0%

Credit and private debt securities per segment, 2024

Non-financial credit	31.7%
Financial credit	26.4%
Municipals, agencies, state credit	17.1%
Other	11.7%
Asset backed securities	8.2%
Covered bonds	5.0%

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