Continued momentum

Annual results 2023

February 22, 2024
Investor and media presentation
Zurich Insurance Group

Content

Use symbols to navigate through the document

Main sections

Other important information

Back to content page

Contacts and calendar

ZURICH

Key highlights

Key messages

ZURICH

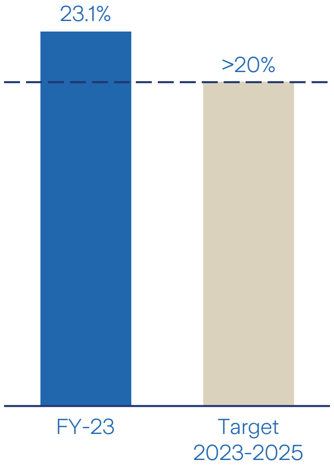
Excellent start to new financial cycle	BOP of USD 7.4bn at record level. NIAS is up 10% to USD 4.4bn. BOPAT ROE at 23.1%. USD EPS up 12%, adjusted EPS up 20%. Expect to exceed 10% EPS CAGR over 2023-2025 financial cycle
P&C producing highly attractive results	10% like-for-like[1] P&C BOP growth driven by strength in Commercial and 9% like-for-like[1] growth in GWP. Combined ratio of 94.5%. Investment result up 11% boosted by investment income and capital gains
P&C rates increasing in Retail and Commercial	Rates increased 6% for the Group, with Commercial Insurance up 7% due to North America commercial rates of 9% driven by property, and Retail up 4% with increased momentum in motor
Record-high Life BOP	Life BOP of USD 2.1bn fueled by solid underlying performance and favorable experience for long term insurance, as well as revenue growth for short term insurance and investment contracts
Strong growth in Farmers BOP	FMS BOP up 10%, driven by continued growth at Farmers Exchanges[2] and MGEP margin[3] of 7.0%. Farmers Re BOP benefits from increase in Farmers Exchanges[2] quota share reinsurance treaty
Very strong solvency, higher dividend plus buyback	SST ratio of 233% as of Q4-23[4] well in excess of the target of 160% or above. Proposed dividend increase of 8% to CHF 26 supplemented by a share buyback of up to CHF 1.1bn

Note: The comparative figures in this presentation have been restated for the effect of the adoption of IFRS 9/17, unless otherwise stated.

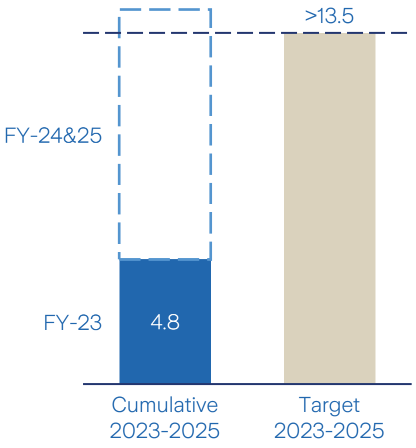
1 In local currency and after adjusting for acquisitions and disposals.
2 For all references to Farmers Exchanges see the disclaimer and cautionary statement.
3 Margin on Gross Earned Premiums of the Farmers Exchanges.
4 Estimated Swiss Solvency Test (SST), calculated based on the Group's internal model 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.

Very strong start to the financial cycle, with performance supported by rate increases and business growth

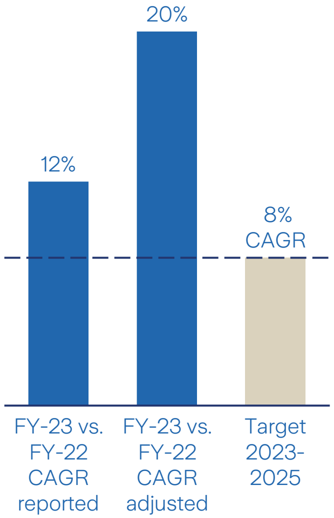
BOPAT ROE (%)[1]



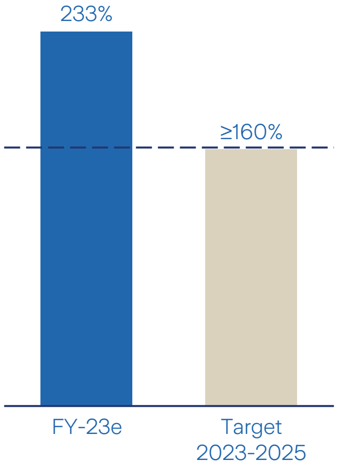
Cash remittances (USDbn)



EPS growth (%)[2]



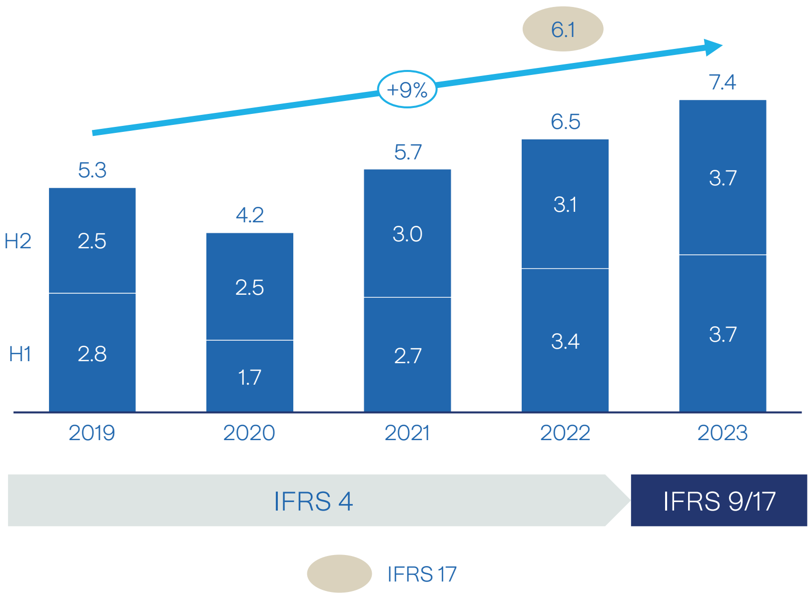
SST (%)[3]



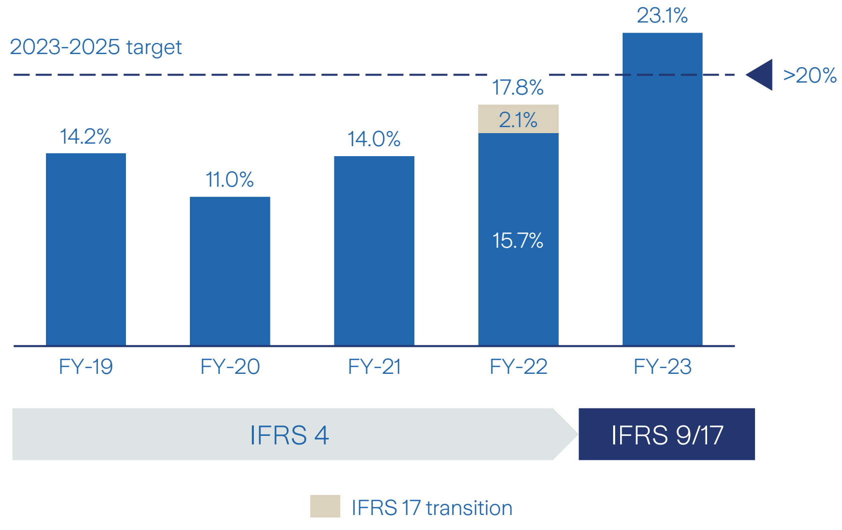
1 Business operating profit after tax return on equity, excluding unrealized gains and losses.
2 Earnings per share growth (in USD). Refer to page 20 for adjusted EPS.
3 Estimated Swiss Solvency Test (SST), calculated based on the Group's internal model approved by the Swiss Financial Market Supervisory 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.

Robust profit growth and excellent return on equity; earnings trajectory not affected by the transition to IFRS 9/17

Group BOP (USDbn)[1]



BOPAT ROE (%)[2]

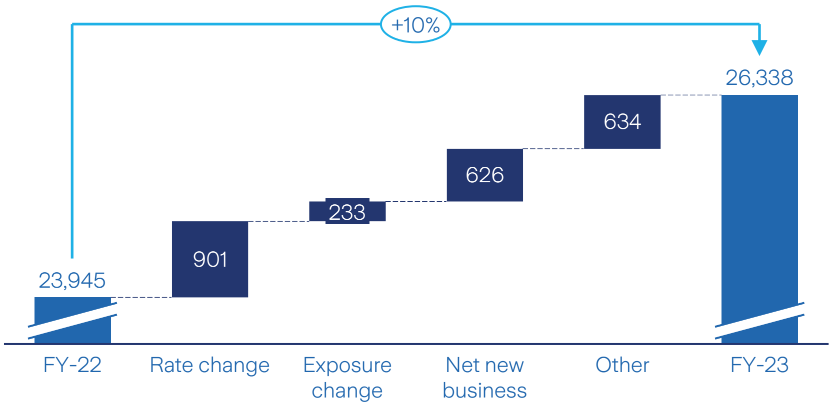


[1] 2023 based on IFRS 17, comparative years based on IFRS 4.
[2] Business operating profit after tax return on equity, excluding unrealized gains and losses.

Growth in Commercial and Retail P&C business driven by higher premium rates and continued net new business

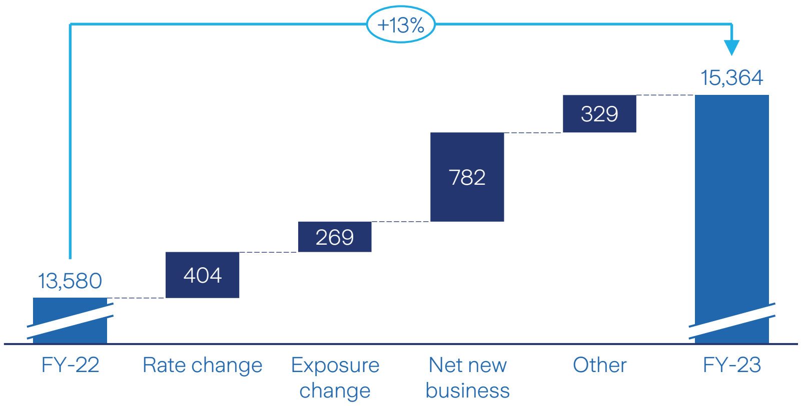
P&C GWP growth by driver

Commercial (USDm)[1]



P&C GWP growth by driver

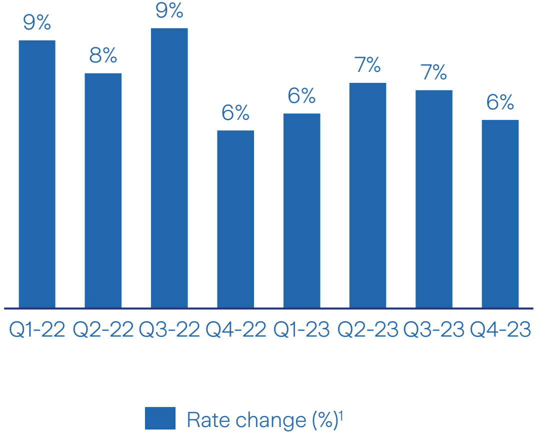
Retail and SME (USDm)[1]



[1] In constant FX. Other includes premiums for ceded facultative reinsurance, captives/pools/co-reinsurance agreements and eliminations. Commercial excludes crop which declined USD 0.3bn year-on-year.

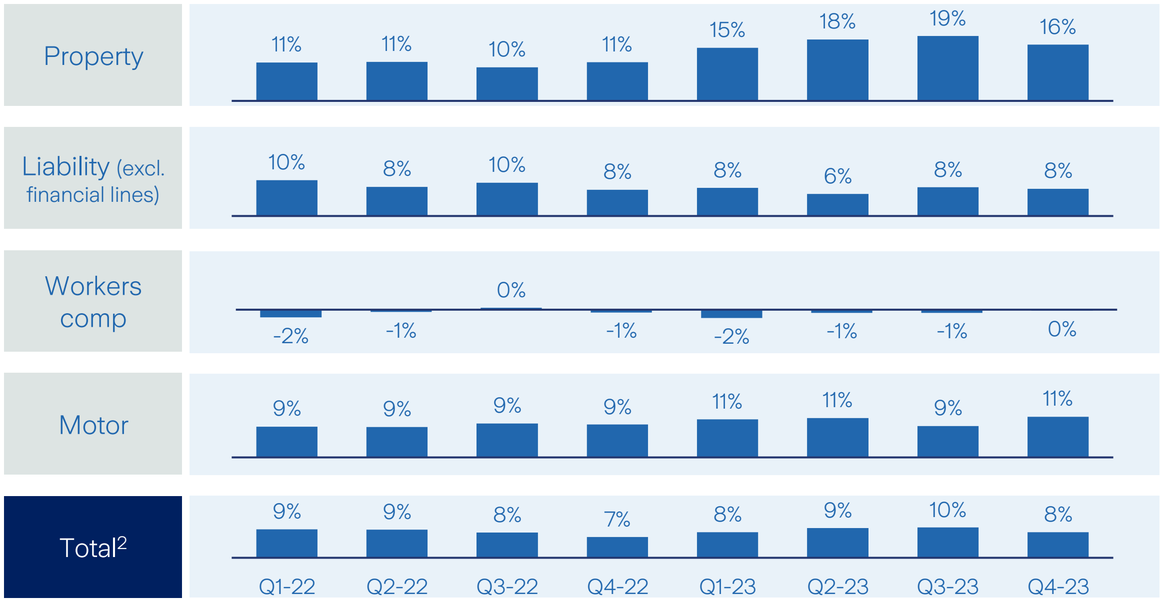
Commercial rates maintain strong momentum driven by property and motor

P&C Commercial



Commercial - North America

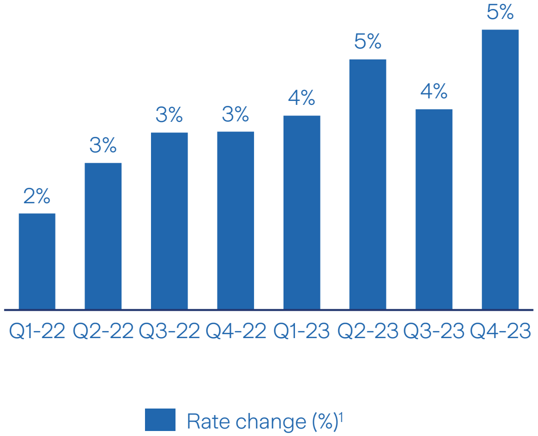
Rate change (%)[1]



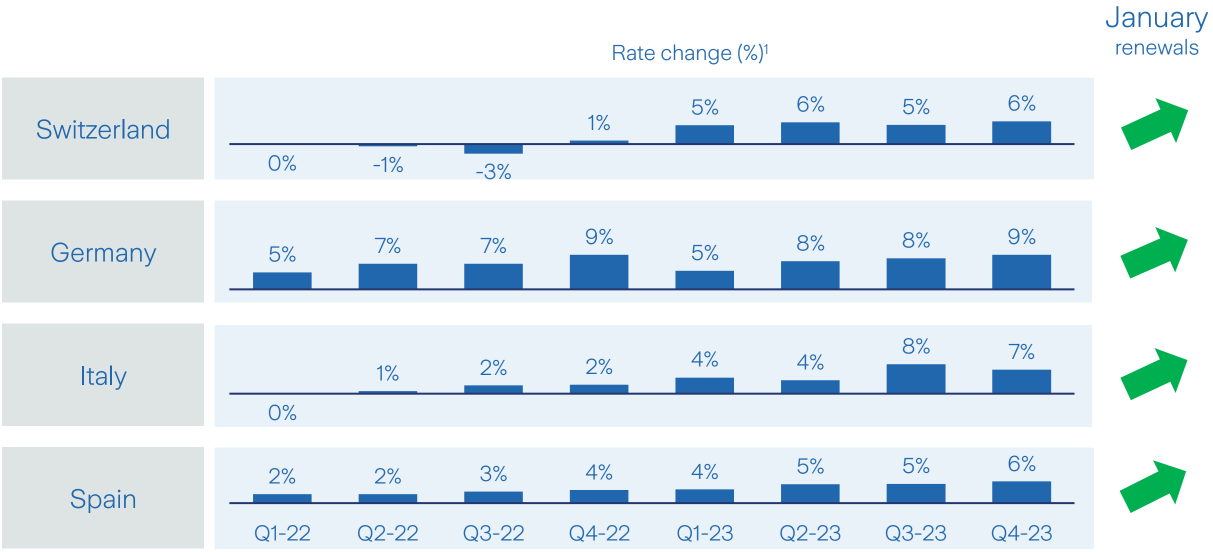
1 GWP development due to premium rate change as a percentage of the renewed portfolio (monitored business) against the comparable prior year period.
2 Total includes also financial lines and specialties.

Retail rates continue to show strong signs of improvement mainly driven by hardening motor rates

P&C Retail and SME



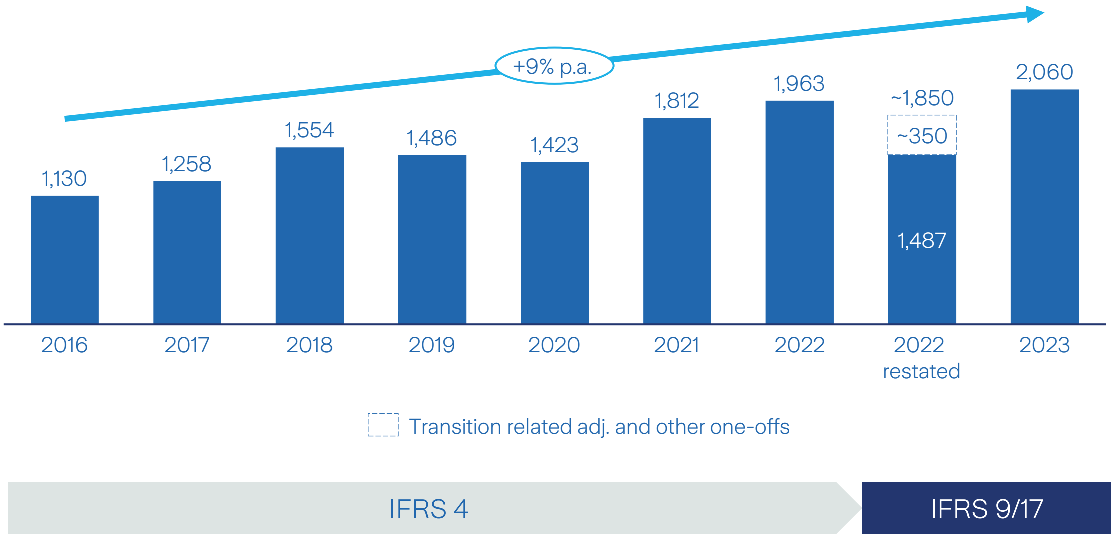
EMEA - Retail Motor



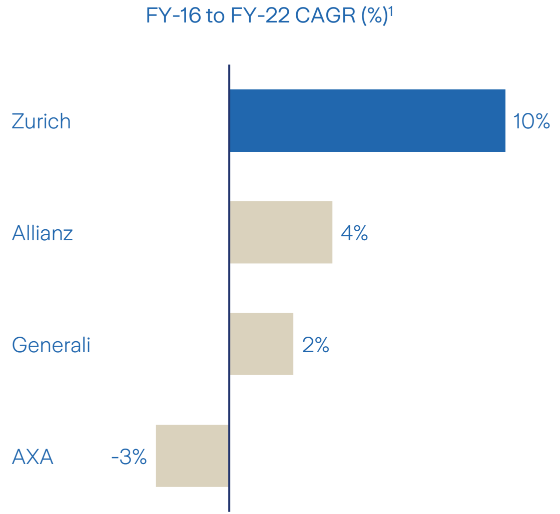
1 GWP development due to premium rate change as a percentage of the renewed portfolio (monitored business) against the comparable prior year period.

Record-high level of BOP in Life, with best-in-class growth

Life BOP (USDm)



Life BOP growth (%)



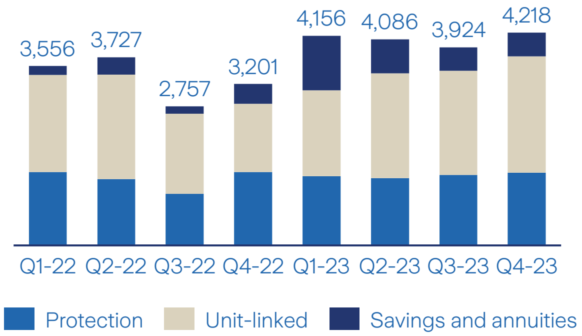
[1] Based on IFRS 4 as per earnings disclosures, not adjusted for acquisitions and disposals. Life BOP based on operating profit in reporting currencies (AXA: underlying earnings post tax – Group share).

Consistent growth in Life top-line drives profit growth

Long term insurance

PVNBP[1] (USDm)

+26%
Like-for-like in FY-23[2]

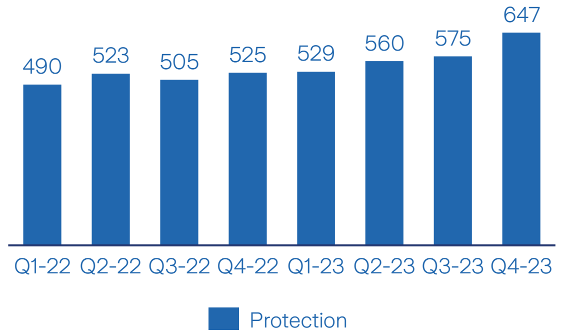


Profit earned over time through CSM[1]

Short term insurance

Insurance revenue (USDm)

+9%
Like-for-like in FY-23[2]

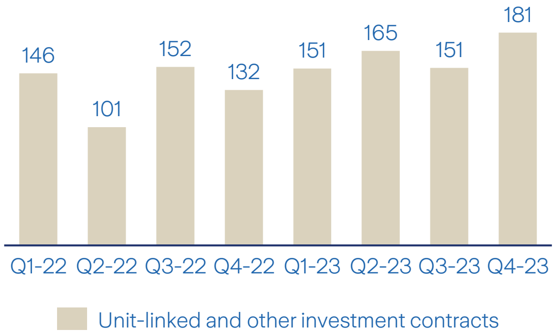


Underwriting profit

Investment contracts

Fee revenue (USDm)

+19%
Like-for-like in FY-23[2]

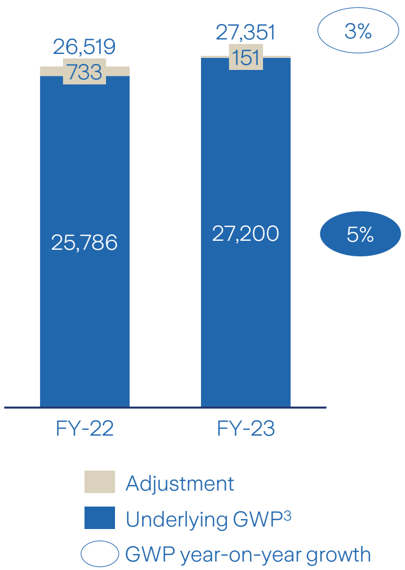


Fee result

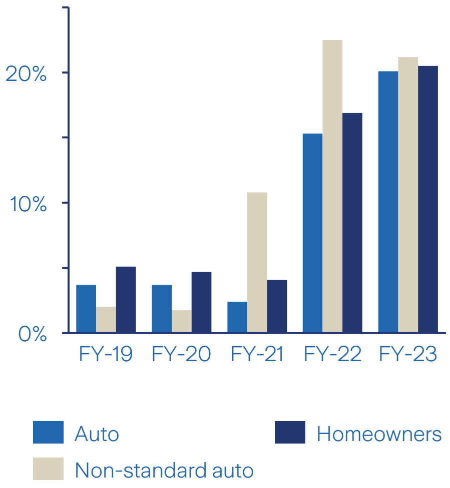
1 PVNBP: present value of new business premiums. CSM: Contractual service margin.
2 In local currencies, adjusted for acquisitions and disposals and for the reclassification of Zurich Global Employee Benefit Solutions from Group Functions and Operations to Life.

Farmers Exchanges[1] show strong improvement in underwriting driven by rate actions and portfolio optimization

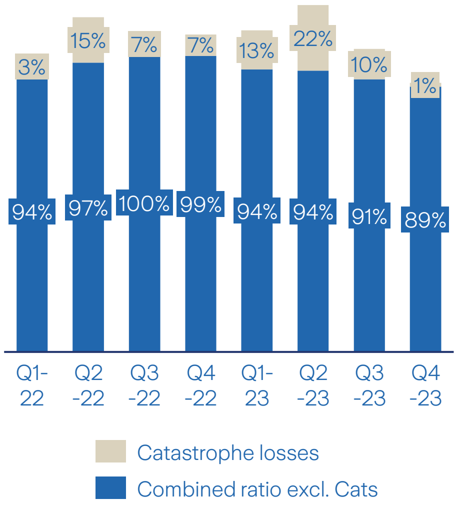
GWP (USDm)



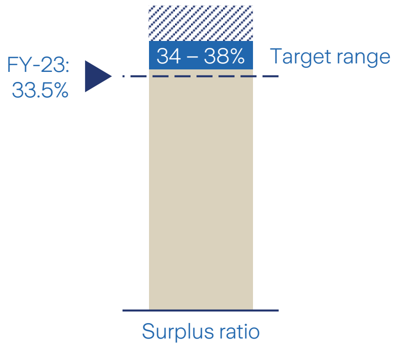
Rate change (%)



Combined ratio (%)[2]



Surplus ratio (%)

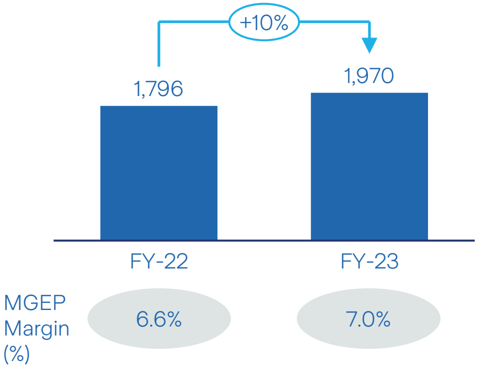


1 For all references to Farmers Exchanges see the disclaimer and cautionary statement.
2 Combined ratio before quota share reinsurance.
3 On a comparable basis, mainly excluding the commercial rideshare business.

Farmers Management Services produces a growing capital light earnings stream with 95% cash conversion

Growth

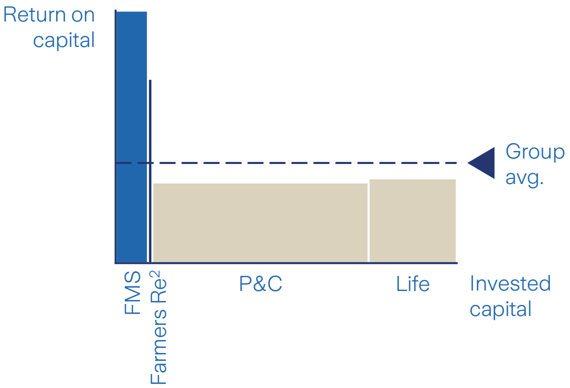
FMS BOP (USDm)



Outlook: mid single-digits % growth

Capital and cash

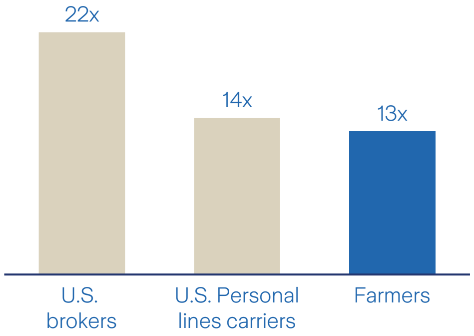
Return on capital[1] (%)



~95% cash conversion rate[3]

Valuation

Market P/E[4] multiples

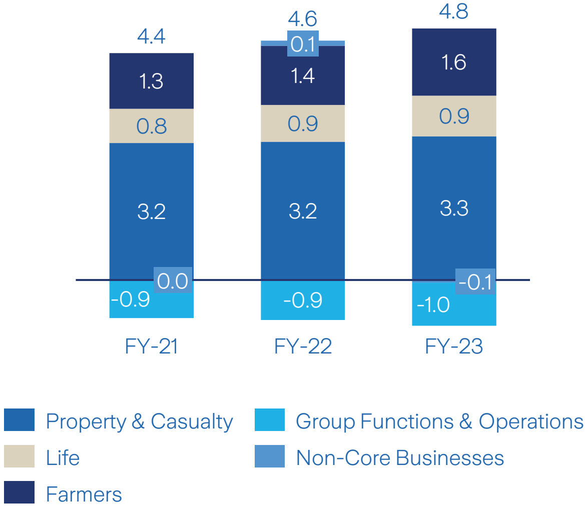


Valuation upside

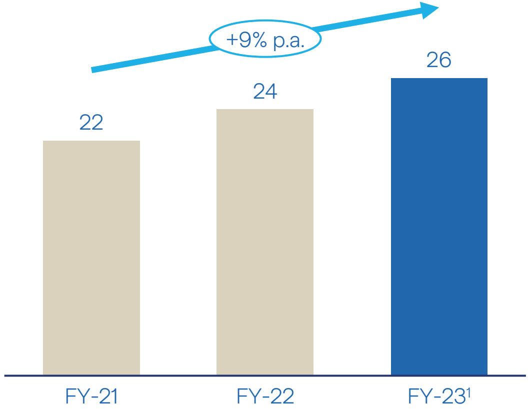
1 Return on capital calculation based on BOP after tax divided by unlevered invested capital.
2 Farmers Re capital has been doubled to make the bar visible.
3 Cash conversion as a percentage of Net Income Attributable to Shareholders (NIAS).
4 One year forward price-to-earnings (P/E) multiples at January 31, 2024, source: Datastream. For U.S. brokers the median of 4 brokers was used (Aon, Arthur J. Gallagher, Brown & Brown, Willis Towers Watson). For U.S. Personal lines carriers the median of 5 players was used (Allstate, Horace, Intact Fin., Kemper, Progressive). For Farmers the median of sum-of-the-parts multiples applied by 8 analysts was used.

Continued strong cash remittance; CHF 26 dividend per share proposed[1] supplemented by a share buyback of up to CHF 1.1bn

Cash remittances (USDbn)



Dividend per share (CHF)



Capital return

Up to CHF 1.1bn
Share buyback

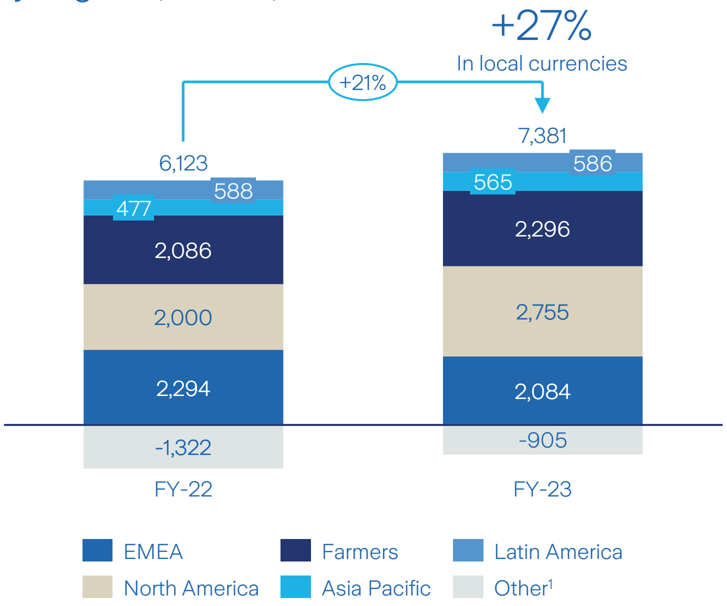
~100%
FY-23 total payout ratio[2]

1 Proposed dividend, subject to approval by General Meeting of Shareholders.
2 Based on adjusted earnings per share, as described on page 20.

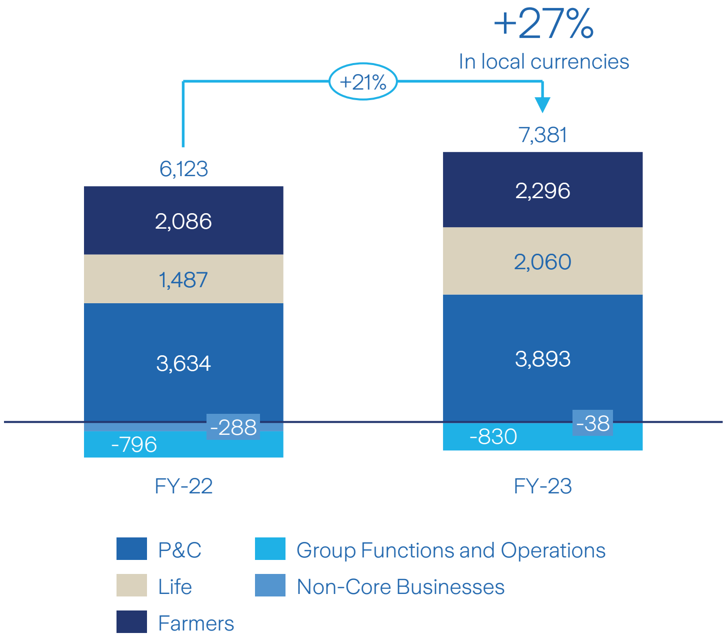
CFO update

BOP at record level, 27% ahead in local currency terms

BOP by region (USDm)



BOP by business (USDm)



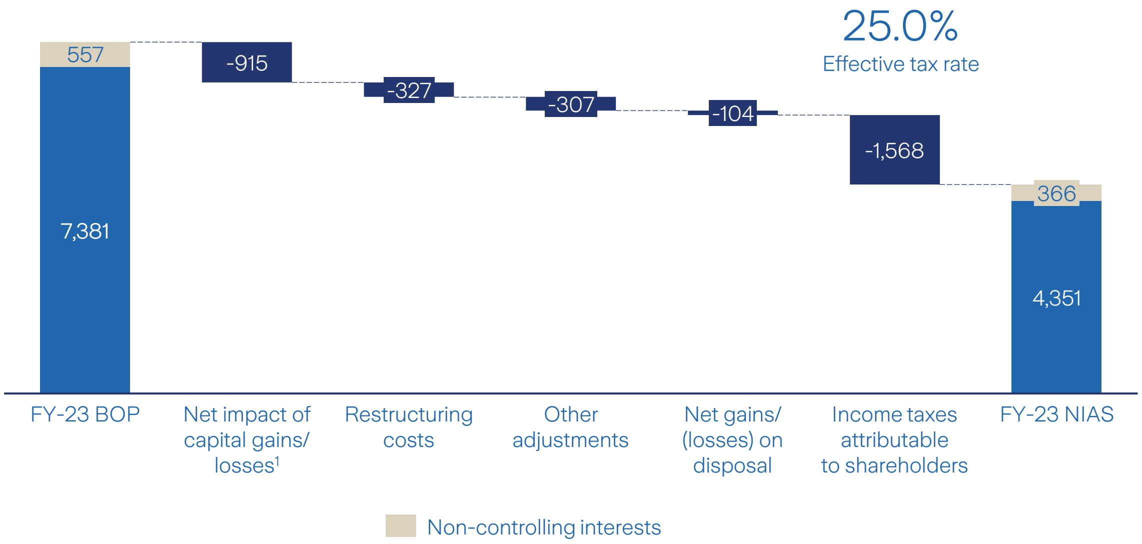
1 Includes Group Functions and Operations, Non-Core Businesses and Group Reinsurance.

Commentary

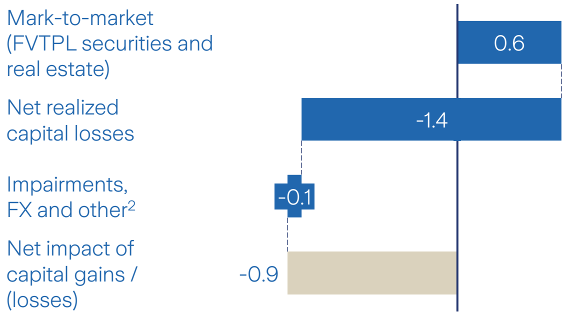
- **Group** business operating profit (BOP) was at a record level of USD 7.4bn, with 27% growth in local currencies.
- **EMEA** BOP reduced by 9% driven by P&C, which experienced elevated losses, and benefitted from a non-recurring gain related to a real estate transaction in the prior year, while Life BOP increased as a result of higher CSM amortization and fee result, as well as the non-recurrence of transition adjustments seen in 2022.
- **North America** BOP was 38% above prior year as a result of higher insurance revenue, an improved investment result, a lower combined ratio in P&C and favorable experience in Life.
- **Asia Pacific** BOP was 18% above prior year due to a strong performance in Life, partially offset by a higher combined ratio in P&C.
- **Latin America** BOP remained flat where a strong performance in Life was offset by the impacts from hyperinflation accounting for the Argentinian business.
- By business, **P&C** BOP increased 7% (10% in local currencies) compared with the prior year period driven by a strong performance in North America.
- **Life** BOP was 39% higher than in the prior year, with all regions contributing to growth. The increase reflects solid underlying performance, favorable experience, as well as the non-repeat of ~USD 350m of adverse impacts from transition related adjustments and other one-offs which occurred in 2022.
- **Farmers** segment BOP up 10% compared to the prior year, with increase in fee income at FMS and higher Farmers Re result partially offset by lower Farmers Life BOP following the completion of the reinsurance transaction.
- Net expenses in the **Group Functions and Operations** units were above the prior-year period, mainly driven by higher interest rates.
- The Group's **Non-Core Businesses** reported a small operating loss, mainly driven by movements on run-off portfolios partially offset by favorable market movements.

NIAS is up 10% compared to prior year, with BOP growth partially offset by higher capital losses and restructuring costs

BOP to NIAS walk (USDm)



Net impact of capital gains / losses (USDbn)[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

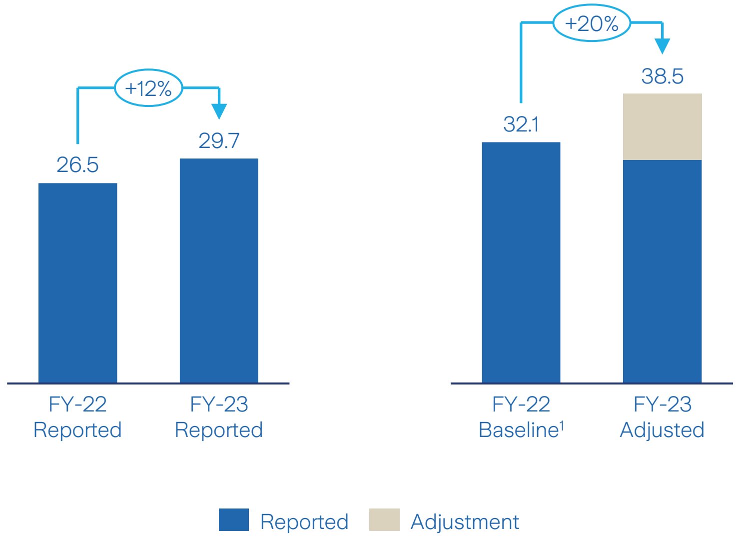
- **Net impact of capital gains / losses** was USD 0.9bn adverse for the full year, with capital losses exceeding the positive mark-to-market performance of assets[1].
  - The net **mark-to-market** of assets was lower than the long-term guidance of USD ~0.8bn, with favourable impacts from financial assets partially dampened by unfavourable real estate valuations.
  - The full year **net capital losses** was USD 1.4bn, predominantly from fixed income portfolios as unrealized losses crystalized upon sale. One-time capital losses of USD 0.4bn relate to the completion of the Farmers Life reinsurance transaction.
  - **Impairments, FX and other** were mostly driven by FX losses, which include impacts from hyperinflation accounting for the Argentinian business.

- **Restructuring costs** were USD 0.3bn for the full year and in-line with guidance provided at the Investor Update in November 2023. Restructuring costs include charges relating to rationalization of own use properties and strategic actions taken in Farmers.
- **Other adjustments** of USD 0.3bn include amortization of intangibles from business combinations, charitable contributions, IFRS 17 project related costs and smaller non-BOP items.

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

Earnings per share, adjusted for long term market assumptions for net capital gains, is up 20%

Diluted Earnings per Share (USD)



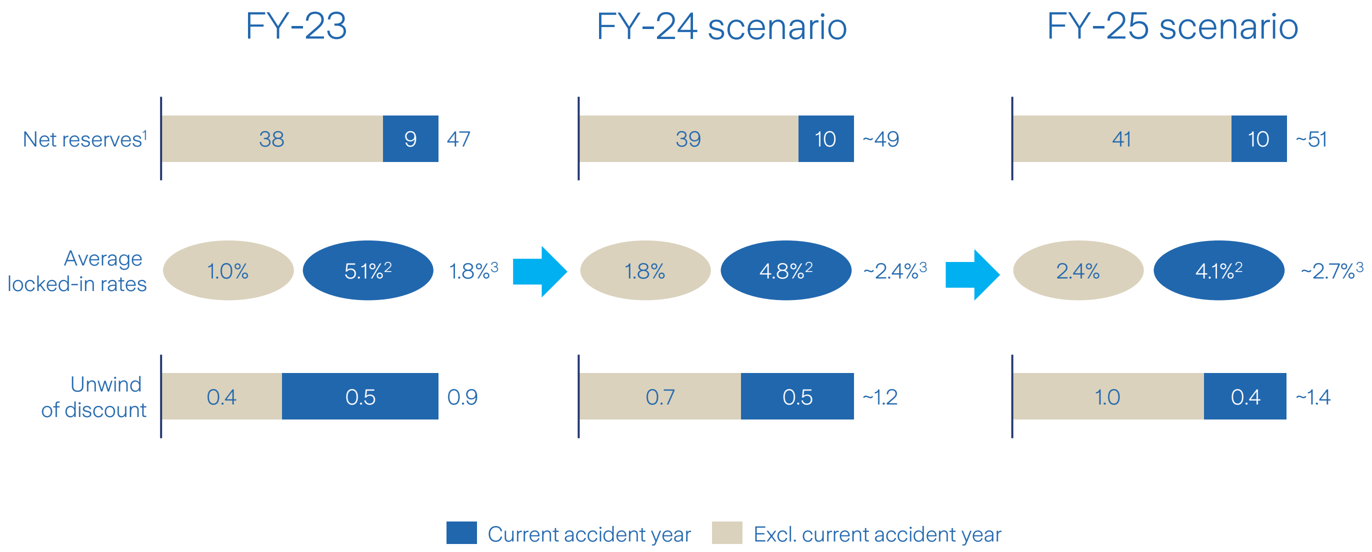
Commentary

- Target EPS growth[1] is 8% CAGR for the 2023 to 2025 financial cycle
- NIAS includes volatility from mark-to-market movements of securities and real estate
- Long term market assumptions imply USD ~0.8bn positive net capital gains. Refer to the guidance included in November 2023 Investor Update presentation
- In FY-23, the Group reported net capital losses of USD 0.9m below BOP

[1] 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).

Higher interest rates lead to increases of P&C locked-in rates and unwind of discount year over year

Illustration of P&C locked-in rates and unwind of discount (USDbn, %)



Combined ratio discount benefit[4]

Sensitivity:

Interest rates
+/- 50bps

+/- 35bps

[1] Net liability for incurred claims discounted at locked-in rates and growth rate of 4% p.a. assuming 20/80 split between current and prior accident years.
[2] Current accident year average locked-in rate based on current assumptions. Lower locked-in rate for AY 2024/2025 vs. AY 2023 based on observation of current forward yield curves.
[3] Weighted average of average locked-in rates.
[4] As of Q3-23.

Outlook

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, current accident year discount impact to be lower than prior year while 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 to have low single digit USD BOP, 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).

Strong growth supported by favorable rate environment

FY-23 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	18,058	7%	5%	Increasing	17,170	7%
North America	21,628	6%	9%	Stable	20,607	7%
Asia Pacific	3,612	11%	3%	Stable	3,434	13%
Latin America	3,039	45%	6%	Moderating	2,812	44%
Total[3]	44,401	9%	6%	Stable	42,293	9%

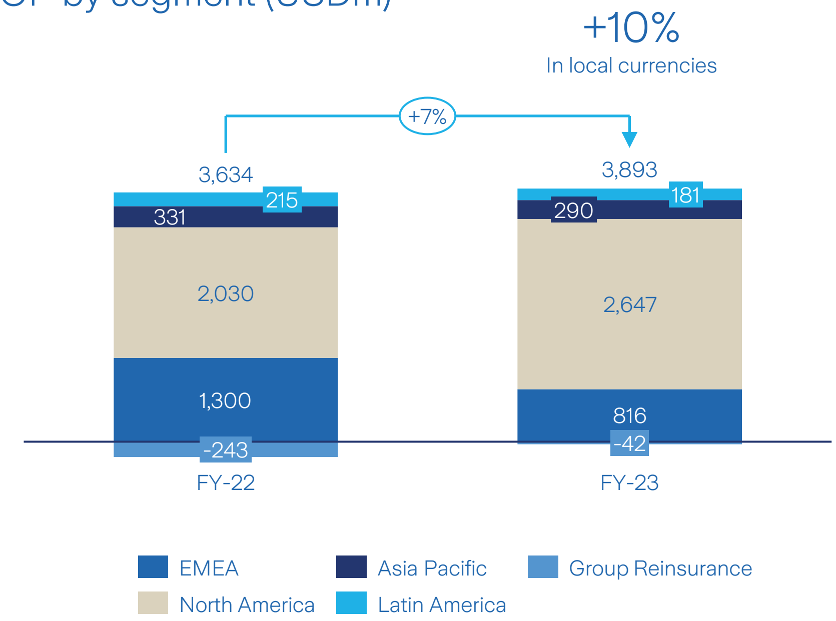
1 In local currency and after adjusting for acquisitions and disposals.
2 GWP development due to premium rate change as a percentage of the renewed portfolio (monitored business) against the comparable prior year period.
3 Total includes Group Reinsurance and Eliminations.

Commentary

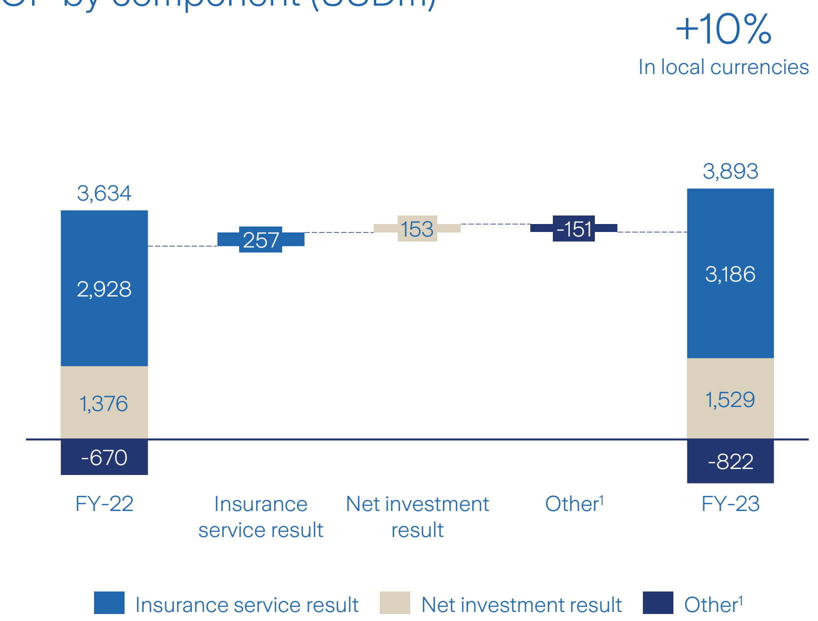
- **Gross written premiums** rose 9% on a like-for-like basis and 7% in U.S. dollar terms. All regions demonstrated strong growth supported by higher premium rates of 6% on a Group basis.
- **Insurance revenue** rose 9% on a like-for-like basis and 8% in U.S. dollars benefiting from the earn-through of growth in gross written premiums.
- **Rate change** of 6% remains favorable and is supported by a commercial rate increase of 7%. Rate increases have stabilized throughout the year.
- In **EMEA**, gross written premiums increased 7% on a like-for-like basis, driven by a strong performance across the region, particularly in the UK, Germany, Switzerland, Italy and Spain.
- In **North America**, gross written premiums grew 6% on a like-for-like basis. Growth benefited from rate increases of 9% which increased by a point compared to the prior year period which was partially offset by a USD 0.3bn reduction in Crop volume due to less favorable commodity price developments.
- In **Asia Pacific**, gross written premiums rose 11% on a like-for-like basis, with strong contribution from all markets driven by growth in travel business and retail motor.
- In **Latin America**, gross written premiums rose 45% on a like-for-like basis, with strong commercial growth and increased retail sales across the region.

P&C BOP up 10% in local currencies driven by a strong performance in North America

BOP by segment (USDm)



BOP by component (USDm)



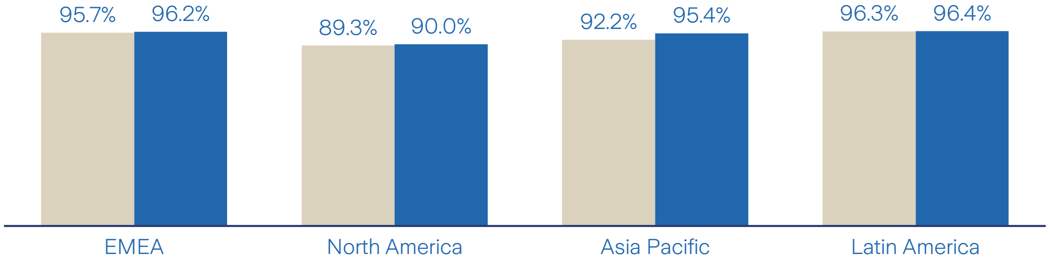
[1] Includes Fee result, Other result and non-controlling interests.

Commentary

- **P&C BOP** was USD 3,893m, 7% higher than in the previous year. In local currency, the P&C BOP was 10% higher than in the previous year driven by higher insurance revenue and an increase of the investment result partially offset by the absence of a non-recurring real estate transaction in the prior year.
- **Net investment result** was USD 153m higher than in the previous year. This was mainly driven by **investment income** of USD 354m above prior year levels due to the earn-through of higher yields and **realized capital gains** of USD 225m coming from the Group's hedge fund portfolio compared with a loss of USD 21m in the previous year. This was partially offset by an increase in the **insurance finance expenses** of USD 448m compared to the previous year due to an increase of the unwind of discount.
- The impact of **fee result, other result, and non-controlling interests** decreased USD 151m compared to the prior year period mainly reflecting the absence of a one-off gain from a real estate transaction in 2022. This was partially offset by a higher **fee result** by USD 26m.

Commercial maintains solid profitability with potential for strong improvement in Retail and SME

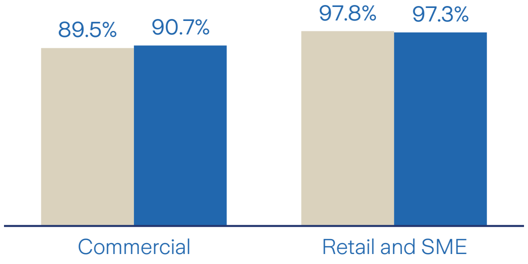
AY combined ratio (CR) excl. catastrophes by region (%)



% of Group FY-23 insurance revenue[1]	EMEA	North America	Asia Pacific	Latin America
	39%	47%	8%	6%

FY-22 FY-23

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



Commercial	Retail and SME
66%	34%

FY-22 FY-23

[1] Excluding Group Reinsurance and Eliminations. Discount impact: Commercial FY-22 3.3% / FY-23 4.1%; Retail and SME FY-22 1.3% / FY-23 2.4%.

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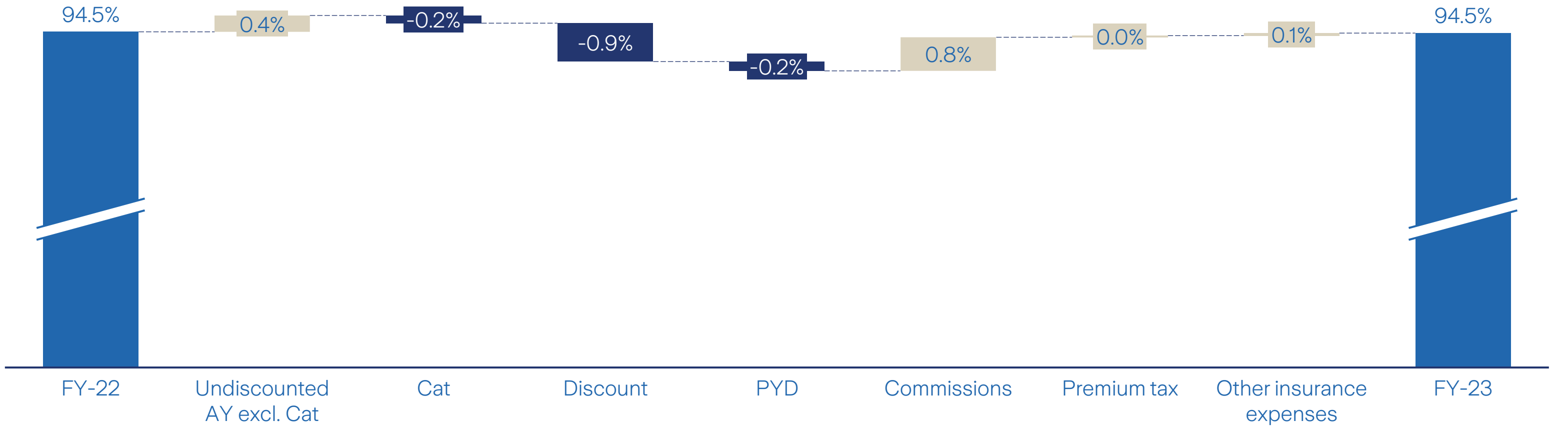
Commentary

- In **EMEA**, the accident year combined ratio ex-catastrophes deteriorated 0.6 percentage points compared to prior year mainly due to a deterioration in loss experience.
- In **North America**, the accident year combined ratio ex-catastrophes deteriorated 0.8 percentage points compared to prior year but maintains a very attractive level of 90.0%. Excluding the Crop business, the accident year combined ratio ex-catastrophes deteriorated by 0.3 percentage points to 88.1%.

  The Crop business reported an operating loss of USD 29m largely driven by drought conditions in parts of the corn belt and Texas, lower harvest prices and wheat losses in the Pacific Northwest. For additional financial information, please refer to the Appendix (page 56).
- The **Asia Pacific** accident year combined ratio ex-catastrophes deteriorated 3.2 percentage points compared to prior year mainly driven by an increase in the commission ratio reflecting the impact of recovering travel business sales and elevated losses.
- In **Latin America**, the accident year combined ratio ex-catastrophes deteriorated 0.1 percentage points compared to the previous year.
- The **Commercial Insurance** accident year combined ratio ex-catastrophes increased 1.3 percentage points compared to prior year but remains at a very attractive level of 90.7%. Excluding the Crop business, the accident year combined ratio ex-catastrophes deteriorated by 1.0 percentage points to 89.4%.
- For the **Retail and SME** business, the accident year combined ratio excluding catastrophes of 97.3% was 0.5 percentage points lower than in the previous year.

Combined ratio remains strong, discount benefit offset by higher mix-driven commissions

P&C combined ratio walk (%)

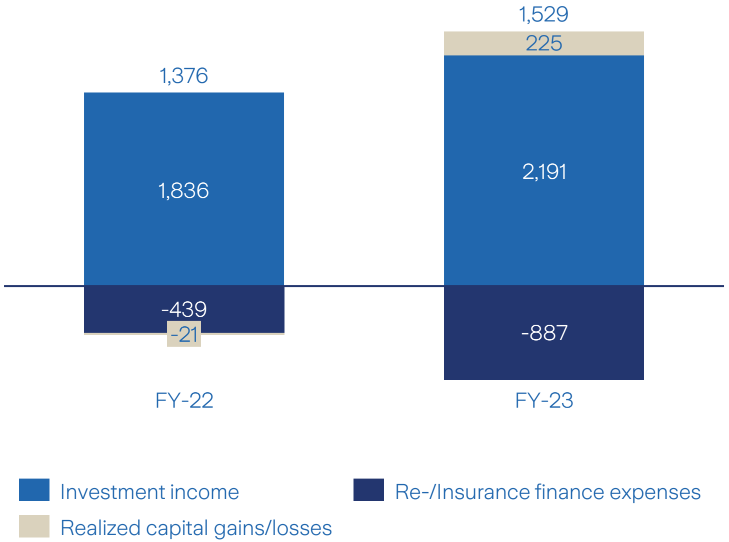


Commentary

- **P&C combined ratio** of 94.5% remained stable compared to the prior year period as a 0.9 percentage point decrease of the loss ratio was offset by an equal increase of the expense ratio.
- The reported **loss ratio** decreased by 0.9 percentage points to 66.2%. The **undiscounted accident year loss ratio excl. catastrophe losses** increased by 0.4 percentage points to 68.2%.
- **Natural catastrophe losses** totaled 3.0% and remained within the guided range of 2.5-3.0% compared to a catastrophe loss ratio of 3.2% in the prior year period.
- **Prior year development** of 1.5% was well within the indicated 1-2% range. All regions experienced favorable development in 2023.
- The **expense ratio** of 28.3% was 0.9 percentage points higher than in the previous year, mainly driven by an increase in commissions due to mix shifts in North America and recovering travel business sales in Asia Pacific.

P&C investment result benefits from increase in reinvestment yields, partially offset by a higher unwind of discount

Investment result in BOP (USDm)



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

Book yield[2]	2.6%	3.2%
Reinvestment yield[2]	3.7%	5.0%

Insurance finance expense (% of liabilities for incurred claims)

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.

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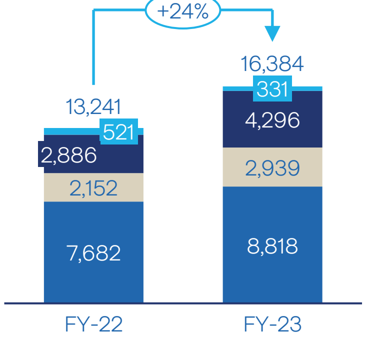
Commentary

- **Net investment result** increased 11% 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 19% (USD 354m) compared to the prior-year period, driven by improving investment yields.
- **Realized capital gains** in BOP of USD 225m were driven by an appreciation of the market value of the hedge fund portfolio in 2023 compared to a loss of USD 21m in the prior year period.
- This was partially offset by an increase in the **insurance finance expenses** of USD 448m compared to the previous year due to an increase of the unwind of discount.
- The book yield for debt securities rose to 3.2% as **reinvestment rates** on debt securities increased by 1.3 percentage points to 5.0% driven by favorable evolution of market rates.

Strong growth of new business and top-line in Life

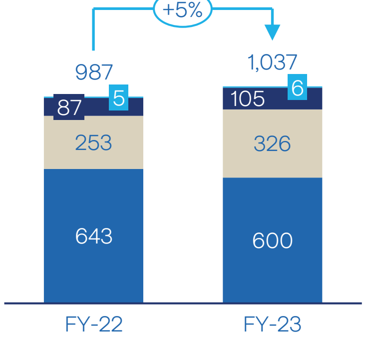
Long term insurance[1]

+26%
Like-for-like[2]



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

+10%
Like-for-like[2]



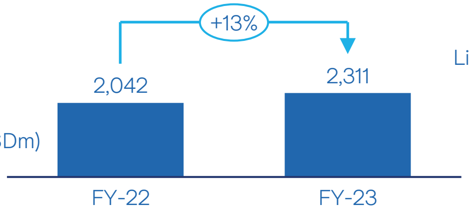
New business contractual service margin (NB CSM) (USDm)

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

Short term insurance[1]

+9%
Like-for-like[2]

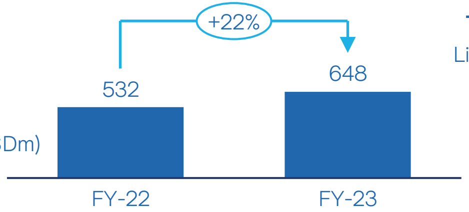
Insurance revenue (USDm)



Investment contracts[1]

+19%
Like-for-like[2]

Fee revenue (USDm)



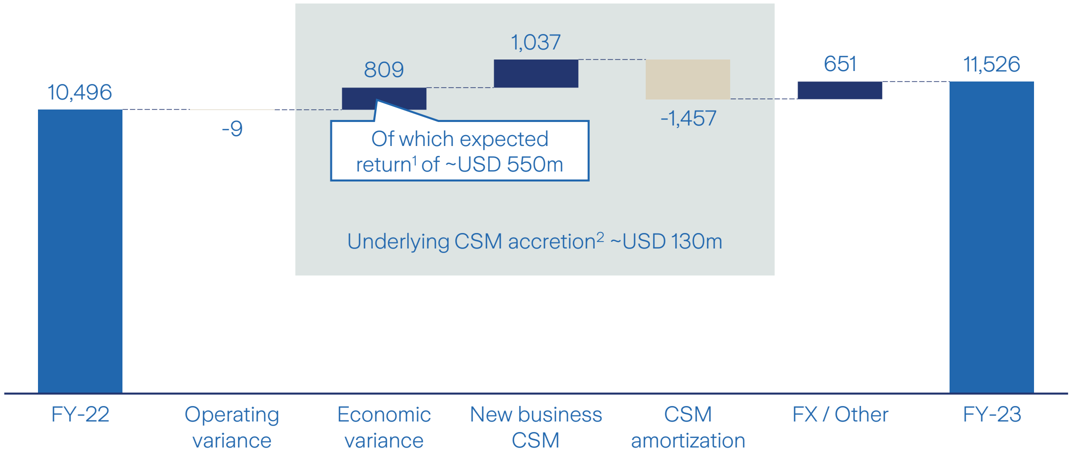
1 Long term insurance includes participating and non-participating contracts accounted for under the Building Block Approach (BBA) and Variable Fee Approach (VFA). Short term insurance includes non-participating contracts accounted for under the Premium Allocation Approach (PAA). Investment contracts include contracts which are accounted for under IFRS 9.
2 In local currencies, adjusted for acquisitions and disposals and for the reclassification of Zurich Global Employee Benefit Solutions from Group Functions and Operations to Life.
3 Other includes North America, Group Reinsurance and Eliminations.

Commentary

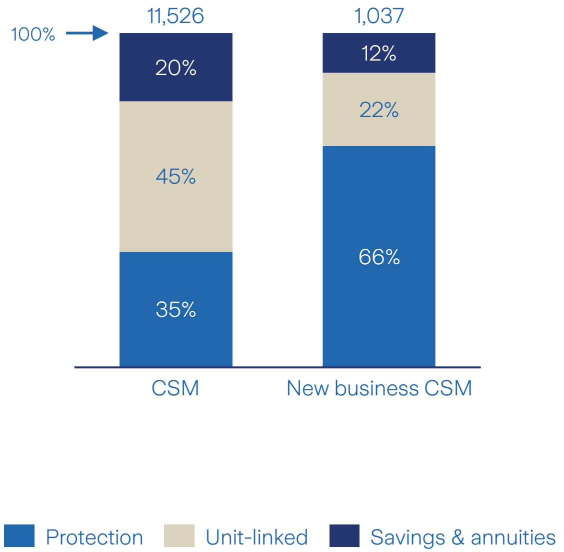
- In FY-23, **PVNBP** increased 24% in USD terms, and 26% on a like-for-like basis, with growth in EMEA, Asia Pacific and Latin America.
- In **EMEA**, PVNBP grew 12% on a like-for-like basis. This growth reflects large sales volumes of a retail savings product in Spain, written by the Group's joint venture with Banco Sabadell primarily in the first quarter, as well as higher unit-linked sales in Germany and Spain. These increases more than offset the adverse impact of lower sales volumes in Italy and Switzerland and higher discount rates in the region.
- In **Asia Pacific**, PVNBP grew 44% on a like-for-like basis. This was driven by significantly higher protection sales in Japan, which rebounded from a low level in the prior year, as well as in Australia, which benefited from increased volumes of corporate business.
- In **Latin America**, new business premiums increased 61% on a like-for-like basis, benefiting primarily from higher sales in Brazil through the Group's joint venture with Banco Santander.
- In **North America**, PVNBP was 36% lower on a like-for-like basis compared with the prior-year period, driven by lower sales in the corporate business.
- New business written in FY-23 added USD 1,037m of CSM. **New business CSM** was 10% higher on a like-for-like basis compared with FY-22. This reflects higher sales volumes which more than offset the impact of reduced **new business margin** of 6.3% (compared with 7.5% in the prior-year period) due to a less favorable business mix.
- **Insurance revenues** for short term life insurance, which is mainly related to the protection business in Latin America, grew 9% on a like-for-like basis. **Fee revenues** for investment contracts, which are mainly written in EMEA, grew 19% on a like-for-like basis compared with the prior year, which was affected by negative market performance.

CSM up 10% driven by underlying accretion, favorable economic variances and FX

CSM walk (USDm)



FY-23 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.

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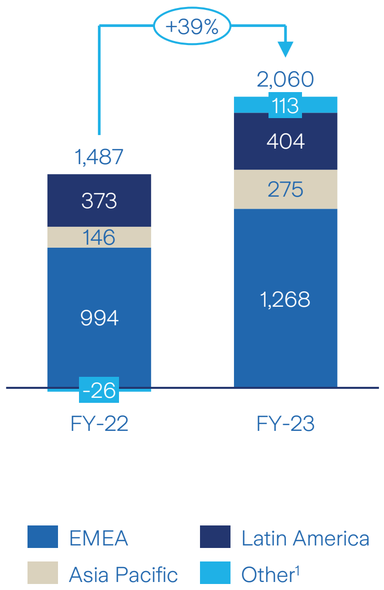
Commentary

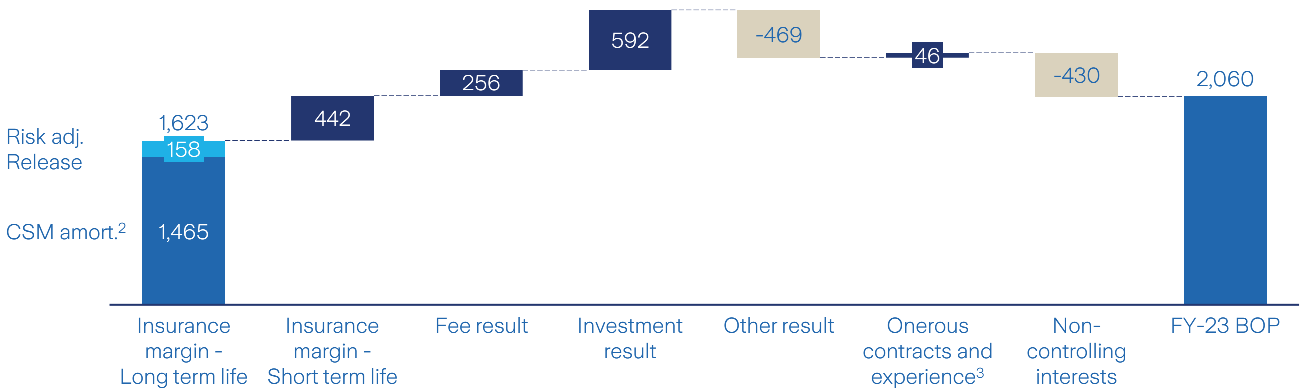
- The **Contractual Service Margin (CSM)** of the Life business increased 10% in FY-23, driven by a combination of favorable economic variances, FX movements, and underlying CSM accretion.
- **Operating variances** reduced CSM by USD 9m in FY-23, with a favorable impact in Asia Pacific mainly driven by Australia more than offset by net unfavorable variances in EMEA.
- **Economic variances** increased CSM by USD 809m mainly driven by the impact of non-recurring changes to the yield curve derivation in Switzerland, and approximately USD 550m 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.
- **New business** added USD 1,037m of CSM, with protection and unit-linked contributing 66% and 22% of the total, respectively.
- **Amortization** into the P&L reduced CSM by USD 1,457m. This reflects a CSM amortization rate broadly in line with FY-22.
- **Underlying CSM accretion**, which results from the combination of new business CSM, expected return from in-force and CSM amortization, was moderately positive in FY-23 (~USD 130m) despite unfavorable market conditions for new business.
- **FX and other movements** increased CSM by USD 651m, due to the depreciation of U.S. dollar relative to other major currencies.

Record high level of Life BOP, all regions contributing to growth

BOP by region (USDm)



BOP by component (USDm)



	Insurance margin - Long term life	Insurance margin - Short term life	Fee result	Investment result	Other result	Onerous contracts and experience[3]	Non-controlling interests	FY-23 BOP
Δ Y-o-Y (USDm)	60	64	122	(102)	(24)	514	(61)	573

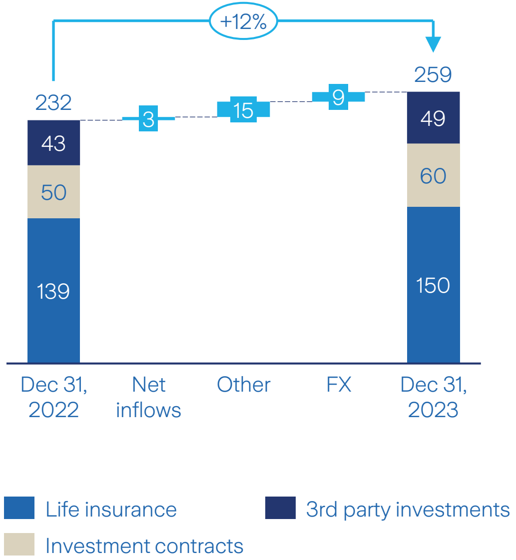
[1] Includes North America and Group Reinsurance.
[2] Includes USD 8m adjustment related to Argentina hyperinflation (USD 10m in FY-22).
[3] Includes the net impact of onerous contracts, experience adjustments and income tax expense or benefit attributable to policyholders.

Commentary

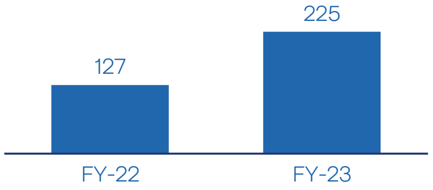
- In FY-23 the **Life** business generated BOP of USD 2,060m, 39% higher than in the prior year. BOP did not include the contribution of the German traditional life back book and Chilean annuity book, which have been accounted for as held for sale. FY-22 comparatives include a number of transition related adjustments and other one-offs which had an overall net negative impact on BOP of ~USD 350m.
- Insurance margin for long term insurance contracts increased by USD 60m driven by higher **CSM amortization**, reflecting the impact of CSM growth and transition related adjustments.
- Insurance margin for **short term insurance contracts** was 17% higher than in the prior year, mainly driven by revenue growth.
- **Fee result**, which is predominantly driven by investment contracts written in EMEA, added USD 256m of BOP in FY-23. Strong year on year increase reflects a reclassification of certain items between investment result and fee result, as well as income related to portfolios which have offsetting movements recorded in the policyholder tax line, while the underlying performance was broadly in line year on year.
- **Net investment result** added USD 592m of BOP in FY-23, USD 102m below prior year which benefited from a gain related to a hedging program implemented on an IFRS 4 basis. The year on year comparison is also affected by a reclassification of certain items between investment result and fee result.
- **Other result** reduced FY-23 BOP by USD 469m, mainly driven by non-qualifying expenses.
- FY-23 BOP benefited from a net positive impact of **onerous contracts, experience adjustments** and **income tax expense attributable to policyholders**. This includes a non-recurring USD 115m favourable impact of onerous contracts, mainly driven by assumption updates in North America and re-pricing actions in Australia, as opposed to USD 484m adverse impact in the prior year.

Higher AUM benefit fee result; one-off movements in 2022 affect year on year comparison for fee and investment result

Assets under management (USDbn)

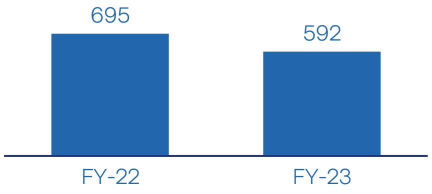


Fee result (USDm)[1]

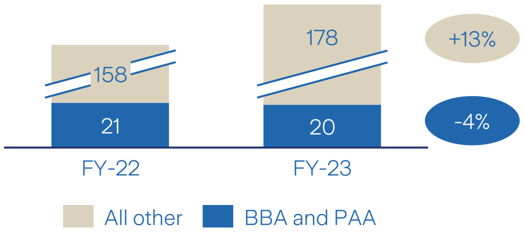


	FY-22	FY-23
Gross fee margin (%)[2]	0.52%	0.64%
Cost income ratio (%)	76%	65%
Net fee margin (%)[2]	0.12%	0.22%

Net investment result (USDm)



FY-23 reserves and liabilities by measurement model (USDbn, %)[3]



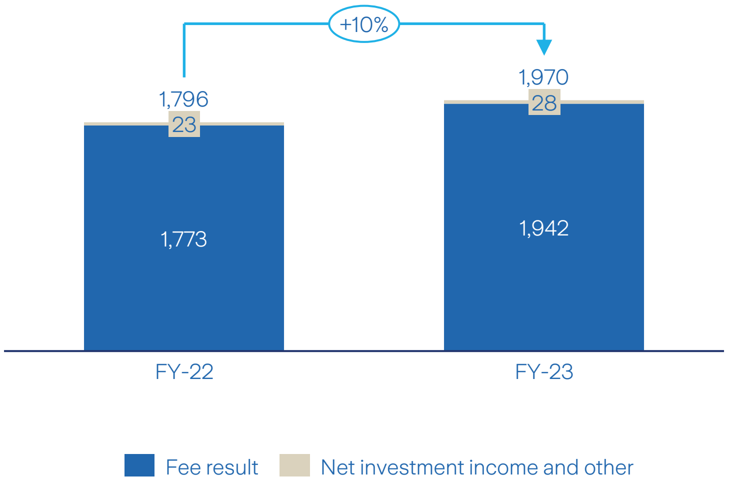
[1] Fee result related to investment contracts and 3rd party investments. Does not include USD 31m (USD 7m in FY-22) of fee result generated by other Life segment businesses.
[2] Based on average AuM for investment contracts and 3rd party investments.
[3] BBA (building block approach) mainly applied to long term non-participating and indirect participating business; PAA (premium allocation approach) applied to short term non-participating contracts.

Commentary

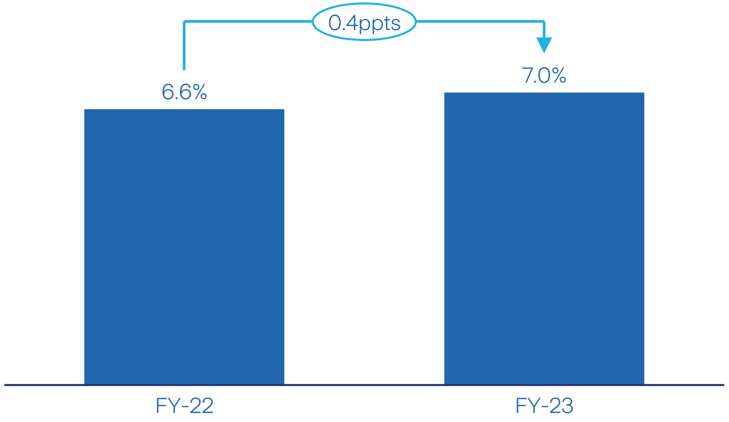
- In the Group's life business, **assets under management (AuM)** increased 12% in FY-23, driven by a combination of positive net inflows, favorable market movements and FX. AuM for investment contracts and 3rd party investments, which are the key driver of fee result, grew by 17% in the same period.
- **Fee result** related to investment contracts and 3rd party investments grew to USD 225m in FY-23. Year on year increase benefits from a reclassification of certain items between investment result and fee result, as well as income related to portfolios which have offsetting movements recorded in the policyholder tax line. These movements affected the reported fee margins and cost income ratios, amplifying the year-on-year improvement.
- **Life net investment result** is predominantly driven by businesses accounted for with the building block approach (BBA) and premium allocation approach (PAA), with Spain being the largest book. In FY-23, reserves accounted for with the BBA and PAA method were 4% lower than in the prior year, mainly due to the reclassification of the Chilean annuity book as held for sale. Net investment result of USD 592m in FY-23, was USD 102m below prior year which benefited from a gain related to a hedging program implemented on an IFRS 4 basis and reflects the above-mentioned reclassification of certain items into the fee result.

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

Business operating profit (USDm)



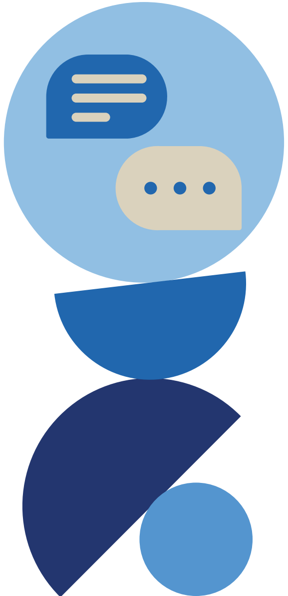
MGEP margin (%)[2]



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

Commentary

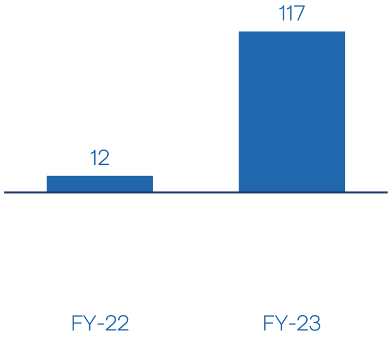
- **Farmers Management Services (FMS) BOP** increased 10% compared to the prior year, driven by the higher gross earned premium base of the Farmers Exchanges[1] (up 3% compared to FY-22) and managed gross earned premium margin of 7.0%.
- The **Managed Gross Earned Premium (GEP) margin** stood at 7.0%, a 0.4 percentage points increase compared to prior year.



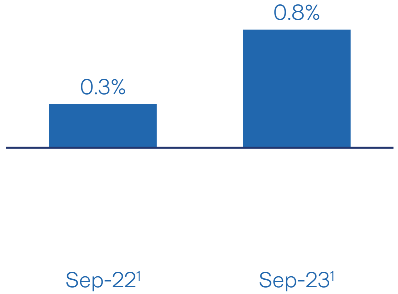
[1] For all references to Farmers Exchanges see the disclaimer and cautionary statement.

Farmers Life completed the reinsurance transaction; Farmers Re benefits from higher reinsurance share and interest income

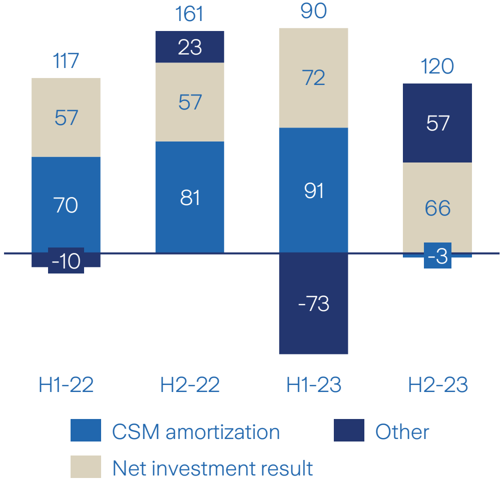
Farmers Re BOP (USDm)



Farmers Re risk capital[1] (% of total Group)



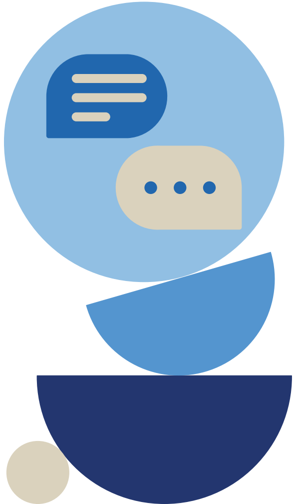
Farmers Life BOP (USDm)



[1] Farmers all lines quota share reinsurance treaty renews on December 31, for better comparison to the Farmers Re BOP the risk capital is shown as of September 30 so that 1.75% participation is reflected for FY-22 and 8.5% for FY-23.

Commentary

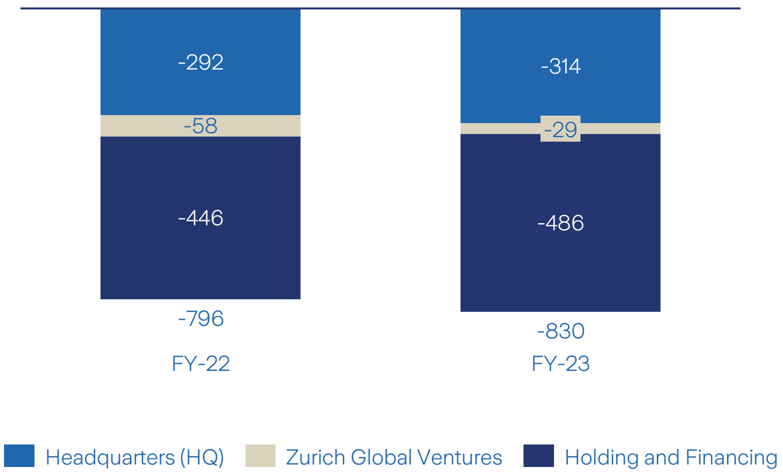
- **Farmers Re BOP** of USD 117m is USD 105m above prior year due to a lower combined ratio at a higher reinsurance participation percentage of 8.5%, compared to 1.75% in the prior year, and higher interest income. The full year results include reinsurance true-up adjustments on losses and ceding commission per contract terms. 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 209m is 25% lower than prior year driven by a lower insurance service result, as Farmers Life entered in a reinsurance transaction with Resolution Life for its individual life in-force book, which completed on August 1, 2023. Transaction costs adversely impacted H1-23.



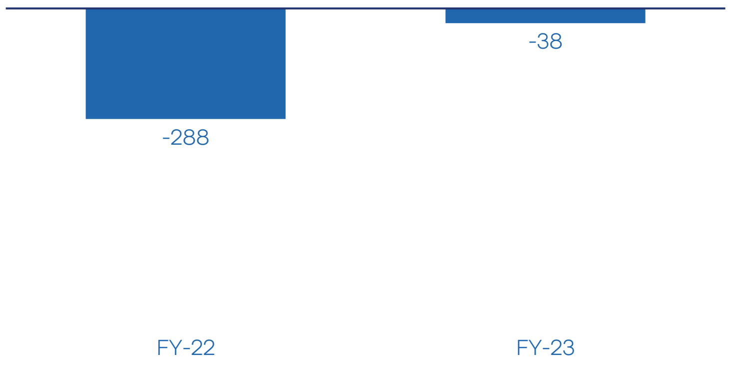
[1] For all references to Farmers Exchanges see the disclaimer and cautionary statement.

Group Functions impacted by higher interest rates; Non-Core Businesses with small operating loss

Group Functions and Operations BOP (USDm)

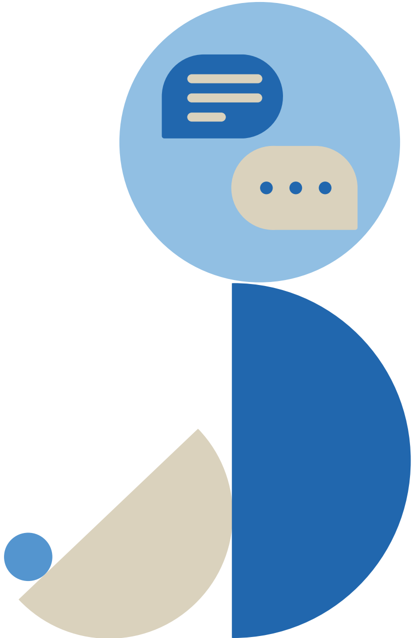


Non-Core Businesses BOP (USDm)



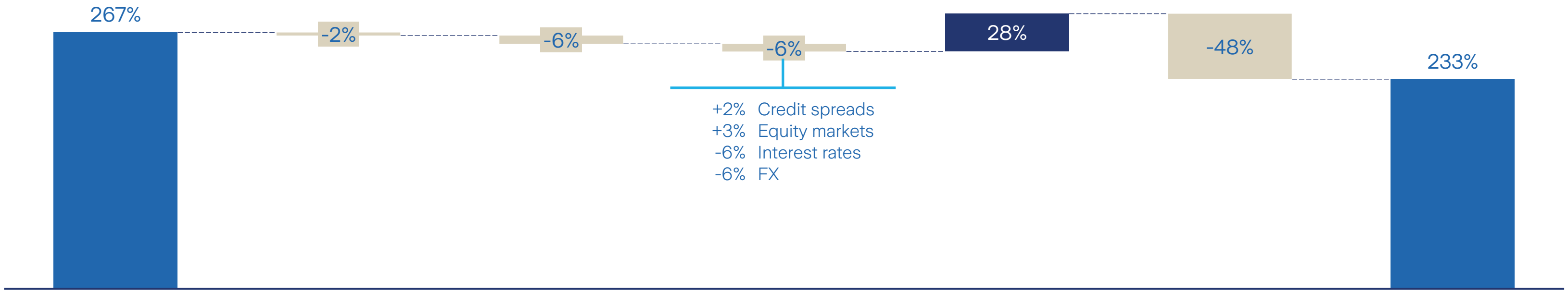
Commentary

- **Group Functions and Operations** reported net expenses of USD 830m compared to USD 796m in the prior-year period. The deterioration was mainly driven by the impact of higher interest rates 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 38m for FY-23, compared to a loss of USD 288m in prior year. The prior year was unfavorably impacted by adverse development on run-off portfolios.



Very strong capital position with SST ratio at 233%

SST ratio (%)[1]

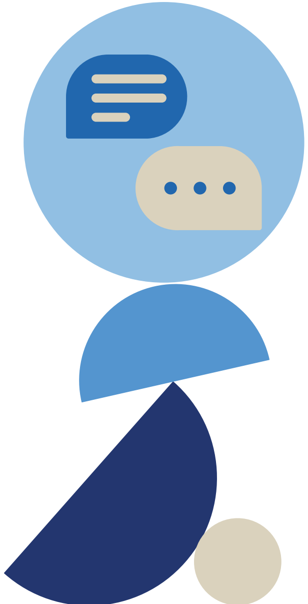


	FY-22	Assumption and model changes	Management actions and other	Market	Economic profit / business growth	Capital actions[2]	FY-23e
AFR (USDbn)[1]	38.0	-0.4	-0.9	1.3	5.1	-8.8	34.3
TC (USDbn)[1]	14.2	-0.0	-0.0	0.8	0.3	-0.6	14.7

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 4.1bn in FY-23e (USD 4.5bn in FY-22).
2 Capital actions include dividend, share buyback, debt movements and M&A.

Commentary

- As of Q4-23, 2023, 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 233%, well above the Group’s SST ratio target of 160% or above.
- **The ratio was 34ppts lower than 267% recorded as of January 1, 2023**. The reduction was mainly driven by capital actions, which include the accrual of the proposed FY-23 dividend (-29ppts) and of the planned share buyback of up to CHF 1.1bn (-9ppts) as well as the redemption of EUR 500m subordinated debt in H2-23 (-4ppts) and the acquisition of three brokerage entities and the flood program servicing arm from Farmers Exchanges (-4ppts).
- The 32ppts reduction vs. the 266% SST ratio estimated at Q3-23 is driven by adverse market movements (-20ppts) mainly due to lower interest rates, the accrual of the proposed share buyback of up to CHF 1.1bn as well as the impact of the acquisition of three brokerage entities and the food program servicing arm from Farmers Exchanges.



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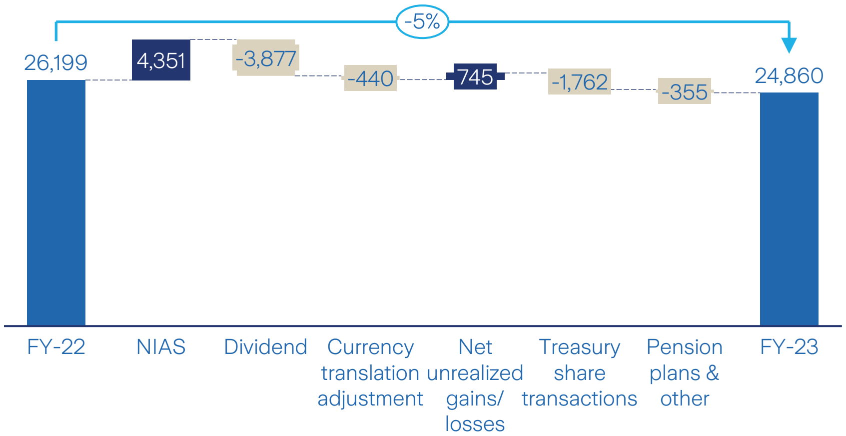
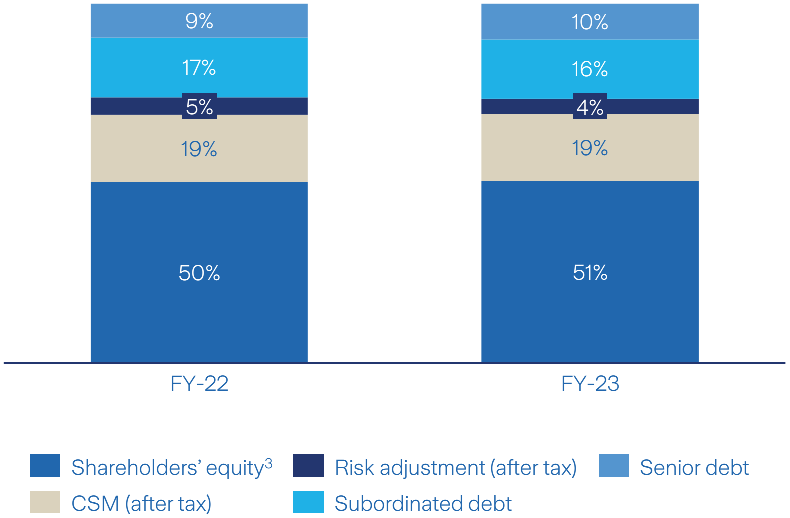
Shareholders' equity reduction driven by dividend payment and completion of share buyback program in H1-23

Shareholders' equity (USDm)[1]



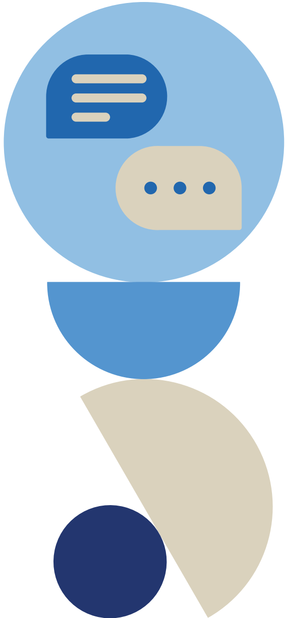
Capital structure (%)[2]



1 Includes effect of adoption of IFRS 9, IAS 29, and restatement under IFRIC 7 of USD 516m.
2 Based on IFRS balance sheet.
3 Including non-controlling interests.

Commentary

- **Shareholders' equity** declined by USD 1.3bn compared to year end 2022, primarily driven by the payment of the Group dividend of USD 3.9bn and USD 1.8bn of treasury share transactions, mainly related to the completion of the CHF 1.8bn share buyback program announced in August 2022 (further USD 0.4bn of shares repurchased in FY-22). These impacts were partially offset by net income attributable to shareholders of USD 4.4bn and a USD 0.7bn net favorable movement in unrealized gains and losses.
- **CSM after tax** of USD 9.7bn was 4% lower than in the prior year, with an increase in Life partially offset by the impact of the reinsurance of the Farmers Life in-force individual life book completed in August 2023.
- **Risk adjustment** after tax of USD 2.2bn was 15% lower than in the prior year, driven by the above-mentioned reinsurance agreement.
- As a result, the proportion of debt in the IFRS based **capital structure** increased marginally with a leverage ratio of 26.5% compared to 26.1% at FY-22.



Disclaimer and cautionary statement

Certain statements in this document are forward-looking statements, including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives of Zurich Insurance Group Ltd or the Zurich Insurance Group (the Group). Forward-looking statements include statements regarding the Group's targeted profit, return on equity targets, expenses, pricing conditions, dividend policy and underwriting and claims results, as well as statements regarding the Group's understanding of general economic, financial and insurance market conditions and expected developments. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and plans and objectives of Zurich Insurance Group Ltd or the Group to differ materially from those expressed or implied in the forward-looking statements (or from past results). Factors such as (i) general economic conditions and competitive factors, particularly in key markets; (ii) the risk of a global economic downturn, in the financial services industries in particular; (iii) performance of financial markets; (iv) levels of interest rates and currency exchange rates; (v) frequency, severity and development of insured claims events; (vi) mortality and morbidity experience; (vii) policy renewal and lapse rates; (viii) increased litigation activity and regulatory actions; and (ix) changes in laws and regulations and in the policies of regulators may have a direct bearing on the results of operations of Zurich Insurance Group Ltd and its Group and on whether the targets will be achieved. Specifically in relation with the COVID-19 related statements, such statements were made on the basis of circumstances prevailing at a certain time and on the basis of specific terms and conditions (in particular applicable exclusions) of insurance policies as written and interpreted by the Group and may be subject to regulatory, legislative, governmental and litigation-related developments affecting the extent of potential losses covered by a member of the Group or potentially exposing the Group to additional losses if terms or conditions are retroactively amended by way of legislative or regulatory action. Zurich Insurance Group Ltd undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

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

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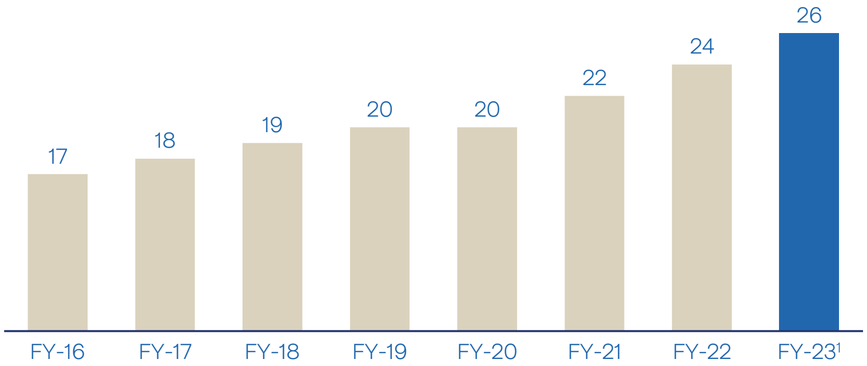
Appendix

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)



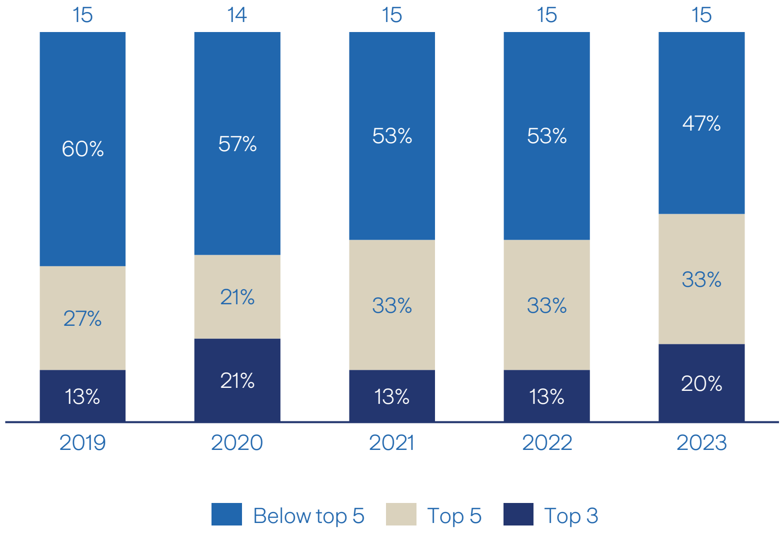
1 The dividend is subject to the approval by the shareholders at the Annual General Meeting.
2 Net income attributable to shareholders.

Update on customer satisfaction and brand consideration

tNPS[1] FY-23 vs. FY-22

Global[2]	▲ +3.6pts
EMEA	▲ +2.1pts
Asia Pacific	▲ +3.3pts
Latin America	▲ +5.0 pts
Farmers Exchanges[3]	▼ -10.3 pts

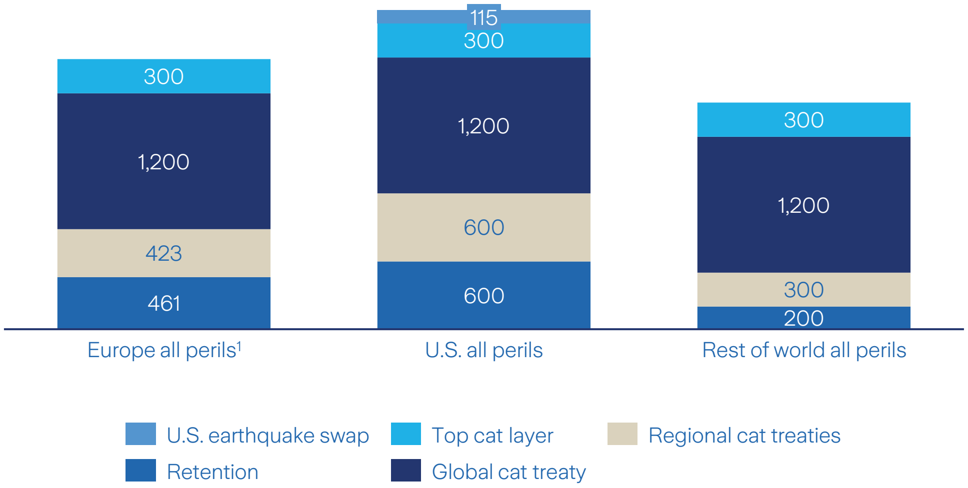
Brand consideration ranking[4]



[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 1.08465 as of January 31, 2024 (EUR 390m in excess of EUR 425m).

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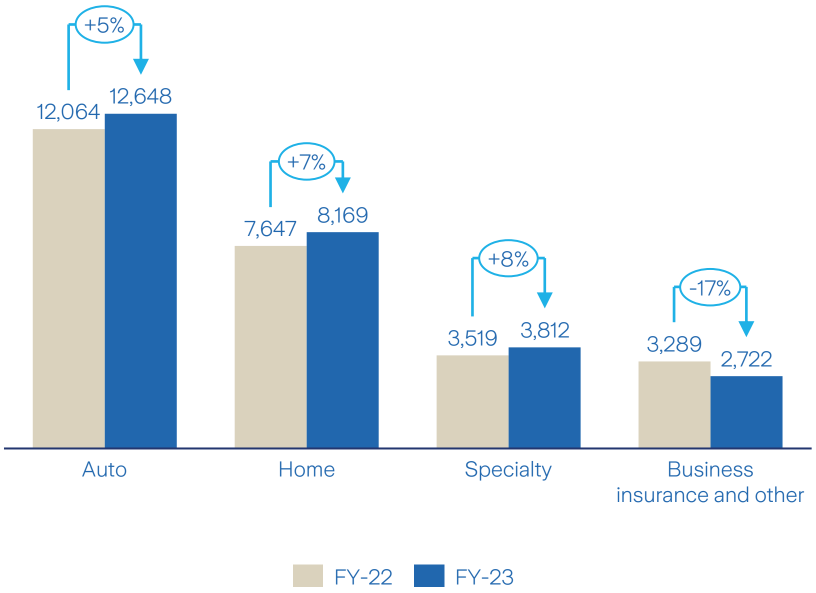
U.S. crop business – significant skew towards second half

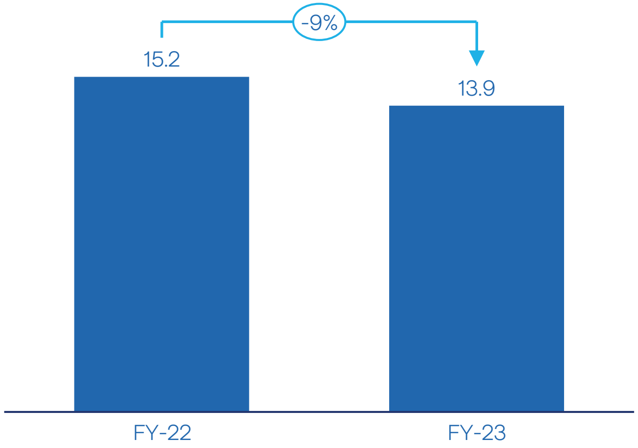
IFRS 17	H1-22	H2-22	FY-22	H1-23	H2-23	FY-23
Insurance revenue (USDm)	1,073	2,238	3,311	1,195	2,003	3,198
Insurance service result (USDm)	82	7	89	76	-92	-16
BOP (USDm)	78	-2	76	73	-102	-29
Combined ratio (%)	92.7%	99.7%	97.5%	93.9%	104.6%	100.7%
- Loss ratio (%)	86.5%	92.7%	90.7%	87.2%	96.7%	93.1%
- Expense ratio (%)	6.2%	7.0%	6.8%	6.7%	7.9%	7.6%

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

Gross written premiums (USDm)



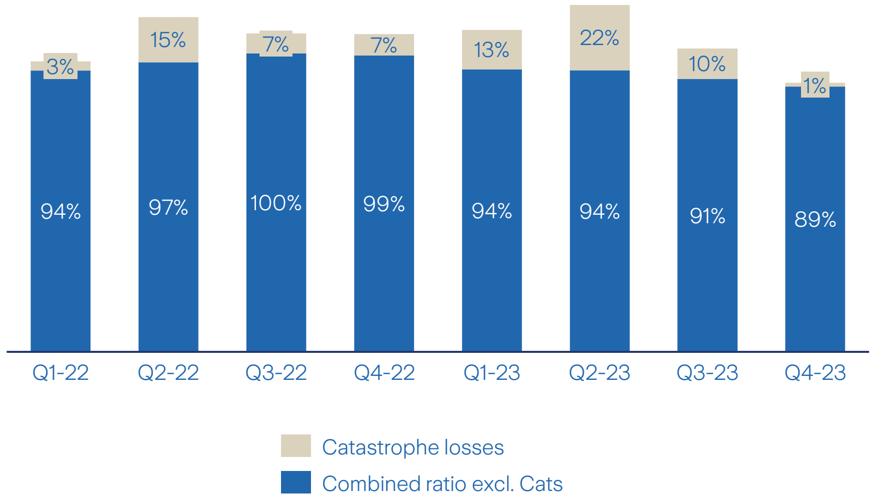
Policies-in-force (m)



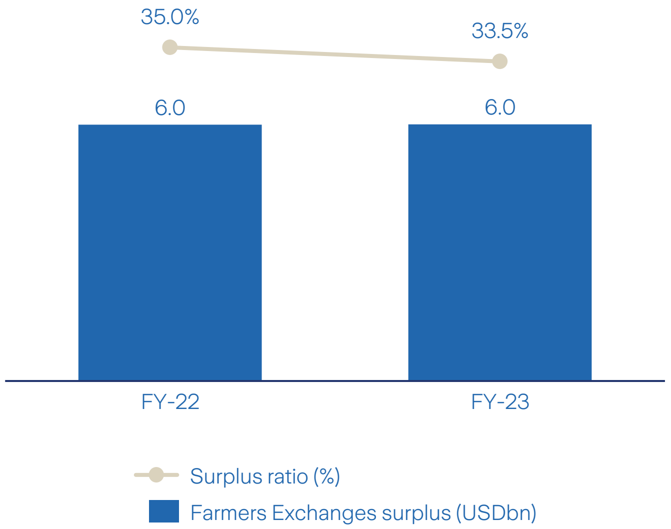
[1] For all references to Farmers Exchanges see the disclaimer and cautionary statement.

Farmers Exchanges[1] saw a strong improvement in underwriting results as 2023 progressed

Combined ratio (%)[2]



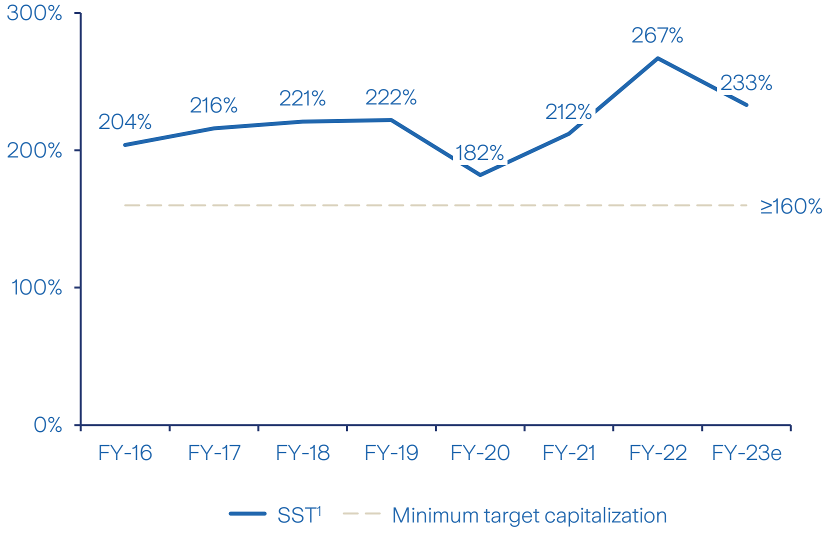
Surplus (USDbn, %)



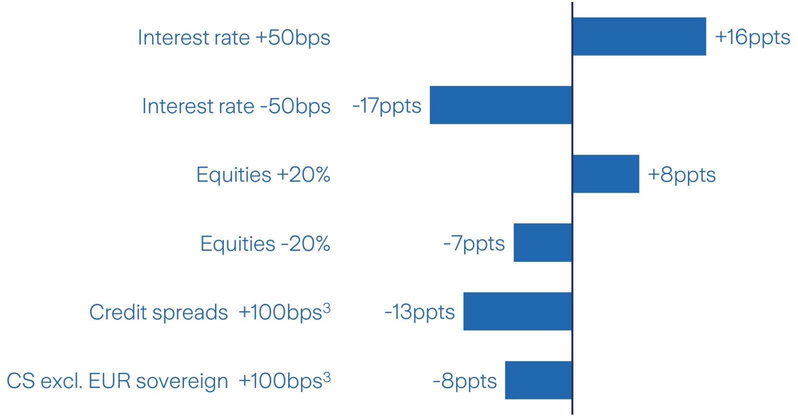
1 For all references to Farmers Exchanges see the disclaimer and cautionary statement.
2 Combined ratio before quota share reinsurance.

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

Group Swiss Solvency Test (%)[1]



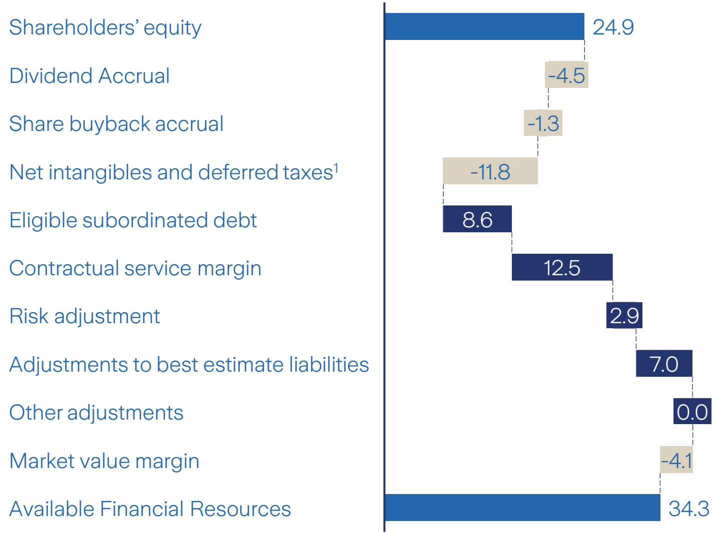
Q3-23 SST sensitivities impact (ppts)[2]



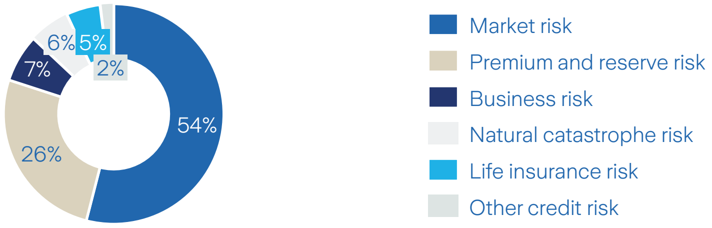
1 On Swiss Solvency Test (SST) see footnote on page 4.
2 Sensitivities are best estimates and include the impact on the pension plans in the UK. For the interest rate sensitivities, shocks are applied to the liquid part of the yield curve.
3 Credit Spreads (CS) include mortgages. CS sensitivities of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

Well diversified capital base by business segment

FY-23 Available Financial Resources (USDbn)



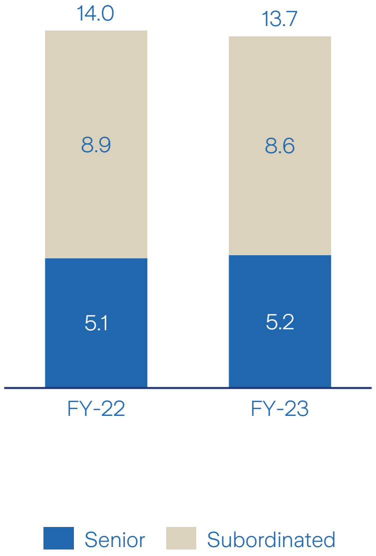
FY-23 Risk Capital Split (%)[2]



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.

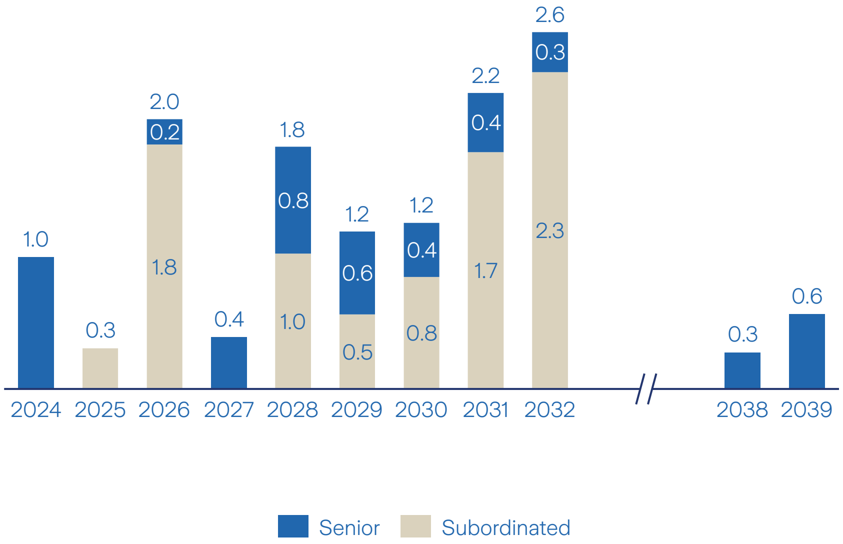
Low average debt cost and balanced maturity profile

Debt (USDbn) and average debt cost (%)



Average debt cost (%)	FY-22	FY-23
Subordinated	3.8%	3.9%
Senior	1.6%	1.8%
Total	3.0%	3.1%

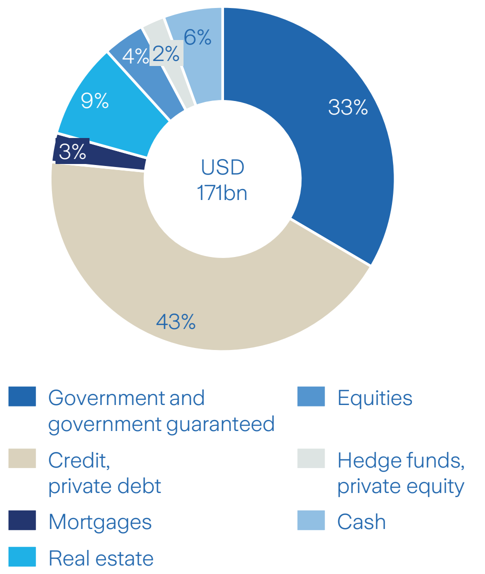
Balanced refinancing needs (USDbn)[1]



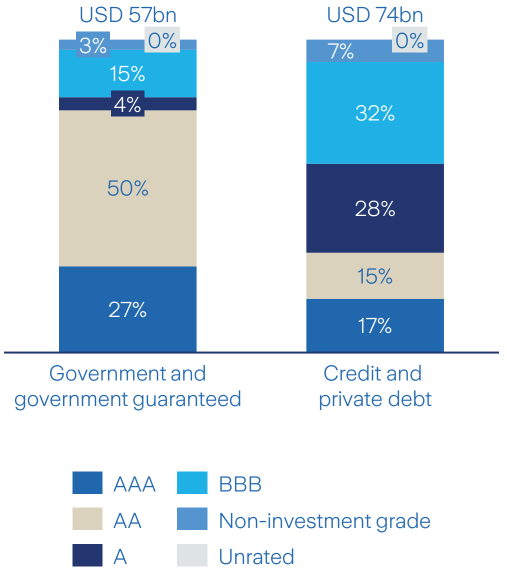
[1] Maturity profile based on first call date for subordinated debt and maturity date for senior debt, excluding commercial papers.

Well diversified and high-quality investment portfolio

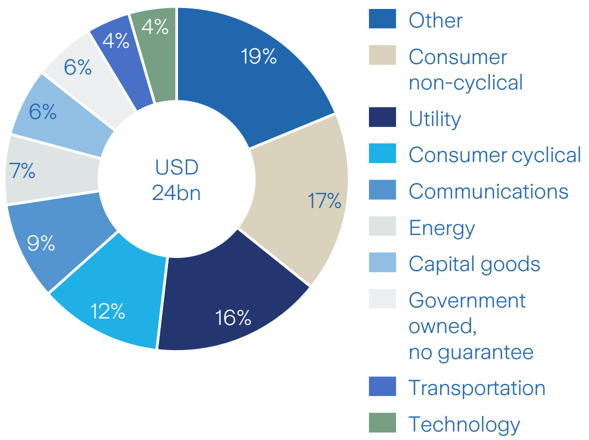
FY-23 Group investments (%)[1]



FY-23 asset quality (%)



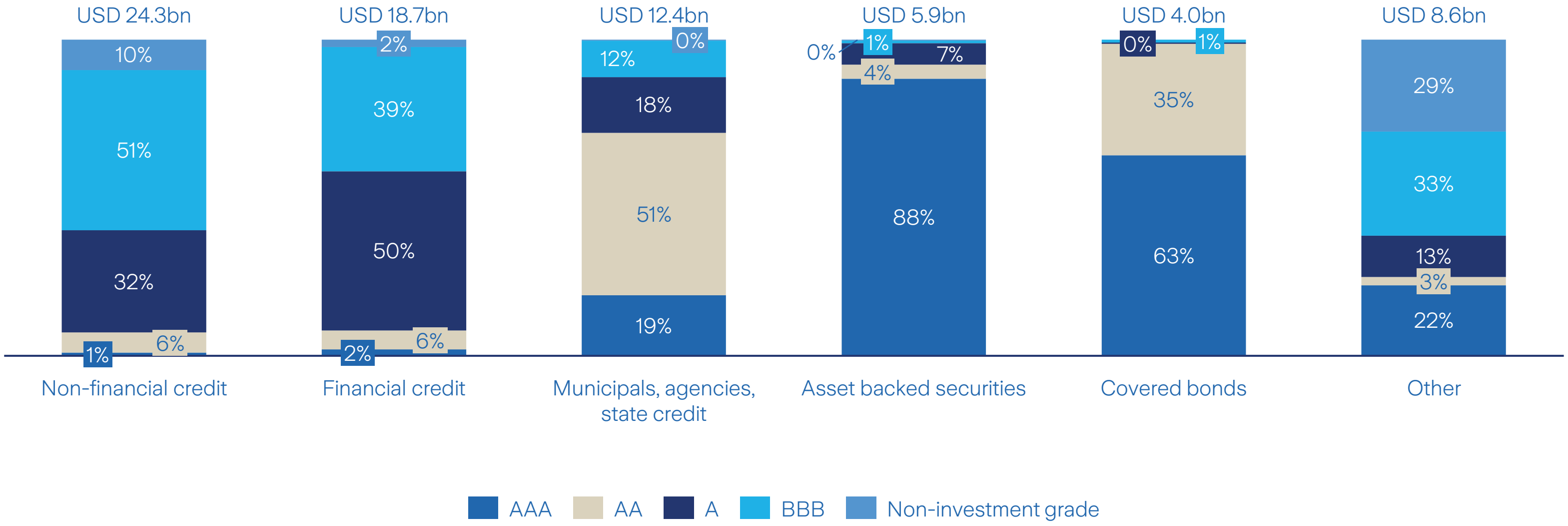
FY-23 non-financial credit (%)



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

Well diversified and high-quality credit and private debt exposure

FY-23 rating of credit and private debt securities (%)



Calculation of like-for-like growth

Like-for-like growth

Business	KPI	FY-22 (USDm)			FY-23 (USDm)				L-F-L[2] (%)
		Rep	M&A/Other	Adj	Rep	FX	M&A/Other[1]	Adj[1]	
P&C	GWP	41,435	-	41,435	44,401	827	-	45,228	9%
P&C	Insurance revenue	39,164	-	39,164	42,293	470	-	42,763	9%
Life – long term insurance	PVNBP	13,241	-	13,241	16,384	292	-	16,676	26%
Life – long term insurance	NB CSM	987	-	987	1,037	52	8	1,082	10%
Life – short term insurance	Insurance revenue	2,042	-	2,042	2,311	-8	88	2,216	9%
Life – investment contracts	Fee revenue	532	-	532	648	-14	-	634	19%

1 In constant rates. Includes also the effect of the reclassification of Zurich Global Employee Benefit Solutions from Group Functions and Operations to Life.
2 Like-for-like.

Other information

For further information

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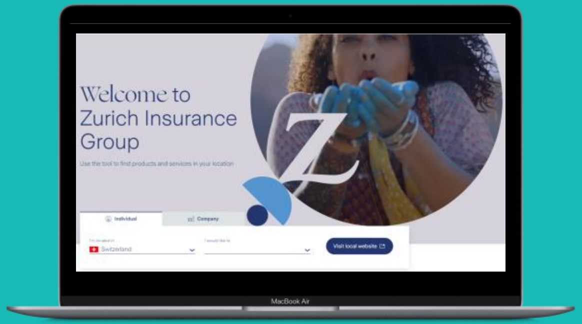

[Investor Relations website]

[Financial results and reports]

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Upcoming events

- March 15, 2024 – Annual Report 2023
- April 10, 2024 – Annual General Meeting 2024
- May 16, 2024 – Update for the three months ended March 31, 2024
- August 8, 2024 – Half year results 2024
- November 7, 2024 – Update for the nine months ended September 30, 2024
- November 21, 2024 – Investor Update